	City of Glendale	**No. 1**
	Finance Administrative Policy	

Title:	PROCUREMENT POLICY & PROCEDURES		
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SECTION 100 PURPOSE

The purpose of this Administrative Policy is to:

- Clarify and standardize the City's Procurement procedures.
- Provide for economy and efficiency in City Procurements.
- Maximize the value of money spent; and
- Provide safeguards that ensure the quality and integrity of the City's Procurement process.
- Allow the continued development of procurement policy and procedure
- Provide for a uniform system of control to enhance accountability and increase public confidence in City purchasing practices.

SECTION 200 APPLICATION

This policy is applicable to all City of Glendale employees, contract employees, temporary employees, agents, volunteers, and contractors, whether under the supervision of the City Manager or the Mayor and Council, unless otherwise specified.

Section 201 Exemptions

The determination of procurements considered exempt shall be made by the Finance Director.

The following types of procurements that by their nature are not applicable to the competitive process and therefore are exempt from the Procurement Policy. However, any procurements at or in excess of one hundred thousand dollars ($100,000.00) require formal Council approval.

A. Professional witnesses if the purpose of such contracts is to provide for professional services or testimony relating to an existing or probable judicial proceeding in which the City is or may become a party or to contracts for special investigative services for law enforcement purposes.

B. Agreements negotiated by the City Attorney or Risk Manager in settlement of a claim or litigation or threatened litigation are exempt from the provisions of this chapter.

C. Worker's compensation payments for medical and related expenses.

D. Works of fine art which are not physically a part of functional construction features, and performing art entertainment.

E. The purchase of miscellaneous books, magazines, newspapers, subscriptions, on-line library reference services, film, videos and assorted materials for library customer check-out purposes for which contracts by competitive bid solicitation is not practicable. Does not include major book provider contracts which are competitively bid.

F. Intergovernmental payments, purchases and agreements.

G. Public utility purchases of water, power and related services.

H. Specialized seminar, training and educational classes.

I. Magazine and media advertisement.

J. Financial advisory and investment broker/dealer and related services.

K. Election services;

L. Council initiated contracts.

M. Memberships in organizations.

N. Political lobbyist services.

O. Real estate (acquisition, lease, rental, title registration) appraisals (land/ building), & land purchases

SECTION 300 DEFINITIONS

In this policy, unless the context otherwise requires:

"Agency" means a business unit or organization and, more specifically, includes all departments, divisions, and offices of the City of Glendale, whether under the supervision of the City Manager or the Mayor and Council and all boards and commissions, unless otherwise provided by the Arizona Revised Statutes; and the employees, contract employees, temporary employees, agents, volunteers, and contractors of the business unit or organization, unless otherwise specified.

"Aggrieved person or entity" means an actual or prospective bidder or offeror whose economic interest may be affected substantially and directly by the issuance of a solicitation, the award of a contract or by the failure to award a contract. Whether an actual or prospective bidder or offeror has an economic interest will depend upon the circumstances of each case.

"Award" means an award of a contract for materials or services to a bidder or offeror approved by the City Council and/or the City Manager or designee.

"Best Interest of the City" means advantageous to the City of Glendale.

"Bid" means an offer to perform a contract for work and labor or supplying goods or services at a specified time.

"Bidding" means all construction contracts shall be awarded only after a public competitive bid in compliance with Title 34, Arizona Revised Statutes.

"Bid Bond" means a form of security, which indemnifies the City against a successful respondent's failure to execute the contract documents and proceed with performance.

"Bond" means a form of security in compliance with the Arizona Revised Statutes which indemnifies the City from various events.

"Capability" means capability at the time of contract award.

"Change Order" means a written proposal seeking to change certain terms of a contract such as the time or schedule of performance, the quantity of goods or services to be provided, the identification of a party's authorized representative or other changes that may be authorized and are already within the scope of the original contract. Any single or combination of change orders which do not increase the scope of work or the contract amount or increase it by less than $100,000 may be approved administratively. Change order(s) which alone or in combination increase the amount of a construction contract by one-hundred thousand dollars ($100,000) or more must be approved by an affirmative vote of the City Council.

"Manager" means the person designated or appointed as the City Manager by the City Council, or his/her designee.

"Construction" means a process of improving, altering, remodeling, or demolishing of any public structure, highway, bridge, building or public improvement of any kind to any real property. Construction does not include the routine operation, routine repair or routine maintenance of existing structures, highways, bridges or public property

"Construction-Manager-At-Risk" means a procurement method where two contracts are awarded for the design and the construction of a project. Design and construction may occur sequentially or concurrently.

"Contract" means all types of City agreements, regardless of what they may be called, for the procurement of materials, services, or construction or the disposal of City property.

"Contract Modification" means any written alteration in the terms and conditions of any contract accomplished by mutual consent of the parties to the contract.

"Contract Monitor" means any person duly authorized to manage, supervise, and monitor the execution of the terms and conditions of a contract.

"**Contractor**" means any person, entity, or agent having a contract with the City.

"**Cooperative Purchase**" means any procurement conducted by, or on behalf of, more than one (1) public or government agency or unit.

"**Cost**" means the actual or estimated cost of tangibles such as labor, materials, overhead, and other cost elements that have been incurred or that are expected to be incurred by the contractor in performing the contract.

"**Days**" means business days (unless otherwise specified) and shall be computed pursuant to A.R.S. 1-243.

"Debarment" means the disqualification of a vendor from participating in the City's bids solicitation process or receiving an award of a City contract for a period of up to three (3) years. The cause(s) of a debarment are enumerated in City Code Section 2-152.

"**Department**" shall be as indicated in the City Manager's official organizational chart (org-chart). Examples include Public Works Department, Community Services Department, Water Services Department, Police Department, Fire Department, etc.

"Department Head" means the Appointed Officials, Assistant City Managers, Fire and Police Chiefs, and any other individual designated as a Department Director or higher as documented in the City's organizational chart released by the City Manager's office.

"Design-Bid-Build" means a procurement method in which sequentially a consultant under one contract designs a project, the project is publicly bid, and the lowest responsible and responsive respondent constructs the project under a second and separate contract.

"Design-Build" means a procurement method where one contract is awarded for both the design and construction of a project. Design is normally accomplished prior to construction but, design and construction may occur simultaneously. There is a minimum project cost for horizontal projects specified in A.R.S. §34-603 before this procedure may be used.

"Design Specification" means a specification that sets forth physical characteristics in definitive terms.

"**Discussion**" means an exchange of information or any form of negotiation.

"**Emergency Purchase**" means any procurement when supplies or services are needed for a situation where the health, safety or welfare of the public is endangered if immediate corrective or preventative action is not taken.

"Good(s)" means all things (including special manufactured goods) which are movable at the time of identification to the contract for sale other than the money in which the price is to be paid.

"Grant" means the transfer of funds, property or services to a city governmental unit.

"**Informal Verbal Purchases**" means purchases of $1.00 and up to $9,999.99 that are not covered under an existing cooperative or City contract which require a minimum of three verbal quotations whenever practical.

"**Informal Written Purchases**" means purchases of $10,000 and up to $99,999.99 that are not covered under an existing cooperative or City contract which require a minimum of three written quotations whenever practical.

"**Interested Party**" means an actual or prospective bidder or offeror whose economic interest may be affected substantially and directly by the issuance of a solicitation, the award of a contract, or by the failure to award a contract. Whether an actual or prospective bidder or offeror has an economic interest will depend upon the circumstances of each case.

"Invitation for Bids" means all documents, whether attached or incorporated by

reference, which are used for soliciting bids in accordance with the procedures prescribed in the procurement policy.

"Linking Agreement" means a written agreement between the City and a vendor which uses a contract of another unit of government or cooperative purchasing entity to the City of Glendale. The City's agreement must comply with Section 2-149 of the City Code and its terms and conditions may not vary from the terms and conditions of the underlying cooperative purchasing contract.

"**Local Vendor**" means a vendor having an office within the corporate limits of the City or within the water and sewer service area of the City.

"**Minority Business Enterprise**" means a business which is at least 51% owned, operated and controlled on a daily basis by one or more (in combination) American citizens of the following ethnic minority and/or gender (e.g. woman-owned) and/or military veteran classifications: Women, African American, Hispanic, Asian, Asian Pacific Islander, American Indian, Alaskan Native and Service-Disabled Veteran.

"**Multiple Award**" means an award of separate contracts for one or more similar materials or services to more than one bidder or offeror.

"Multi-step Sealed Bidding" means a two-phase process consisting of a technical first phase composed of one (1) or more steps in which bidders submit unpriced technical offers to be evaluated by the City and a second phase in which those bidders whose technical offers are determined to be acceptable during the first phase have their priced bid considered.

"**Person**" means a natural person, firm, corporation, association, society, partnership, consortium, joint venture, commercial entity, nonprofit organization, governmental entity, political subdivision, or similar collection of individuals.

"**Plan**" means a design or the representation of anything drawn on a plan.

"**Procurement**" means purchasing, renting, leasing, or otherwise obtaining any good, or service. The term includes all functions that pertain to the obtaining of any good, or service, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. "Procurement" also means the Procurement Division of the Budget and Finance Department.

"**Procurement Officer**" means the person(s) holding the position of Finance Director, Procurement Administrator or Contract Analyst within the Procurement Division of the Budget and Finance Department.

"**Professional Services**" means services of those who through special learning or attainment have acquired intellectual skills and qualifications in a particular area of endeavor that has been generally accepted as a profession and which requires a prolonged course of specialized instruction and study, and may include, but is not limited to, attorneys; certified public accountants; clergy; dentists; physicians; nurses;

psychologists; teachers; veterinarians and health care facilities which provide a combination of professional and para-professional services.

"**Proprietary Specification**" means a specification that describes a material made and marketed by a person having the exclusive right to manufacture and sell such material and excludes other material with similar quality, performance of functional characteristics from being responsive to the solicitation.

"Purchase Card (P-Card)" means a credit card issued by the City of Glendale Procurement Division as an alternative payment method for designated employees to use at vendors/suppliers and any other authorized location the City selects.

