

SECTION FIVE: METHODS OF SOURCE SELECTION

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

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

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

SECTION SIX: STATUTORY REQUIREMENTS FOR PROCUREMENT (A.R.S. § 11-254.01)

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

6.2. Purchase of Supplies & Materials Less than \$100,000. Any procurement which does not exceed an estimated dollar amount of one-hundred thousand dollars (\$100,000.00) may be made in accordance with adopted policies contained herein and procedures promulgated by the Procurement Director, except that the procurement shall be made with such competition as is practicable under the circumstances. See Section 4.9 for Local Vendor Preference Policy and 8.1.1 below.

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

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

6.2.3 For purchases costing at least \$5,000 but less than ~~\$35,000~~ the Procurement Officer should obtain at least three (3) verbal or written price quotations. (Section 8.1.2)

Comment [th1]: Correct typo to read \$35,000

6.2.4 For purchases costing at least \$35,000 but less than \$50,000, the Procurement Officer will obtain at least three (3) written price quotations. If three quotations cannot be obtained, the Procurement Officer shall document why this was not possible. (Section 8.1.1.2)

8.1.2.2 The award is made to the lowest responsive and responsible bidder meeting specification requirements concerning price, conformity to specifications, and other procurement factors.

8.2 Delegated Purchases Up To \$1,000

8.2.1 Departments are authorized to make individual purchases for materials and services up to \$1,000.00 (including tax and freight) if, in the opinion of the department head, such direct purchases are in the best interests of the County and are allowed for delegated purchasing. The P-Card shall be the preferred method for delegated purchases. Otherwise, the use of payment via demand shall be acceptable.

Comment [th2]: Delete and services

8.2.2 The delegation of authority to make small purchases is intended to facilitate the economical and orderly procurement of materials and services by County departments. The privileges extended to departments under this policy are not intended as a substitute for centralized purchasing, nor are they to be used to engage in widespread purchasing without adequate analysis and competition. Purchases may not be artificially split to avoid this provision.

8.2.3 There are certain products or services which are **not** authorized for delegated purchasing. These products and services may change from year to year at the direction of the Procurement Director, but generally they include products or services available through County-wide contracts established to take advantage of volume buying, purchases requiring specific approvals, such as software and computers, or personal services which by their nature require special contract consideration. The Procurement department shall post and maintain a list of restricted purchases on the procurement intranet.

8.2.4 Upon written request to the Procurement Director, higher Procurement Card limits for designated employees may be granted if fully justified. This approval may be requested for a one-time exception or for an indefinite period of time with approval of the Finance Director.

SECTION NINE: PREPARATION OF SPECIFICATIONS

9.1 Definition. As used in this policy, "Specification" is used interchangeably with "scope" or "scope of work" and means any description of the physical or functional characteristics, or the nature of a material, service or construction item. A Specification should include a description of any requirement for inspecting, testing, or preparing a material, service, or construction item for delivery. The Procurement Department may request advice and assistance from personnel of using departments in the development of specifications.

9.2 Maximum Practicable Competition

9.2.1 All specifications shall be written to encourage full and open market competition. Requester must ensure that specifications are not unduly restrictive and do not represent unnecessary or duplicative items. Exceptions to this policy are permitted to allow for Sole Source Procurements and purchases under the Standardization Policy (See Section 11.0). Specifics must be included with the purchase request.

9.2.2 To the extent practicable and unless otherwise permitted by this Policy, all specifications shall describe the County's requirements in a manner that does not unnecessarily exclude a material, service, or construction item.

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

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

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

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

Comment [th3]: Delete or services

Professional Services: services involving specialized knowledge, skill and experience in a field that requires an extended course of specialized instruction and study.

Public Procurement: The process of obtaining goods and services for public purpose following procedures implemented to protect public funds from being expended extravagantly or capriciously. Public purchasing has rules that corporate purchasing departments often are not required to follow.

Purchase Order: A purchaser's written document to a vendor formalizing all the terms and conditions of a proposed transaction, such as a description of the requested item(s), delivery schedule, terms of payment, and transportation. This document, which when signed and executed by an authorized agent, becomes a legal contract enforceable by law.

Purchase Order Change Notice: a written form documenting a change made to a purchase order.

Purchase Requisition: Sometimes referred to as a PR or RPO. A written request, from a using department to the Procurement Department, to obtain material or services and granting authority to commit funds to cover the purchase.

Procurement: Buying, purchasing, renting, leasing or otherwise acquiring any materials, services or construction. Procurement includes all functions that pertain to the obtaining of any material, service or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Procurement Director: The principal public Procurement official for the County. This individual is responsible for the administration of these policies and is the head of the Procurement Department of the Finance Department.