

# Procurement Code Manual

PROPOSED AMENDMENTS TO  
ARTICLE 1 through 7

**Council Presentation: June 27, 2023**





# Procurement Code Manual Amendments



## Overview

### ➤ Resolution Amendments:

- Prelude to presentation
- Staff recommended changes to Articles 1 through 7.
  - Article 1 – *Purpose: Purpose; Director Authority and Duties; Delegation*
  - Article 2 – *Applicability*
  - Article 3 – *Supplementary General Principals of Law (no revisions)*
  - Article 4 – *Definitions*
  - Article 5 – *Unauthorized Purchase*
  - Article 6 – *Determinations (no revisions)*
  - Article 7 – *Informal and Formal Procurement Limits; Quote File Requirements*
- Future Revisions/Amendments



# Procurement Code Manual Amendments



## Prelude

- **Articles with Amendments**
  - Not all articles have revisions
  - Revising the Procurement Code Manual in sections
  - Articles 3 and 6 do not have any revisions
- **Proposed Amendments**
  - Details; see attached Procurement Code Manual
- **Substantive Amendments**
  - Only presenting those revisions that may be of substance and of higher interest



# Procurement Code Manual Amendments



## ***Article 1 – Purpose; Director Authority and Duties; Delegation***

### **Section C – Delegation of Authority**

- The Director hereby delegates **PROCUREMENT** the powers and duties of the Director authorized by this Procurement Code Manual to the Purchasing Section Staff **HIS/HER STAFF, TO INCLUDE, THE PURCHASING MANAGER, SENIOR PROCUREMENT SPECIALIST, PROCUREMENT SPECIALIST, OR BUYERS.**

## ***Article 2 – Applicability***

### **Section E(2)**

- Agreements negotiated by the Risk Management Manager or the City Attorney for the settlement of litigation or threatened litigation,; and **CONTRACTS ENTERED INTO ON BEHALF OF THE CITY ATTORNEY RELATED TO** ~~for the settlement of litigation or threatened litigation~~ **INVOLVING THE CITY OF FLAGSTAFF**



# Procurement Code Manual Amendments



## Article 4 – *Definitions*

- **COMPETITION IMPRACTICABLE** MEANS THE PROCUREMENT OF A MATERIAL OR SERVICE WHERE THERE IS AN UNUSUAL OR UNIQUE SITUATION THAT MAKES COMPLIANCE WITH THE PROCUREMENT CODE MANUAL IMPRACTICABLE, UNNECESSARY, OR CONTRARY TO PUBLIC INTEREST, BUT WHICH WOULD NOT JUSTIFY AN EMERGENCY PROCUREMENT DEFINED BY THE PROCUREMENT CODE MANUAL.
- **COOPERATIVE PURCHASE CONTRACT** MEANS A CONTRACT ENTERED INTO BY THE CITY TO PROVIDE MATERIALS, SERVICES, PROFESSIONAL SERVICES, EQUIPMENT LEASES, OR CONSTRUCTION SERVICES WHERE ANOTHER PUBLIC PROCUREMENT UNIT HAS PARTICIPATED IN, SPONSORED, CONDUCTED OR ADMINISTERED A COMPETITIVE AND OPEN PUBLIC PROCUREMENT PROCESS. TO RECEIVE THE BENEFITS, THE CONTRACT BETWEEN THE SEPARATE PUBLIC PROCUREMENT UNIT AND THE CONTRACTOR PROVIDING THE MATERIALS, SERVICES, PROFESSIONAL SERVICES, CONSTRUCTION, OR CONSTRUCTION SERVICES MUST CONTAIN PROVISIONS AUTHORIZING A COOPERATIVE PURCHASE BY ANOTHER ENTITY.
- **ELECTRONIC TRANSACTION** MEANS A TRANSACTION AUTHORIZED BY THIS PROCUREMENT CODE MANUAL INVOLVING AN ELECTRONIC RECORD OR ELECTRONIC SIGNATURE.