"**Purchase Requisition**" means that document, or electronic transmission, whereby a using agency requests that a contract be entered into for a specific need, and may include, but is not limited to, the description of the requested item, delivery schedule, transportation data, criteria for evaluation, and suggested sources of supply.

"**Purchasing Department**" means the Procurement Division of the Budget and Finance Department of the City of Glendale.

"**Responsible Bidder or Offeror**" means a bidder or offeror who has the capability to fully perform the contract requirements, and the reliability which will assure good faith performance.

"**Responsive Bidder or Offeror**" means a bidder or offeror who has submitted a bid or proposal which conforms in material respect to the solicitation.

"Request for Information" means a business process for the purpose of collecting written information about the capabilities of various suppliers.

"Request for Proposals" means all documents whether attached or incorporated by reference, which are used for soliciting proposals in accordance with procedures described in the procurement policy.

"Request for Quotations" means all documents, whether attached or incorporated by reference, which are used for soliciting quotations in accordance with procedures prescribed in the informal procurement process.

"Request for Statement of Qualifications" means all documents, whether attached or incorporated by reference, which are used for soliciting Statement of Qualification submittals for professional or construction services that will be evaluated solely upon the basis of the qualifications of the offerors.

"Senior Managers" means Assistant Directors, Administrators, Assistant Fire and Police Chiefs, Chief Information Officer, and any other individual designated as Assistant Director or higher.

"**Service**" means the furnishing of labor, time or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term does not include "Professional Services and Technical Registrants" such as architects, lawyers, certified public accountants, consultants, appraisers, and engineers, or employment agreements or collective

bargaining agreements.

"**Sole Source Procurement**" means a procurement where competition is not available and there is only one (1) known source for the supply or service.

"**Solicitation**" means an Invitation for Bids, a Request for Statements of Qualification Offers, a Request for Proposals, a Request for Quotations, or any other invitation or request by which the City invites a person to participate in a procurement.

"**Specification**" means any description of the physical or functional characteristics, or of the nature of, a good, or service being procured. This includes descriptions of the scope of work for a service to be provided. The term may include a description of any requirements for inspecting, testing, or preparing a good, or service for delivery.

"Special Procurement" means a method to accomplish procurements, without competition, when the use of another method would not be likely to result in a lower price to the City or would cause unnecessary expense or delay under the circumstances.

"Standard Commercial Material" means material that, in the normal course of business, is customarily maintained in stock or readily available by a manufacturer, distributor or dealer for the marketing of such material.

"Surplus" means goods or materials that are obsolete or in excess of those items no longer needed or used by the City. Under Section 2-171 of the City Code, the City may sell, lease, trade, donate or otherwise dispose of surplus or obsolete personal property in any manner or on any terms and conditions deemed in the City's best interest.

"**Suspension**" means an action taken by the Finance Director temporarily disqualifying a person from participating in City procurement. A suspension may continue for a period of up to twelve (12) months.

"Technical Registrant" means "Architect services", "Engineer services", "Land Surveying services", "Geologist services" and "Landscape Architect services" and those professional services within the scope of the practice of those services as provided in A.R.S. §32-101.

"2-digit Department" means the budget level at which the appropriation is set. Directors are assigned to the 2-digit departments under their authority.

"4-digit Division" means the code which tracks the expenditures of each business unit within the 4-digit department.

SECTION 400 RESPONSIBILITY FOR PURCHASES

401 Finance Director Generally

A. The Finance Director shall be responsible for the administration of the purchasing department as described in Article VIII, Section 3, of the City Charter, which shall be the Procurement Division of the Budget and Finance Department. The Finance Director shall have general oversight of the purchasing department.

B. The Finance Director shall have the powers generally granted in Sections 2-139, 2-140, 2-142, 2-143, 2-145, 2-146, 2-147, 2-148, 2-149, 2-151, 2-152, 2-171, 2-173 and 2-174 of the City Code and it shall be, among other things, his/her duty:

1. To procure and contract for goods and services including rentals, service agreements, and leases needed by any City department, in accordance with the City Code and such procurement procedures as prescribed by this Section and according to any administrative rules, forms and policies established by the Finance Director, in consultation with the City Manager, deems are necessary for the efficient management and operation of the Procurement Division.
2. To recommend the suspension or debarment of vendors. When suspension or debarment is recommended, a statement of the reason for suspending or debarring such vendor and the length of time such action remains in effect shall be prepared by the Finance Director in writing and transmitted to the City Attorney. Upon the City Attorney's approval, the Finance Director shall notify the vendor by letter containing an option to appeal and appear before a review board committee consisting of the Finance Director, City Manager or designee, and originating or contracting City department.
3. The Finance Director shall prepare, in cooperation with the City departments, written standards and specifications for goods and services.
4. The Finance Director, after consultation with the City attorney, may add, amend, modify or delete the City's existing standard contractual terms, conditions, provisions and clauses for all forms used to procure and contract for goods and services, provided that such modifications, deletions or additions are supported by a written determination.

402 Inspection and Testing.

A. The Finance Director shall supervise the inspection or testing of deliveries of supplies or performance of services to determine their conformance with specifications.

B. The Finance Director may authorize staff to inspect all facilities and deliveries made to them.

C. The Finance Director shall have authority to require chemical and physical tests of samples submitted and samples of deliveries which are necessary to determine their quality and conformance with the specifications. In the performance of such tests, the Finance Director shall have the authority to make use of laboratory facilities of any City department or of any outside laboratory.

D. The Finance Director shall have authority to monitor and inspect the performance of a contractor to determine compliance to the City or contract's specifications.

403 Written Determination

Each written determination shall specify the reasons for the determination. The Finance Director is authorized to prescribe methods and operational procedures to be used in preparing written determinations. Each written determination shall be stored in the applicable solicitation or procurement file.

404 Prospective Bidders List

Procurement will use the prospective bidders list in the City's vendor registration system and publish a public notice detailing specific bid requests. Forms of notice include but are not limited to newspaper advertisement, periodical advertisement, and the internet (specifically the City's web page).

405 Unauthorized Purchases

Except as otherwise provided in this division, no City employee, official, agent or contractor shall order the purchase of goods or services or make contracts in the name of a department or the City other than through the Procurement Division. See Sections 1100 Direct Payments and 1200 Petty Cash & Miscellaneous for exceptions to the purchase order requirement, Purchases or contracts made contrary to the provisions hereof are not approved, and the City is not bound thereby.

SECTION 500 PROCUREMENT ETHICS

501 General

It is the policy of the City to promote courtesy, fairness, impartiality, integrity, service, professionalism, economy, and government by law in the procurement process. The responsibility for implementing this policy rests with each individual who participates in the procurement process, including employees and other agents of the City, respondents and contractors.

502 Employee Responsibilities

Public employees responsible for the expenditure of public funds have a responsibility to ensure that their conduct will not violate the public trust placed in them. They must make certain that their conduct does not raise suspicion or give the appearance that they are in violation of that public trust. Employees and agents of the City having responsibility for procurement at all levels shall:

- Encourage competition, prevent favoritism, and obtain the best value in the interest of the City and the public.
- Place professional responsibilities above personal interests.
- Ensure fair, competitive access to City procurement opportunities.
- Deal with the public and contractors with courtesy, consideration, and even-handedness.
- Use information gained confidentially in the performance of City duties solely in the City's interest.
- Disclose actual or potential conflict of interest to their Department Head and others, in accordance with Human Resources Policy 506.

- Recuse themselves from any specific procurement for which there is a conflict.

503 Requirements of Non-restrictiveness

A. To the extent practicable and unless otherwise permitted by this policy, all specifications shall describe the City requirements in a manner that does not necessarily exclude a vendor, contractor, material, service, good or item.

B. Proprietary specifications shall not be used unless the Finance Director determines in writing that such specifications are required by demonstrable justification and that it is not practicable or advantageous to use a less restrictive specification.

C. Past success in the materials performance, traditional purchasing practices, or inconvenience of drawing specifications do not justify the use of proprietary justifications.

D. To the extent practicable, the City shall use accepted commercial specifications and shall procure standard commercial materials, including recycled materials when feasible.

E. Notwithstanding the provisions of these Procurement Guidelines, the Finance Director retains the authority to approve or disapprove all specifications.

504 Conflict of Interest

A. No person preparing specifications pursuant to this policy shall receive any direct or indirect benefit from the use of such specifications; or be eligible to bid on the same specifications when issued. Refer to HR Policy #509.

B. The Finance Director may contract for the preparation of specifications with persons other than City personnel, including, but not limited to consultants, designers, and other draftsmen of specifications.

C. If a person prepares a specification pursuant to this policy, such person shall comply with all other requirements of this policy and HR Policy #506. As defined above, "Person" includes any natural person, firm, corporation, association, society, partnership, consortium, joint venture, commercial entity, nonprofit organization, government entity, political subdivision, or similar collection of individuals, including any contractor, subcontractor, agent or other person retained to prepare the specifications, scope of work, work plan, or similar document used in the preparation, issuance or evaluation of a bid solicitation or other procurement process.

505 Debarment or Suspension

A. After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the Finance Director, after consultation with the City Attorney, shall have authority to debar a person or contractor for cause from consideration for award of contracts. The debarment may be for a period of up to three years.

The Finance Director, after consultation with the City Attorney, shall have authority to suspend a person or contractor from consideration for the award of contracts if

there is probable cause for debarment. The suspension shall continue for a period of up to twelve months.

B. The causes for debarment or suspension include the following:

1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
2. 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 which currently, seriously, and directly affects responsibility as a contractor;
3. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;
4. Violation of contract provisions, as set forth below, of a character which is regarded by the Finance Director to be so serious as to justify debarment action:
    i. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
    ii. A 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;
    iii. On-going investigation or legal proceedings against the person or contractor brought by a third party or on-going investigation by or litigation with the City; or
    iv. Any other cause the Finance Director determines to be as serious and compelling as to affect responsibility as a contractor, including debarment by another governmental entity.

C. The Finance Director shall issue a written decision to debar or suspend. The decision shall:

1. State the reasons for the action taken; and
2. Inform the debarred or suspended person involved of its rights to protest the decision.

D. A copy of the decision under this section shall be mailed or otherwise furnished immediately to the debarred or suspended person and any other party

intervening.

E. The decision of the Finance Director shall be final except that a debarred or suspended person shall have the right to protest in accordance with the Protest and Hearing procedures covered in section 800.

SECTION 600 PROCUREMENT AND SOLICITATION METHODS

601 General Provisions

A. The Procurement Methods generally available to City agencies are:
- Small Dollar
- Informal
- Formal
- Sole Source Selection
- Special Procurement Selection
- Emergency Purchase
- Cooperative Purchase

B. The types of Solicitations generally available to City agencies are:
- Request for Proposal (RFP)
- Invitation for Bid (IFB)
- Request for Written Quote (RFQ)
- Request for Statements of Qualifications (RSOQ)
- Request for Information (RFI)

C. A procurement officer shall not award a contract or incur an obligation on behalf of the City if sufficient funds are not available or reasonably anticipated to be available.

D. Any bid or proposal that is conditioned upon award to the bidder or offeror of both the particular contract being solicited and another City contract shall be deemed non-responsive or unacceptable.

E. By submitting an offer, bid, or proposal, contractors agree not to discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractors will require any sub-contractor to adhere to the same requirements as stated within this section. Contractor, and on behalf of any sub-contractors, warrants compliance with this section.

602 Calculating the Estimated and Actual Value of a Procurement

A. The estimated value of the procurement must be calculated in order to determine whether the procurement will follow the Small Dollar, Informal or Formal method. If, actual value of the initial procurement is found to be over the Small Dollar or Informal limit, the procurement shall be conducted using a Formal procurement method.

B. The estimated or actual value of a procurement may be calculated by type of

service or supply. The value of procurements contracted or awarded for different services or goods do not need to be aggregated by vendor if that vendor provides more than one type of good or service.

C. The estimated or actual value of a procurement may be calculated on a per-department basis. The value of procurements contracted or awarded by different City departments do not need to be aggregated for the purpose of determining the procurement method.

D. At least once per year, the Finance Director will review spending patterns by vendor, service, and supply across all departments to determine if it is in the best interest of the City to aggregate spending across the departments and use a Formal purchase method for future procurements of a particular service or supply.

E. The estimated value of a single lot or one-time buy shall be calculated by assessing the total value of the item(s) or service(s) including any cost for tax and including any cost for freight, installation and any other miscellaneous costs.

F. The estimated value of all scopes of work (SOW) and contracts is to be calculated including any tax, freight, installation or other miscellaneous costs.

G. The calculation of the estimated value of a contract shall include the current anticipated contract term, any future anticipated related purchases and/or contract extensions, and prior purchases with the same vendor for the same service and or supplies.

H. All procurements must avoid the purchase of unnecessary or duplicative items. Minority Business Enterprises.

I. The Finance Director shall take steps to strive to locate Minority Business Enterprises (as defined in this policy) interested in doing business with the City of Glendale, including local vendors. Procurement will periodically review awards for compliance with this policy on Minority Business Enterprises.

J. Whenever practical, a purchaser of goods and services estimated to cost more than $9,999.99 and less than $99,999.99 shall obtain at least one of the three required price quotes from a Minority Business Enterprise. Any request for quotation that requires verbal or written responses from an offeror shall request that either the offeror self-certify in their response to the City that they are a Minority Business Enterprise or the purchaser must clearly state on the requisition that the business is certified with an organization such as, but not limited to, the City of Phoenix's Equal Opportunity Department, the Grand Canyon Minority Supplier Development Council or a minority Chamber of Commerce.

K. Directories of Minority Business Enterprises shall be available for City-wide use through the Procurement Intranet site. If the directories do not contain a vendor for the supply or service, contact Procurement for possible additional vendors. If a Minority Business Enterprise cannot be identified for the required supply or service, the purchaser must state in the purchase requisition that they attempted to locate a vendor but were unsuccessful.

L. Award of purchases shall be made to the offeror, which best meets the needs of, and is most advantageous to the City.

M. In the following circumstances, it is determined to be impractical for the requester to identify Minority Business Enterprises in the informal quotation process:

1. Purchases not expected to exceed $9,999.99.
2. Sole Source purchases as described in Section 704.
3. Special Procurements as described in Section 705.
4. Emergency purchases as described in Section 706.

SECTION 700 PROCUREMENT PROCEDURES

701 Small Dollar Purchases

A. Procurement of supplies and services up to $9,999.99 are defined as Small Dollar purchases which may be made by seeking competition, such as calling for quotes and shopping around at different suppliers, or by direct purchase, provided it is determined that the price is fair and reasonable.

B. The City's Purchase Card (P-Card) is the preferred method of payment for Small Dollar purchases up to $5,000. Additional information about P-Card policies and procedures can be found in the City's Procurement Card (P-Card) Procedures Manual.

C. For purchases up to $9,999.99, Procurement shall prescribe procedures for obtaining verbal quotes and maintaining adequate records to facilitate periodic audits.

1. Departments may issue request for quotes which includes specifications and offer due date, after which no further quotes will be accepted, unless the department extends the offer due date.
2. Price quotes and other confidential information submitted by vendors shall not be shared with other competitors during this process.
3. Award shall be made to the responsible bidder submitting the quotation which is most advantageous to the City and conforms to the solicitation.
4. Departments shall not artificially divide or split purchases to circumvent the requirements of this section.

702 Informal Purchases

702-1 Informal Procurement

A. Procurement of supplies and services, when the cost is $10,000.00 or more and up to $99,999.99 may be made using verbal quotations. Written quotations are optional and preferred.

B. If practical, purchases estimated at a value of at least $10,000.00 and up to $99,999.99 shall be made in accordance with the following procedures:

1. Departments shall issue requests for quotations which includes

specifications and closing dates, after which no further quotations will be accepted, unless the department extends the closing date.

2. A reasonable number of vendors, and not less than three, shall be solicited to submit informal written quotations.
3. Vendors or suppliers may submit quotes in one format approved by the Procurement Officer, in which case the quotes shall be recorded and placed in the procurement file.
4. Price quotations and other confidential information provided by vendors shall not be shared with other competitors during this process.
5. At a minimum, quotations shall be solicited from any vendor who specifically registered to supply that commodity.
6. Award shall be made to the responsible bidder submitting the quotation which is most advantageous to the City and conforms to the solicitation in consideration of the following.
    i. Price.
    ii. The ability, capacity and experience of the proposer to perform the contract.
    iii. Whether the proposer prospective vendor can perform the contract promptly or within the time specified, without delay or interference.
    iv. The quality of performance of previous contracts.
    v. The sufficiency of the financial resources of the proposer to perform the contract.
    vi. The quality and adaptability of the materials, supplies or services to the particular use required.
7. Departments shall keep a record supporting documentation and submit with the requisition request.
8. Departments shall not artificially divide or split purchases to circumvent the requirements of this section.
9. If only one responsive quotation is received, a statement shall be included in the contract file setting forth the basis for determining that the price is fair and reasonable Based on previous purchases and price lists.

702-2 Request for Information (RFI)

A. The Procurement Officer may issue a Request for Information to obtain data about services or materials available to meet a specific need of the City.

B. The City may issue a Request for Information to obtain price, delivery, technical

information or capabilities for planning purposes.

C. Responses to a Request for Information are not offers and cannot be accepted to form a binding contract.

D. Information contained in a response to a Request for Information shall be considered confidential until the procurement process is conducted or after two years, whichever occurs first unless authorized by the Finance Director.

E. There is no required format to be used for Requests for Information. Generally, the format used should allow for comparative purposes.

703 Formal Purchases

703-1 Formal Procurement

A. Procurements of goods and services when the cost is $100,000 or more shall be made by Formal methods as described in Sections 703 through 708 this policy and any applicable federal and state laws, rules and regulations except as provided for herein.

B. Formal procurements must be publicly advertised in a newspaper of general circulation.

C. Formal procurements must be approved by the City Council that are valued at $100,000 or more after legal approval is provided.

D. **Calculation of value.** The threshold shall be calculated using all goods and services and all initial and extension terms available under one contract (i.e., all amounts of compensation available for the life of the contract).

E. The amount of any applicable sales, transaction privilege or use tax of this City shall not be a factor in determining the net lowest bidder or the most advantageous proposal. (Source: A.R.S. 41-2533(G) and 41-2534(G))

F. No contract or procurement shall be subdivided to avoid the requirements of this section.

703–2 Solicitation Request

A. When a City department determines goods or services are needed, and the estimated value of the procurement meets the formal procurement limits, the department shall prepare a Solicitation Request, on a form or in the manner prescribed by the Finance Director and submit it to Procurement.

1. Departments shall determine that funding sources are available prior to initiating the solicitation process.
2. The Procurement Officer may not accept the Solicitation Request form if funding is not confirmed.
3. A City department, after discussion with a Procurement Officer, may elect to use a formal procurement method at any time, regardless of the estimated value of the procurement.

B. Upon receipt of a solicitation request, a procurement officer is authorized to determine the form and manner in which the procurement shall be solicited, except as otherwise provided in this policy.

C. The Procurement Officer shall reject the solicitation request, if after consultation with the requesting City department; the procurement officer determines that it is not advantageous to the City or that the purchase request is outside the agency's adopted budget authority. The determination shall state the reasons for the rejection and shall accompany the returned solicitation request.

D. Disagreements between a City department and the procurement officer concerning actions taken shall be brought to the Finance Director for resolution.

E. The Procurement Officer must maintain records sufficiently detail the history of the solicitation in a procurement file that follows the City's record retention policy. The file shall include but is not necessarily limited to the following: solicitation request form, proof of advertising, solicitation, proposals, evaluation committee scores, final consensus, and notice of intent to award.