# Procurement Code Manual Amendments



## Article 4 – Definitions continued...

- **EMERGENCY PURCHASE** MEANS A MATERIAL OR SERVICE PROCURED WHERE THERE IS AN IMMEDIATE AND SERIOUS NEED IN WHICH THE CITY'S BEST INTERESTS WILL NOT BE MET THROUGH THE USE OF OTHER SOLICITATION METHODS. THE NEED MUST MEET A CONDITION DESCRIBED IN THIS PROCUREMENT CODE MANUAL AND FOLLOW THE DEFINED PROCEDURE.
- **GRANT** MEANS THE PROVIDING OF FINANCIAL OR OTHER ASSISTANCE, INCLUDING, BUT NOT LIMITED TO, STATE, FEDERAL, FOUNDATION OR PRIVATE GRANT FUNDS TO THE CITY.
- **ONLINE BIDDING** MEANS A PROCUREMENT PROCESS IN WHICH PUBLIC AGENCIES RECEIVE BIDS FOR THE PURCHASE OF MATERIALS, SERVICES, LEASES, OR CONSTRUCTION SERVICES ELECTRONICALLY, OVER THE INTERNET IN A REAL-TIME, COMPETITIVE BIDDING EVENT.



# Procurement Code Manual Amendments



## Article 4 – Definitions continued...

- **Invitation for Bids (IFB)** means **A SOLICITATION CONTAINING A DESCRIPTION OF THE MATERIAL OR SERVICES NEEDED WHERE THE CONTRACT IS AWARDED TO THE BIDDER WITH THE LOWEST RESPONSIVE AND RESPONSIBLE BID AS DEFINED BY THE** Procurement Code Manual. ~~all documents, whether attached or incorporated by reference, which are used for soliciting formal bids in accordance with the procedures prescribed in this.~~
- **Request for Proposals (RFP)** means **A FORMAL SOLICITATION FOR THE AWARD OF MATERIALS, SERVICES, LEASES, OR CONSTRUCTION SERVICES WHERE PRICE IS NOT THE SOLE DETERMINING FACTOR AND THE CONTRACT WILL BE AWARDED BASED ON A COMBINATION OF COST AND EVALUATION CRITERIA** ~~all documents, whether attached or incorporated by reference, which are used for soliciting formal proposals in accordance with procedures prescribed in this Procurement Code Manual.~~
- **Request for Statements of Qualifications (RSOQ)** means **A FORMAL SOLICITATION WHERE NO COST INFORMATION (FEES, PRICE, MAN-HOURS, ETC.) SHALL BE CONSIDERED BY THE CITY OR EVALUATION COMMITTEE AT ANY POINT IN THE SELECTION PROCESS AND THE CONTRACT WILL BE AWARDED BASED ON DEMONSTRATED COMPETENCE AND QUALIFICATIONS TO PROVIDE THE TYPE OF SERVICES REQUIRED** ~~all documents, whether attached or incorporated by reference, which are used for soliciting formal statements of qualifications in accordance with procedures prescribed in this Procurement Code Manual.~~



# Procurement Code Manual Amendments



## Article 5 – *Unauthorized Purchase*

- **Section B(4)** - All requisitions for materials, services, **LEASES**, and **OR** construction **SERVICES** that are below **THE FORMAL THRESHOLD, AS DESCRIBED IN THE CITY CHARTER, fifty thousand dollars (\$50,000)** shall be subject to an informal competitive solicitation process
- **Section B(5)** - All requisitions for materials, services, **LEASES**, and **OR** construction **SERVICES** at **THE FORMAL THRESHOLD, AS DESCRIBED IN THE CITY CHARTER fifty thousand dollars (\$50,000) and higher**, shall be subject to a formal competitive solicitation process



# Procurement Code Manual Amendments

## Article 7 – *Informal and Formal Procurement Limits; Quote File Requirements*

### • Section A. *Informal Procurement Limit*

- 1. Procurement of a **ANY** material**S**, service**S**, leases, or construction **SERVICES less than THE FORMAL THRESHOLD, AS DESCRIBED IN THE CITY CHARTER, fifty thousand dollars (\$50,000)** shall be made by informal procedures
  
- 2. Procurements **less than THE FORMAL THRESHOLD, AS DESCRIBED IN THE CITY CHARTER, fifty thousand dollars (\$50,000)** may be made utilizing a formal procurement process if:
  - a. **d**Deemed by the Director to be in the best interest of the City; **OR**
  - b. **DEEMED BY THE CITY MANAGER AS A MATTER OF HIGH COMMUNITY INTEREST AND/OR POTENTIAL CONTROVERSY, OR IN INSTANCES THAT THE CITY MANAGER DEEMS NECESSARY.**