703-3 Request for Proposals (Sealed proposals)

A. Request for Proposals (RFP) shall set forth all specifications for the services or supply needed, including but not limited to:

1. The type of services required, and a description of the work involved.
2. The type of contract to be used;
3. The estimated duration that the service or supply will be required.
4. That offerors may designate portions of the proposals as proprietary or confidential;
5. That discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award, but that proposals may be accepted without such discussions;
6. The minimum information that the proposal shall contain; and
7. The closing date and time for receipt of proposals.

B. Any changes to the RFP templates shall be approved by the Finance Director.

C. The effective date of issue of the RFP shall be the date it is published in the City's online bid system and shall be at least fourteen (14) days before the offer due date and time.

D. Notice of the RFP shall also be advertised in a newspaper of general circulation at least fourteen (14) days before the offer due date and time.

E. The Procurement Officer shall conduct one or more pre-proposal conferences. If a pre-proposal conference is conducted, it must be at least seven (7) days before the offer due date and time, unless the Procurement Officer makes a written determination that the specific needs of the City justify a shorter time. Statements

made during the pre-proposal conference are not amendments to the solicitation.

F. If necessary, and before submission of initial proposals, amendments to RFP's shall be made by issuing an addendum to the original RFP at least five (5) business days prior to the closing date and time for receipt of the proposals.

G. SELECTION OF THE EVALUATION COMMITTEE

1. An evaluation committee of not less than three diverse members shall be formed during the preparation of the RFP or prior to the distribution of the proposals. To limit the potential of unconscious bias during the procurement process, the committee shall consist of members from multiple City departments and may also include members from another municipality or government agency.
2. The Procurement Officer shall ensure that no conflict of interest exists within the evaluation committee. Each evaluator will confirm they have no conflict of interest prior to receiving offerors proposals to evaluate.
3. The Procurement Officer shall determine the final composition of the evaluation committee. Each committee member shall remain anonymous.
4. The Procurement Officer shall inform the evaluation committee of their roles and responsibilities and provide guidance throughout the evaluation process.

H. RECEIPT OF PROPOSALS

1. Each proposal received shall be stamped and retained in the online bid system or in a secure place until the closing date and time for receipt of proposals.
2. Proposals shall not be opened publicly but shall be opened after the offer due date and time has expired. A register of proposals shall be prepared and shall set forth the name of each offeror and the identity of the Request for Proposals for which the proposal was submitted.
3. The contents of the proposals shall not be disclosed to unauthorized persons. Proposals and modifications may be furnished to persons assisting Procurement in the evaluation.
4. If only one proposal is received in response to a Request for Proposals, the procurement officer may either:
    i. Make an award in accordance with Section 703-3(Q)
    ii. Reissue the RFP
    iii. Award the contract to the offeror and prepare a written determination that the price submitted is fair and reasonable, the offer is responsive, and the offeror is responsible.
5. If no proposal is received, the Procurement Officer may either:

i. Cancel the RFP
ii. Make a determination to reissue the RFP
iii. Recommend a Special Procurement process found in Section 705.

I. CLARIFICATION OF OFFERS

1. The purpose of clarifications is to provide a greater mutual understanding of the offer. Clarifications are not negotiations and material changes to the RFP or offer shall not be made by clarification.
2. The Procurement Officer may request clarifications from offerors at any time after receipt of offers. Clarifications may be requested orally or in writing. If clarifications are requested orally, the Procurement Officer shall confirm the request in writing. A request for clarifications shall not be considered a determination that the offeror is susceptible for award.
3. The Procurement Officer may request clarifications from offerors at any time after receipt of offers. Clarifications may be requested orally or in writing. If clarifications are requested orally, the Procurement Officer shall confirm the request in writing. A request for clarifications shall not be considered a determination that the offeror is susceptible for award.

J. LATE OFFERS, MODIFICATION OR WITHDRAWAL OF OFFER

1. An offeror may modify or withdraw its offer any time before the offer due date and time. If a written request to withdraw the offer is received, the Procurement Officer shall add the written notice of the request in the procurement file as a record of the modification or withdrawal.
2. If an offer, modification, or withdrawal is received after the offer due date and time, the Procurement Officer shall consider the offer, modification, or withdrawal as late.

K. MISTAKES DISCOVERED BEFORE AND AFTER AWARD

1. If a material mistake is made in an offer, or is discovered after opening and before award, the Procurement Officer shall contact the offeror for written clarification. The Procurement Officer may permit a correction or withdrawal in writing.
2. If a material mistake in the offer is discovered after the award, the offeror may request withdrawal or correction in writing and shall explain the mistake and any other relevant information. The Procurement Officer may:
   i. Allow correction of the mistake, if it is determined to be in the City's best interest.
   ii. Cancel all or part of the award; or
   iii. Deny correction or withdrawal.
   iv. If the offer acceptance period has not expired, Award all or part of the contract may be awarded to the next highest responsible

and responsive offeror.

L. DISCUSSIONS WITH INDIVIDUAL OFFERORS

1. The Procurement Officer may conduct discussions with an offeror. The purpose of discussions is for clarification of the proposal to assure full understanding of, and responsiveness to, the RFP requirements.
2. The Procurement Officer shall establish procedures and schedules for conducting discussions with an offeror. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals. Disclosure of one offeror's price to another and any information derived from competing proposals is prohibited. Any clarification of a proposal by the offeror shall be in writing. The Finance Director shall keep a record of all discussions.

M. BEST AND FINAL OFFERS

1. The Procurement Officer may issue a written request for best and final offers. The request shall set forth the date, time and place for the submission of best and final offers.
2. Best and final offers shall be requested only once, unless the Procurement Officer makes a written determination that it is advantageous to the City to conduct further discussions or change the City's requirements.
3. The request for best and final offers shall inform offerors that, if they do not submit a notice of withdrawal or a best and final offer, their immediately previous offer will be construed as their best and final offer.

N. CANCELLATION OF FORMAL SOLICITATION

1. Before the Offer Due Date and Time
    i. A formal solicitation may be cancelled at the Procurement Officer’s discretion.
    ii. The Procurement Officer shall notify Offerors of the cancellation in writing before the offer due date and time.
    iii. Any or all proposals may be cancelled or may be rejected in whole or in part by the Procurement Officer. Documentation for the cancellation or rejection shall be made as part of the procurement file.
    iv. No proposals, if received prior to offer due date and time, shall be opened after cancellation. If a solicitation requires hardcopy proposals be submitted, all offers received must be shredded and discarded five (5) days from the notice of cancellation unless the Offeror requests the offer to be returned.
2. After Receipt of Offers and Before Award
    i. A formal solicitation may be canceled after the offer due date and time at the Procurement Officer’s discretion.

ii. The Procurement Officer shall prepare a written justification for the cancellation. Documentation for the cancellation shall be made part of the procurement file.
iii. The Procurement Officer shall notify offerors and evaluation members of the cancelation in writing.
iv. If a solicitation requires hardcopy submittal of proposals, all offers received must be shredded and discarded five (5) days from the notice of cancellation unless the Offeror requests the offer to be returned.

O. EVALUATION AND CONTRACT AWARD WHERE PRICE IS AN EVALUATION FACTOR

The procurement officer shall evaluate the price of proposals using the criteria specified in the RFP and report the outcome to the committee after all evaluator scores have been documented. The committee should be prepared to ask questions about the pricing evaluation and the procurement officer should be prepared to answer such questions.

P. SELECTION AND CONTRACT WHERE PRICE IS NOT AN EVALUATION FACTOR

1. If price is not an evaluation factor, the procurement officer or committee shall evaluate the proposals submitted. After evaluation, a determination shall be made that provides a ranking of the three most qualified acceptable offeror proposals.
2. The Procurement Officer will request the cost or pricing data from those offerors determined to be best qualified.
3. The Procurement Officer shall negotiate a contract with the best qualified offeror at compensation determined in writing to be fair and reasonable.
4. If Procurement and the best qualified offeror fail to negotiate a contract, Procurement shall notify the offeror in writing of the termination of negotiations. Procurement may then enter into negotiations with the next most qualified offeror. If negotiations fail, they shall be terminated, the offeror given notice and negotiations commenced with the next most qualified offeror. If Procurement is unable to negotiate a contract with any of the offerors initially selected as the best qualified offerors, proposals may be resolicited, or additional offerors may be selected based on original, acceptable proposals in the order of their qualification ranking. Negotiations may continue until a contract is awarded.
5. If a multiple award is to be made, the evaluation committee shall evaluate the proposals submitted, rank the most qualified offerors, and award contracts to as many offerors as is determined advantageous to the City. The basis for award shall be maintained in the procurement

file.

6. A written record in a manner prescribed by the Finance Director shall be maintained in the procurement file.
7. A written notice of award, or recommendation for award, shall be sent to all the responsive Offeror's. Notice of award shall be made available to the public.

Q. PROPOSAL AWARD

1. The determination shall explain the basis for the recommended award.
2. The Procurement Officer shall award a contract to the offeror whose proposal is determined in writing to be most advantageous to the City for those procurements which do not exceed the informal procurement limit of
   $99,999. If it exceeds the informal limit of $99,999, a notice of intent to award will be recommended to the offeror whose proposal is determined in writing to be most advantageous to the City based on the factors set forth in the RFP. Final award is subject to approval by City Council.
3. After the evaluation process has been completed or after rejection of all proposals, the proposals may be opened for public inspection except to the extent that the withholding of information is permitted or required by law.
   i. If the offeror designates a portion of its proposal as confidential or proprietary, the offeror shall clearly mark any proprietary information contained in its bid with the words "Proprietary Information."
   ii. Offerors shall not mark any Solicitation Form as proprietary.
   iii. Pricing data shall not be considered proprietary.
   iv. Marking all, or nearly all, of a bid as proprietary may result in rejection of the bid.
4. By submission of an offer, Offerors acknowledge that the City is required by law to make certain records available for public inspection. In the event that the City receives a request for disclosure of Proprietary Information by any person, court, agency or administrative body, or otherwise has a reasonable belief that it is obligated to disclose the Proprietary Information to any such person or authority, the City will provide Offeror with prompt written notice so that Offeror may seek a protective order or other appropriate remedy. The Offeror, by submission of materials marked Proprietary Information, acknowledges and agrees that the City will have no obligation to advocate for non-disclosure in any forum or any liability to the Offeror in the event that the City must legally disclose Proprietary Information.

703-4 Invitation for Bids (Sealed bidding)

A. For competitive sealed bidding, Procurement shall issue an Invitation for Bids (IFB) on a form or in the manner prescribed by the Finance Director.

B. Procurement shall provide notices of the availability of the IFB in a newspaper of general circulation at least 14 days prior to the IFB due date and time. The closing date of the IFB shall be not less than fourteen (14) days before the receipt of bids unless a shorter time is determined to be necessary in writing by the Finance Director.

C. The Procurement Officer may conduct one or more pre-bid conferences. If a pre-bid conference is conducted, it shall not be less than seven (7) days before the offer due date and time, unless the Procurement Officer makes a written determination that the specific needs of the City justify a shorter time. Statements made during the pre-bid conference are not amendments to the solicitation.

D. If only one responsive bid is received in response to an IFB, an award may be made to the single bidder if the procurement officer determines that the price submitted is fair and reasonable, and that either other prospective bidders had reasonable opportunity to respond, or there is not adequate time to reissue the IFB. Otherwise, the bid may be rejected at the discretion of Procurement. New bids may be solicited; or the proposed procurement may be canceled.

E. The Procurement Officer may cancel an IFB, in whole or in part, at the City's discretion. Documentation for the cancellation or rejection shall be made part of the procurement file. The Procurement Officer shall notify all bidders of the cancellation in writing. All offers received must be discarded and shredded within five (5) days from the notice of cancellation unless the Offeror requests the offer to be returned.

F. RECEIPT, OPENING, AND RECORDING OF BIDS
   1. Each bid shall reflect the time upon receipt and be stored unopened in a secure place until the time and date set for bid opening.
   2. Bids shall be opened publicly at the time and place designated in the IFB. The designated time and place may include a virtual meeting. The name of each bidder, the bid price, and other relevant information deemed appropriate by the Procurement Officer shall be recorded on a bid record. The bid record shall be available for public inspection.
   3. After the notice of intent to award has been issued, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law.
      i. With the exception of pricing, a bidder shall clearly mark any proprietary information contained in its bid with the words "Proprietary Information." Bidders shall not mark any Solicitation Form as Proprietary information.
      ii. Pricing data shall not be considered proprietary.

iii. Marking all, or nearly all, of a bid as proprietary information may result in rejection of the bid.

4. By submission of a bid, Bidders acknowledge that the City is required by law to make certain records available for public inspection. In the event that the City receives a request for disclosure of Proprietary Information by any person, court, agency or administrative body, or otherwise has a reasonable belief that it is obligated to disclose the Proprietary Information to any such person or authority, the City will provide bidder with prompt written notice so that Bidder may seek a protective order or other appropriate remedy. The bidder, by submission of materials marked Proprietary Information, acknowledges and agrees that the City will have no obligation to advocate for non-disclosure in any forum or any liability to the bidder in the event that the City must legally disclose the Proprietary Information.

G. LATE BIDS, MODIFICATION OR WITHDRAWAL OF BIDS

1. A bidder may modify or withdraw its bid before the offer due date and time. The Procurement Officer shall note the changes in the procurement file as a record of the modification or withdrawal.
2. If a bid, modification, or withdrawal is received after the offer due date and time, the Procurement Officer shall determine the bid, modification, or withdrawal as late. Upon receiving a late bid, modification, or withdrawal, the Procurement Officer shall document the rejection in the procurement file.

H. MISTAKES DISCOVERED BEFORE AND AFTER AWARD

1. If an apparent mistake in a bid, relevant to the award determination, is discovered after opening and before award, the Procurement Officer shall contact the bidder for written confirmation of the bid. The Procurement Officer may permit a correction or withdrawal, based on whether the action is consistent with fair competition and in the best interest of the City.
2. If a mistake in the bid is discovered after the award, the bidder may request withdrawal or correction in writing and shall explain the mistake and any other relevant information. Based on the considerations of fair competition and the best interest of the City, the Procurement Officer may:
    i. Allow correction of the mistake, if the resulting dollar amount of the correction is less than the lowest bid
    ii. Cancel all or part of the award; or
    iii. After cancellation of all or part of an award, if the Effective Period of Offer has not expired, the Procurement Officer may award all or part of the contract to the next lowest responsible and responsive bidder based on the

considerations of fair competition and the best interest of the City.

I. BID EVALUATION AND AWARD

1. The contract shall be awarded, or recommended for award to the City Council, to the lowest responsible and responsive bidder whose bid meets the requirements and evaluation criteria set forth in the IFB.
2. A product acceptability evaluation may be conducted solely to determine whether a bidder's product is acceptable as set forth in the IFB and not whether one bidder's product is superior to another bidder's product. Any bidder's offering that does not meet the acceptability requirements shall be rejected as non-responsive.
3. Bids shall be evaluated to determine which bidder offers the lowest cost to the City in accordance with the evaluation criteria set forth in the IFB. Only objectively measurable criteria that are set forth in the IFB shall be applied in determining the lowest bidder. Examples of such criteria include, but are not limited to, transportation cost, energy cost, ownership cost and other identifiable costs or life cycle cost formulae. Evaluation factors need not be precise predictors of actual estimates of future usage, but to the extent possible the evaluation factors shall be reasonable estimates based upon information the Procurement Officer has available concerning future use.
4. Even if a higher quality item is submitted by a bidder than designated in the IFB, a contract may not be awarded unless the bidder is also the lowest bidder as determined under Subsection 703-4 (D) of this policy. Negotiations with any bidder are not permitted.
5. If there are two or more low responsive bids from responsible bidders that are identical in price and that meet all the requirements and criteria set forth in the Invitation for Bids, the Procurement Officer shall make an award by drawing lots or make a multiple award. If time permits, the procurement officer shall allow the involved bidders an opportunity to attend the drawing and witnessed by at least one additional person.
6. A record showing the basis for determining the successful bidder shall be retained in the procurement file.
7. A written notice of award or recommendation of award shall be sent to all of the responsive Bidders. Notice of award shall be made available to the public.

J. **Title 34.** When the City participates in third party development of infrastructure, the process must follow **ARS Title 34 – Public Buildings and Improvements**. The bids must be advertised, and sealed bids must be received. The bids will be opened and read publicly in the presence of a City designated witness. The Engineering Department will manage and prescribe procedures for all Title 34 Solicitations. These procurements are managed by the

engineering department and are limited scope construction procurement, simplified construction procurement, design-bid-build, design-build, construction-manager-at-risk, and job-order contracting.

704 Sole Source Procurement

A. Except as may otherwise be provided in this policy, the Finance Director shall determine in writing that Sole Source Procurement (as defined in this policy) is justified. Sole Source Procurement shall not be used unless there is a preponderance of the evidence (i.e., more likely than not) that there is only one reasonable source for the product or service. The City agency requesting Sole Source Procurement shall provide written justification, on a form or in the manner prescribed by the Finance Director, to support the Sole Source Procurement. The written justification shall include, at a minimum:

- An explanation of why the procurement is a Sole Source.
- Evidence of the specific efforts made to determine the availability of any other source.
- An explanation of why the need is not satisfied by another type of material or service.

B. A procurement officer shall negotiate with the sole supplier, to the extent practicable, to derive a contract advantageous to the City.

C. The provisions of this section apply to all Sole Source Procurement unless emergency conditions exist as defined in Section 706.

D. The Finance Director can approve Sole Source Procurement requests up to a value of $99,999.99. Award of a Sole Source Procurement which is $100,000.00 or more requires the joint approval of the Finance Director and the City Council.

705 Special Procurement Procedures

A. Except as may otherwise be provided in this policy, the Finance Director shall determine in writing that a Special Procurement is justified. Special Procurement is a method to accomplish procurements, without competition, when the use of another method would not be likely to result in a lower price to the City or would cause unnecessary expense or delay under the circumstances. Special Procurement shall not be used unless there is a preponderance of the evidence (i.e., more likely than not) that a noncompetitive award is most advantageous to the City. The City department requesting a Special Procurement shall provide written evidence to support the selection of a vendor, on a form or in the manner prescribed by the Finance Director, to support the Special Procurement. The written justification shall include, at a minimum:

1. An explanation of why use of another procurement method is unlikely to result in a lower price, or
2. An explanation of why the use of another procurement method would cause unnecessary expenses, or

3. An explanation of why the use of another procurement method would cause a delay, or
4. Any other relevant justification of why a Special Procurement is advantageous.

B. The procurement officer shall negotiate with the chosen vendor, to the extent practicable, to obtain a contract that is advantageous to the City.

C. The provisions of this section shall apply to all Special Procurements unless emergency conditions exist as defined in Section 706.

D. The Finance Director may approve Special Procurement requests that are up to a value of $99,999.99. Award of a Special Procurement which is $100,000.00 or more requires the joint approval of the Finance Director and the City Council.

706 Emergency Procurement Procedures

A. An emergency condition or circumstance where the health, safety or welfare of the City or its citizens is endangered if immediate corrective or preventative action is not taken.

B. An Emergency Procurement shall be limited to those goods or services necessary to satisfy the emergency need.

C. Emergency Procurements shall follow the following procedures:

1. Emergencies Occurring During Regular Working Hours

a. From Monday through Friday, during regular working hours, requests for emergency purchases are to be sent to Procurement. It will be left to the discretion of the Finance Director to either handle them directly or delegate authority to the City department as necessary. The Department shall provide whatever information *or* assistance is deemed necessary.

b. The Finance Director may approve Emergency Procurement requests up to $99,999.99.

c. The City Manager, or their authorized designee, must approve Emergency Procurement requests of $100,000 or more. The Finance Director will advise the City Manager of the emergency and request approval at the next available council meeting.

d. The Department shall obtain approvals in accordance with Section 1000 - Signature Authority and submit a Purchase Requisition to Procurement clearly marked "EMERGENCY" with a complete explanation attached.

2. Emergencies Occurring After Regular Working Hours

a. Emergency purchases of up to $99,999.99 which occur after regular working hours may be authorized by the Department Head and confirmed by transmitting an approved purchase requisition clearly marked "EMERGENCY" to the Finance Director by no later than noon of the next normal working day after the purchase

date, along with a complete explanation of the emergency.

b. Approval of emergency purchases of $100,000 or more shall be limited to the City Manager or their authorized designee. A department may proceed under procedures as outlined in section C.1 for purchases of $100,000 or more without the prior approval of the City Manager only after attempts to contact the City Manager or his authorized designee have been unsuccessful.

3. Emergency purchases of $100,000 or more, whether occurring during or after working hours, shall require the approval confirmation of the City Council at the earliest possible date. The department is responsible for obtaining the City Council approval confirmation.

707 Requests for Statements of Qualifications

A. A multi-step sealed bidding method may be used and shall be referred to as a Request for Statements of Qualifications (RSOQ). The Procurement Officer may hold a conference with bidders before submission or at any time during the evaluation of RSOQ.

B. PHASE ONE OF MULTI-STEP SEALED BIDDING
   1. Multi-step sealed bidding shall be initiated by the issuance of an RSOQ. The RSOQ shall be issued according to Section 703-4 (IFB) with the following additional information:
      i. Notice that the procurement shall be conducted in two phases.
      ii. The best description of the material or services desired.
      iii. A statement that unpriced Statements of Qualifications (SOQ) only shall be considered in phase one.
      iv. The criteria for evaluating the SOQ.
      v. A statement that discussions may be held; and
      vi. A statement that only bids based on SOQ are determined to be acceptable in phase one shall be considered for award.
   2. Unpriced SOQ shall not be opened publicly. The contents of unpriced SOQ shall not be disclosed to unauthorized persons.
   3. Unpriced SOQ shall be evaluated solely in accordance with the criteria set forth in the RSOQ and shall be determined to be either acceptable for further consideration or unacceptable.
   4. In the event that any vendors on the Qualified Vendors List do not meet the needs of the City during the term of the contract, the City reserves the right to invite additional vendors by re-issuing the RSOQ. New vendors shall be evaluated in accordance with the same criteria set forth in the initial RSOQ. Any additional vendors added to the qualified vendors list will only remain on the list through the duration of the contract.

C. PHASE TWO OF MULTI-STEP SEALED BIDDING

Upon completion of phase one, the procurement officer shall issue an Invitation for Bids and conduct Phase Two as a competitive sealed bidding procurement (IFB), except that the IFB shall be issued only to bidders whose SOQ were determined to be acceptable in Phase One.

708 Cooperative Purchasing

A. Cooperative Purchasing allows the City to use other units of government "agency" procurements to make purchases under the same terms as the originating agency. The formal procurement procedures of advertising, public notice and the selection process are not waived under Arizona law; they are just performed by the originating agency on behalf of other agencies.

B. The Finance Director shall have authority to participate with other units of government for the procurement of supplies or services in cooperative purchasing agreements when the best interests of the City would be served thereby.

C. Although the originating agency will have signed a contract with a vendor, a formal acknowledgement or "Linking Agreement" is required to obligate both the City of Glendale and the Vendor to abide by the terms of the originating agency's contract. A Linking Agreement is required whether purchasing a good or service from a cooperative contract.

D. The Finance Director shall have the authority to administratively amend the City's agreement with the contracting party to adopt any amendment of the underlying agreement made and approved by the originating unit of government without obtaining further council approval.

    1. For procurements up to $99,999.99, the City department initiating the purchase and using a cooperative purchase shall submit all required documentation including the Linking Agreement to Procurement with a purchase requisition.

    2. For procurements of $100,000 or more, the City department shall obtain approval from the Procurement Administrator before initiating a cooperative purchase and legal review by submitting a written request including.
        i. An indication of the intent to use a cooperative purchase.
        ii. The name and contact information of the originating agency.
        iii. The drafted green sheet to legal.
        iv. A copy or a link to the contract between the vendor and the originating agency.
        v. The linking agreement must be approved by Council.

709 Competitive Selection Procedures for Certain Professional Services

A. Professional services as defined in this policy shall be procured in accordance with Sections 600 and 700 of this policy.

B. Price shall be an evaluation factor in the procurement of the services specified in Subsection 703-4 unless the Procurement Officer determines that price as an evaluation factor is restricted, not practicable, or not advantageous to the City.

C. Professional services involving the retention of outside legal counsel to represent the City shall be procured only after the City Attorney and City Manager have determined that the procurement is in the best interest of the City. All procurement involving the retention of outside legal counsel shall indicate the City Attorney's and City Manager's determination in writing.

710 Procurement Procedures for Federal Grants

Procurement of goods and services under a Federal award must follow the same procurement policies and procedures outlined in this document and conform to applicable State laws and regulations, and Federal standards identified in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Uniform Administrative Requirements.

Additional procurement standards identified in 2 CFR Part 200 include, but are not limited to:

A. GENERAL

1. All solicitations must include a clear and accurate description of the technical requirements of the goods or services to be procured, identify all requirements which the offerors must fulfill, and all other factors to be used in evaluating bids or proposals.
2. Use of Federal excess and surplus property in lieu of purchasing new equipment and property is encouraged whenever such use is feasible and reduces project costs.
3. No employee shall accept as an individual any fee, gift, discount, entertainment or other valuable item in the course of performing the duties of his/her position. Unless otherwise prohibited by the individual department, employees, office, and departments may accept such items as candy, cake, cookies, lunches, or other items, of nominal value which are intended to be complimentary or appreciative in nature and shared with the entire workgroup. Any person found guilty of any violation of this procedure shall be subject to punitive disciplinary actions up to and including termination.
4. No employee of the City, officer, agent, or board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the Federal award. A conflict of interest includes when the employe of the City, officer, agent, or board member, any member of their immediate family, their partner, or an organization that employs or is about to employ any o the parties

indicated herein, has a financial or other interest in or tangible benefit from an entity considered for a contract. An employee of the City, officer, agent, and board member of the recipient or subrecipient may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub-agreements.

B. COMPETITION

1. All procurement transactions under the Federal award must be conducted in a manner providing full and open competition and must be conducted in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.
2. Situations considered to be restrictive of competition include but are not limited to (2 CFR 200.319(c)):
    i. Placing unreasonable requirements on firms for them to qualify to do business
    ii. Requiring unnecessary experience and excessive bonding
    iii. Noncompetitive pricing practices between firms or between affiliated companies
    iv. Noncompetitive contracts to consultants that are on retainer contracts
    v. Organizational conflicts of interest: employees are required to avoid and disclose organizational conflicts
    vi. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement

3. To ensure objective contractor performance and eliminate unfair competitive advantage, contracts that develop or draft specifications, requirements, statements of work, or invitations for bids must be excluded from competing on those procurements (2 CFR 200.319(b)).

4. Procurement transactions under this section must ensure that all solicitations are made in accordance with 2 CFR 200.319(b). They must incorporate a clear and accurate description of the technical requirements for the property, equipment, or service being procured. The description may include a statement of the qualitative nature of the property, equipment, or service to be procured. When necessary, the description must provide minimum essential characteristics and

standards to which the property, equipment, or service must conform. Detailed project specifications should be avoided if at all possible. When it is impractical or uneconomical to clearly and accurately describe the technical requirements, a "brand name or equivalent" description of features may be used to provide procurement requirements. The specific features of the named brand must be clearly stated. Identify any additional requirements which the offerors must fulfill and all other factors that will be used in evaluating bids or proposals.

5. All prequalified lists of persons, firms, or products used in procurement transactions are current and include enough qualified sources to ensure maximum open competition. When establishing or amending prequalified lists, must consider objective factors that evaluate price and cost to maximize competition. Must not preclude potential bidders from qualifying during the solicitation period (2 CFR 200.319(e)).

C. When procuring goods or services under the Federal award, Departments must use the procurement methods outlined in section 701 through 709 of this policy.

D. PROCUREMENT BY NONCOMPETITIVE PROPOSALS
Procurement by noncompetitive proposal is procurement through solicitation of a proposal from only one source and may be used only when one more circumstance applies:
1. The item is available only from one single source.
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the City; or
4. After solicitation of several sources, competition is determined to be inadequate.

E. TIME AND MATERIAL PURCHASING

The Procurement Officer may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract is a contract whose cost to a non-Federal entity is the sum of:

1. The actual cost of materials; and
2. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
3. Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor

for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

F. PROCUREMENT OF RECOVERED MATERIALS

Purchases that exceed $10,000 must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

G. CONTRACT COST AND PRICE

1. Profit must be negotiated as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed.
2. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

H. CONTRACT PROVISIONS

All contracts under a federal award must contain provisions described in Appendix II of 2 CFR Part 200, if applicable. The provisions include but are not limited to:

1. All contracts in excess of $10,000 must address termination for cause and convenience same
2. Contracts in excess of $100,000 that involve the employment of mechanics or laborers must include provisions for compliance with Contract Work Hours and Safety Standards Act (40 USC 3701-3708) same
3. Contracts in excess of $150,000 must contain a provision that requires compliance with all applicable standards and regulations issued under the Clean Air Act (42 USC 7401-7671q) and the Federal Water Pollution Control Act (33 USC 1251-1387) same
4. A contract award must not be made to parties listed on governmentwide exclusion in the System for Award Management (SAM)
5. Contractors that apply or bid for an award exceeding $100,000 must file the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352) same

6. Whistleblower protections. An employee of a recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. The recipient and subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. 4712. See statutory requirements for whistleblower protections at 10 U.S.C. 4701, 41 U.S.C. 4712, 41 U.S.C. 4304, and 10 U.S.C. 4310.
7. Provisions for construction projects and architectural/engineering professional services as defined in 2 CFR 200.318 (General Procurement Standards) through 200.326 (Contract Provisions) will be managed by the Engineering Department.

SECTION 800 PROTESTS, RECORD REQUESTS, AND HEARINGS

801 General

An aggrieved person or entity may protest any aspect of a solicitation. For purposes of this section, "any aspect of a solicitation" means an alleged violation of Glendale's Purchasing Code as it relates to the solicitation, the evaluation or the award of a contract subsequent to a solicitation.

Any interested party may request to inspect or receive copies of public records related to a formal procurement 24 hours after a sealed bid has been opened and the notice of intent to award has been issued.

802 Time for Filing a Protest

Protests shall be submitted in writing to the Finance Director no later than seven (7) calendar days after the date the protester or entity knows or should have known the basis of its objection; or fifteen (15) calendar days after notice of intent to award has been issued, whichever is shorter. Late protests will not be considered. [Glendale City Code section 2-145(1) (j).]

803 Filing of A Protest

A. A protest must be submitted, in writing, to the Finance Director and must include the following information:
   - The name, address, telephone number and e-mail address of the protestant.

- Identification of the solicitation or contract number.
- A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents.
- The form of relief requested.
- Protests must be submitted to:

  Finance Director
  c /o City of Glendale – Procurement Division
  5850 W. Glendale Avenue
  Glendale, Arizona 85301
  Procurement@glendaleaz.com

B. It is the responsibility of the Protestant to ensure the protest is received by Procurement no later than 5:00 p.m. on the due date. For hand delivery, Procurement is located at the Glendale Municipal Building, 5850 W. Glendale Avenue, Glendale, Arizona 85301. Protests are accepted between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except for holidays and time will be stamped and dated upon delivery. For email (preferred delivery method), the time of receipt as recorded by the City's email system will serve as the time of possession by Procurement.

804 Processing of A Protest

A. If the protest is timely, the Finance Director will review and consider all information and documentation submitted with the protest.

B. The Finance Director will give notice of the protest to the successful vendor if a notice of intent to award has been issued, or if no notice of intent has been issued, to all bidders registered for this commodity code.

C. The Finance Director will review the protest. After conferring with the City Attorney's Office, a written determination will be issued within fourteen (14) business days of receiving the protest. The Finance Director may also give notice of the determination to any other persons involved in the solicitation whose interests may be affected by the ruling.

D. If the Finance Director fails to issue a decision within the time limits set forth in subsection (C) of this section, the protest is deemed to be denied.

805 Stay of Procurements During the Protest

In the event of a timely protest, the City may proceed further with the solicitation or with the award of the contract unless the Finance Director makes a written determination that it is in the best interest of the City to stay the procurement.

806 Confidential Information

A. If the protester believes the protest contains material that should be withheld from public disclosure, a statement advising the Finance Director of this fact shall accompany the protest submission. This statement shall explain and support the

protesters' claim and specifically identify everywhere this information appears. The protester's claim shall include the period of time the information will remain confidential.

B. Material submitted by a protester shall not be withheld from an interested party except to the extent that the withholding of information is permitted or required by law or as determined pursuant to code provisions for confidential material.

807 Remedies

A. If the Finance Director sustains the protest in whole or part and determines that a solicitation or proposed contract award does not comply with Glendale's Purchasing Code or other applicable laws and regulations, the Finance Director shall implement an appropriate remedy.

B. In determining an appropriate remedy, the Finance Director shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to:
   i. The seriousness of the procurement deficiency
   ii. The degree of prejudice to other interested parties or to the integrity of the procurement system
   iii. The good faith of the parties
   iv. Costs to the City
   v. The urgency of the procurement and the impact of the relief.

C. An appropriate remedy may include one or more of the following:
   i. Reissue the solicitation;
   ii. Issue a new solicitation;
   iii. Award a contract consistent with Glendale's Purchasing Code and other applicable laws and regulations; or
   iv. Such other relief as is determined necessary to ensure compliance with procurement laws and regulations.

808 Dismissal Before Hearing

The Finance Director may dismiss a protest, upon a written determination, if: (a) the protest does not state a valid basis for protest; or (b) the protest is untimely pursuant to Section 802.

809 Request for Hearing

A. If a formal protest is not resolved by the protestant and the Finance Director, the protestant may request a hearing ("Hearing Request"). The Hearing Request shall be submitted in writing and filed with the Finance Director no later than seven (7) business days after the written determination by the Finance Director pursuant to Section 804.

B. The Hearing Request shall be submitted to:

Finance Director

c /o City of Glendale – Procurement Division
5850 W. Glendale Avenue
Glendale, Arizona 85301
Procurement@glendaleaz.com

C. It is the responsibility of the Protestant to ensure the Hearing Request is received by Procurement no later than 5:00 p.m. on the due date.

   i. For hand delivery, Procurement is located at the Glendale Municipal Building, 5850 W. Glendale Avenue, Glendale, Arizona 85301. Protests are accepted between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except for holidays. Protests will be time stamped upon delivery with the current time and date. This stamp will serve as the time of possession by Procurement.
   ii. For email, the time of receipt as recorded by the City's email system will serve as the time of possession by Procurement.

D. The hearing will be conducted by the City Manager, Assistant City Manager, Deputy City Manager or his/her designee ("Hearing Officer") and shall be held within sixty (60) days after the Hearing Request is received by the Finance Director, unless the parties agree otherwise.

810 Hearing Rights and Responsibilities

A. The hearing will be conducted by a neutral third party as designation by the City Manager ("Hearing Officer") and shall be held within sixty (60) calendar days after the Hearing Request is received by the Finance director, unless the parties agree otherwise.

B. The City shall be represented by the City Attorney's Office.

C. Parties may be represented by legal counsel at the hearing before the Hearing Officer. A party may present testimony and documentary evidence and argument with respect to the issues and may examine and cross-examine witnesses, subject to the determination of the Hearing Officer. Each party shall bear its own hearing expenses.

D. At least ten (10) calendar days prior to the hearing, or as otherwise agreed by the parties, each party shall provide to the other party all documents, exhibits, and other evidence it intends to present at the hearing and a list of witnesses intended to testify at the hearing. Each party shall have all witnesses, documents and exhibits available on the date of the hearing.

E. The Hearing Officer shall have no authority to issue subpoenas for the production of evidence or the appearance of witnesses.

811 Ex parte Communications

A. Each party shall not communicate, either directly or indirectly, with the Hearing Officer about any substantive issue in a pending matter unless:

i. All parties are present;
ii. It is during a scheduled proceeding, where an absent party fails to appear after proper notice; or
iii. It is in writing with copies to all parties.

B. No party shall file a document or send a letter to a Hearing Officer without sending a copy to the other party (ies). All parties shall make sure that all other parties are notified and given a copy of any motion or letter sent to the Hearing Officer.

812 Conduct of Hearing

A. The Hearing Officer will have a recording made of the hearing at the expense of the City. If the protestant or its representatives request a transcript of the proceeding, they shall pay the costs of creating the transcript.

B. The Hearing Officer shall begin the hearing by stating the nature and scope of the hearing, and identifying the parties, counsel, and witnesses for the record.

C. The Hearing Officer shall enter into the record any stipulation, settlement agreement, or consent order entered into by any of the parties before or during the hearing.

D. Hearings shall be conducted informally as to the order of proceeding and the presentation of evidence, as determined by the Hearing Officer. The Arizona Rules of Evidence shall not apply. A party shall conduct direct and cross examination of witnesses on the order and manner determined by the Hearing Officer to expedite and ensure a fair hearing. The Hearing Officer shall make rulings necessary to prevent argumentative, repetitive, or irrelevant questioning and to expedite the examination.

E. The Arizona Rules of Evidence shall not apply.

F. The Hearing Officer shall admit evidence over hearsay objections where the offered evidence has substantial probative value and reliability. Copies of records and documents prepared in the ordinary course of business may be admitted, without objection as to foundation, but subject to argument as to weight and authenticity. Summary records may be admitted but are subject to satisfactory proof of the reliability of the summaries. The Hearing Officer shall mark exhibits and admit them into the record as evidence as the parties present them.

G. Each party shall be allotted a maximum of one (1) hour to present its case. The time limit is cumulative and includes any opening and/or closing statement. Hearings shall be conducted informally and in the most efficient manner to expedite and ensure a fair hearing, as determined by the Hearing Officer. The Arizona Rules of Evidence shall not apply.

H. The decision by the Hearing Officer shall be final. The decision shall be sent to all parties by personal service or certified mail, return receipt requested, within twenty (20) calendar days after the conclusion of the hearing.

813 Failure of A Party to Appear for Hearing

If a party fails to appear at a hearing, the Hearing Officer may proceed with the presentation of the evidence of the party who is present.

814 Hearing Witnesses

All witnesses at the hearing shall testify under oath or affirmation.

815 Burden of Persuasion

In all cases, the decision of the Hearing Officer shall be made upon clear and convincing evidence. Unless otherwise provided by law:

i. The party asserting a claim, right, or entitlement has the burden of persuasion.

ii. A party asserting an affirmative defense has the burden of establishing the affirmative defense.

816 Disruptions

A person shall not interfere with access to or from the hearing room, or interfere, or threaten interference with the hearing. If a person interferes, threatens interference, or disrupts the hearing, the Hearing Officer may order the disruptive person to leave or be removed.

817 Hearing Record

A. The City Clerk shall maintain the official record of the matter.
B. Any party requesting a copy of the record, or any portion of the record, shall make a request to the City Clerk and shall pay the costs of creating or duplicating the record.
C. Exhibits shall be released:
    i. Upon the order of a court of competent jurisdiction; or
    ii. Upon the written request of the party who submitted the exhibits if the time for judicial appeal has expired, and no appeal is pending.

SECTION 900 CONTRACT TERMS

901 Multi-Term Contracts

The City may enter into a multi-term contract for a period of up to five years, provided that such action is approved by the Finance Director.

902 Modification of Contracts

A. The Finance Director, after consultation with the City Attorney, may add, amend, modify or delete the City's existing standard contractual terms, conditions, provisions and clauses for all forms used to procure and contract for goods and services, provided that such modifications, deletions or additions are supported by a written determination.

B. The Finance Director may not add, amend, modify or delete any term of contract entered into by the City once it has been approved by the City Council without first obtaining City Council approval of the newly-added, amended, modified or deleted term.

SECTION 1000 SIGNATURE AUTHORITY, APPROVALS, AND PAYMENTS

1001 Generally

The department head is responsible for ensuring appropriate delegation of authority to execute purchase requisitions, purchase orders, and payment of expenditures on behalf of the City of Glendale. Furthermore, it is the responsibility of the department head to ensure that authorization data is maintained at all times and all associated finance and procurement procedures are followed. Expenditure authorization for all employees, including temporary authorization, will be maintained in the City's financial system with oversight by the Budget and Finance Department. Designations made by the department head will be tracked by employee name, org number, and authorized dollar amount.

1002 Signature Authority

A. Authority is hereby delegated to each Department Head to authorize purchase requisitions, purchase orders, and payment of expenditures as outlined in this policy with their signature or through an electronic approval process for departments under their authority as referenced in the City's organizational chart. This authorization will be maintained in the City's financial system by the Budget and Finance Department.

B. The Department Head is authorized to provide secondary delegation of authority as necessary to staff within their area of responsibility; or, when appropriate, to staff in other departments. Secondary delegation of authority will be authorized by the Department Head and reviewed for quality control by the Budget and Finance Department.

C. The Department Head may authorize someone in a department other than their own to authorize purchase requisitions, purchase orders, and payment of expenditures for a department under their authority; however, careful consideration should be given to such decisions because the Department Head is responsible for ensuring adherence to all applicable finance and procurement procedures.

D. If an authorized signatory will be unavailable for a period of time, departments should request temporary authorization for that person's designee. Temporary authorizations should include both a start and an end date. Departments are responsible for monitoring temporary authorization. Temporary delegation of authority will be authorized by the Department Head and reviewed for quality control by Finance.

E. All authorization data related to the expenditure of funds will be maintained by the

Budget and Finance Department using the City's financial system. Specific instructional material that provides details on the process departments must use for entering, approving, reviewing, and updating information is available on the Budget and Finance Department intranet page.

1. All departments are required to notify Finance immediately if there are any modifications to expenditure or signature authority resulting from changes to:
    i. Personnel (e.g. termination, transfer, name change, change in duties)
    ii. Temporary Assignments (e.g. vacations, interim assignments)
    iii. Budget/Organization (e.g. new department, completed project, reorganization)
2. All departments are required to review the data in the City's financial system annually between June 1st and June 30th to ensure accuracy of data and implement any changes needed for the new fiscal year.

F. Any expenditure for the procurement of any goods or services must adhere to all finance and procurement procedures. These authorizations include, but are not limited to: direct payments, purchase requisitions, change orders, payments for invoices on purchase orders, purchase card statements, stores orders, shop charges, and petty cash. All expenditures must adhere to the City of Glendale Purchasing Codes and Policies.

G. A Request for Taxpayer Identification Number Form (W-9) must be completed and signed for all new vendors who provide goods or services to the City before payment can be made. For 1099 purposes, the appropriate type of business needs to be identified on the W-9. Finance will verify the W-9 information through the IRS TIN matching program.

1003 Approval Limits for Purchase Requisitions and Direct Payments

A. Table 1 (below) outlines authorization levels that are recommended based on organizational function and responsibility. Each request for payment requires approval from an authorized approver. Approvers who have secondary delegation, delegation outside of a department or temporary authorization may approve on behalf of the designated approver. Approvers may approve expenditures up to their level of authority, but their approval can only be used once per payment request.

Independent Approver – if an employee is personally associated with the documentation needing approval, that employee is NOT authorized to approve the document regardless of their authorization designation or level.

Example: Employee A is requesting reimbursement for $75 and is also authorized to sign for purchases of $0 to $9,999.99. Employee B prepares the necessary documentation on Employee A's behalf. Employee A is NOT authorized to approve

the expenditure document; it must be given to a different authorized employee for independent review and approval.

Table 1 – Recommended Authorized Approver	$0 to $9999.99	99,999.99	$100,000.00 or Greater
Supervisors or mid-managers authorized by Department Head	**X**		
Senior Managers authorized by Department Head			
Department Head		**X**	**X**
City Manager, Assistant City Managers, or Deputy City Managers			**X**

1. Direct payments that are $100,000 or greater require the approval of the City Manager or Assistant City Managers.
2. Payments for invoices that are $100,000 or greater on purchase orders do not require approval from the City Manager, Assistant City Managers or Deputy City Managers provided there is a contract in place.

B. Purchase card purchases require the authorized approval of:

i. The cardholder who prepares the documentation; and
ii. The cardholder's approver as defined in the City's financial system.
iii. P-Card Liaisons may approve purchase card statements on behalf of the cardholder; however, the cardholder is ultimately responsible for ensuring P-Card purchases comply with all City policies and procedures.

C. Purchases up to $99,999.99 require the approval of:

1. One individual who is entered in City's financial system with the appropriate authorization level.
   a. The request DOES NOT require any other approver.

D. Direct Payments of $100,000.00 or more require the approval of:

1. The Department Head who is entered in City's financial system with the authorization level 99,999.99; and
2. The City Manager or Assistant City Manager who is entered in the

City's financial system with the authorization level $100,000 or more. The request DOES NOT require the 99,999.99 approver.

E. Contracts – authorization to approve expenditures at a specific level does not provide authorization for an individual to bind the City through a contractual agreement.

F. Failure to Designate Authorization – processing of payments will not occur if expenditure authorization is not established in the City's financial system.

1004 Payment Threshold

Payments of $10.00 or less will not be issued unless mandated by federal and state statute, City policies and procedures or a written payment request from the customer or vendor is submitted to the City. The payment request must include the customer or vendor's name, remittance address, reason payment is owed (i.e. utility refund) and the dollar amount.

SECTION 1100 DIRECT PAYMENTS

1101 Generally

Purchase requisitions and purchase orders should be used whenever possible for making payments of $99,999.99. For Small Dollar purchases up to $5,000, the City's purchase card program is the preferred method of payment. Nevertheless, it is recognized that in certain circumstances competition is not applicable or prepayment may be required. Under these circumstances, payment may be made directly using Direct Payments. However, no contract or procurement shall be subdivided to avoid the requirements of the formal purchase procedures described in this policy and the City Code. The ability to utilize Direct Payments as described herein does not waive the use of the appropriate Procurement method.

1102 Use of A Check Request

A. Use of Direct Payment, with no reference to a purchase order, for purchases of $10,000 up to $99,999.99 are limited to the instances specified below with the exception of items that are over $100,000 which require council approval:

Advertising Publication and/or press clippings	Motor vehicle fees
Attorney and pro-tem judge payments	Neighborhood funding program
Benefit reimbursements - Medical premiums and Benefit program costs	Notary bonds
Capital lease payments for equipment/real estate	Payments made under the Community Development Block Grant (CDBG) and Home federal programs
Charitable	Payroll liabilities

contributions/donations	
Citizen reimbursements – Restitution	Phoenix Transit passes
City Marketing Brochures	Political lobbyist services
City Sponsored Entertainment	Professional dues and memberships
Checks that need to be included with an order (prepayment)	Real estate (acquisition, lease, rental, title registration) appraisals (land/building), & land purchases
Contracted vendors supplying the City with postage/duplicating, and cellular phone services (not equipment), internet, cable, satellite	Registrations (training classes, conferences) > $5,000
Debt principal and interest payments	Risk Management claims
Election Services	Sales tax rebate payments per development agreements
Financial advisory and investment broker/dealer and related services	Software subscriptions license agreements/fees not under contract
Governmental and quasi-governmental agencies (ex: school systems, state run organizations, water conservations flood controls, etc.)	Speakers/ Instructors/ Trainers/ Performers
Grant Rebate Programs	Trade Shows
Landfill charges	Utility Billings
Legal fees/Legal books	Veterinary services

B. Gift cards and movies tickets may only be purchased using a Direct Payment or Automated Clearing House (ACH) debit (with prior approval from the Finance Department). Petty cash and purchase cards are not authorized methods to purchase these items.

1. Documentation for the purchase of gift cards and movie tickets must include the following:
    i. A full description of the business purpose of the gift

cards or movie tickets
   ii. The name of issuing business (store or mall name)
   iii. The face value of each individual gift card and movie ticket
   iv. The approximate date by which the cards will be fully distributed.
2. At least once per month, any department which purchases gift cards or movie tickets will provide the Finance Department with a spreadsheet containing:
   i. The name and employee number of each individual who received a card or ticket;
   ii. Identification of their relationship to the business purpose for the purchase;
   iii. The recipient's signature;
   iv. The date of receipt;
   v. The number of cards and their values or the number of tickets received.
3. A copy of the spreadsheet is to be maintained on file by departments.
   i. A signed and dated receipt from each card/ticket recipient may substitute for the spreadsheet, provided it contains all of the same information. All receipts are to be sent to the Finance Department each month and a copy is to be maintained in a file by departments.
4. For Direct Payments of $100,000 and over, purchases must have prior approval by the City Council.
5. Adequate documentation for payment must be attached to Direct Payments. Adequate documentation includes:
   i. The invoice, letter, agreement, or form which gives a description of the total expense, the name and address of payee, the date the payment is due, and any other relevant documentation to substantiate the purchase.

1103 Payment Timeline

The normal turnaround time for Finance payment processing is five (5) business days from the point the invoice has had all applicable approvals (see Table 1) completed to payment issuance. If payment is needed for a specific date that is less than the normal turnaround time, approval from the Finance Director or his or her designee is required in advance.

Levi D. Gibson

Levi D. Gibson, CPA, M.Acc. Director, Budget and Finance