# Procurement Code Manual Amendments



## Article 7 – *Informal and Formal Procurement Limits; Quote File Requirements*

- Section A. *Informal Procurement Limit*

- 3. Procurements less than **THE FORMAL THRESHOLD, AS DESCRIBED IN THE CITY CHARTER, fifty thousand dollars (\$50,000)** are not required to be approved and awarded by City Council.
- 4. **THE CITY MANAGER RESERVES THE AUTHORITY TO BRING ANY CONTRACT RESULTING FROM AN INFORMAL PROCUREMENT TO THE CITY COUNCIL TO OBTAIN INPUT IN MATTERS OF HIGH COMMUNITY INTEREST AND/OR POTENTIAL CONTROVERSY, OR IN INSTANCES THAT THE CITY MANAGER DEEMS NECESSARY.**



# Procurement Code Manual Amendments

## Article 7 – *Informal and Formal Procurement Limits; Quote File Requirements*

- Section B – *Formal Procurement Limit*

- 1. Procurement of a **ANY** material**S**, service**S**, leases, or construction **SERVICES AT THE FORMAL THRESHOLD, AS DESCRIBED IN THE CITY CHARTER OR AT HIGHER AMOUNTS, ~~fifty thousand dollars (\$50,000)~~** shall be made by formal procedures ....
- 2. Procurements of **ANY MATERIALS, SERVICES, LEASES, OR CONSTRUCTION SERVICES AT THE FORMAL THRESHOLD, AS DESCRIBED IN THE CITY CHARTER, OR AT HIGHER AMOUNTS, ~~fifty thousand dollars (\$50,000) and higher,~~** are required to be approved and awarded by City Council.



# Procurement Code Manual Amendments

## Article 7 – *Informal and Formal Procurement Limits; Quote File Requirements*

- Section 7.1 – *Informal Procurement Process*
  - B. Purchases at ~~Five~~ **TWENTY-FIVE** Thousand Dollars (~~\$5,000~~ **\$25,000**) or Less
  - **SHALL BE MADE IN ACCORDANCE WITH THE FOLLOWING PROCEDURES:**
    - 1. For purchases at or less than five **TWENTY-FIVE** thousand dollars (~~\$5,000~~ **\$25,000**), the Purchasing Agent or requesting Division or Section may direct select the vendor of choice for the purchase of any materials, services or construction requested....
  - C. Purchases at ~~Fifteen~~ **TWENTY-FIVE** Thousand and One Dollars (~~\$15,001~~ **\$25,001**) up to **ONE DOLLAR LESS THAN THE FORMAL THRESHOLD, AS DESCRIBED IN THE CITY CHARTER** ~~Forty Nine Thousand Nine Hundred and Ninety Dollars (\$49,999)~~.
- ~~For purchases at fifteen thousand and one dollars (\$15,001) up to forty nine thousand nine hundred and ninety nine dollars (\$49,999),~~
  - C1 (*Minimum 3 written quotes*)



# Procurement Code Manual Amendments

## Article 7 – *Informal and Formal Procurement Limits; Quote File Requirements*

- Section 7.4 – *Quote File Requirements*

- ~~A. Verbal and written quote files shall be set up, within the Purchasing Section, to retain for record keeping purposes.~~
- ~~B. Verbal quote files shall be set up by the Purchasing Section for each purchase over five thousand dollars (\$5,000) and up to fifteen thousand dollars (\$15,000).~~

Written quote files shall be set up by the Purchasing Section for each purchase **OVER TWENTY-FIVE THOUSAND DOLLARS AND ONE DOLLARS (\$25,001) AND UP TO THE FORMAL THRESHOLD, AS DESCRIBED IN THE CITY CHARTER. over fifteen five thousand dollars (\$15,000) and up to forty nine thousand nine hundred and ninety nine dollars (\$49,999).**



# Procurement Code Manual Amendments

## Future Revisions – Climate Action/Carbon Neutrality

- Multi-tiered approach to update and enhance the Sustainable Purchasing Policy, i.e.
  - Guiding principles
  - Policy objectives
    - Environmental impacts
    - Social equity impacts
    - Economic impacts
  - Roles and responsibilities
  - Procedure review



# Procurement Code Manual Amendments

## **Future Revisions – Climate Action/Carbon Neutrality**

- Purchasing working with Sustainability to:
  - Research best practices in other leading public agencies
  - Develop a framework and identify appropriate PCM Article
  - Conduct peer and public review
  - Establish a timeline



# Procurement Code Manual Amendments

## Future Revisions – Climate Action/Carbon Neutrality

### • Tentative Timeline

- Purchasing/Sustainability Kick Off – Mid July
- Research Other Municipalities – August
- Develop Team – Early September
  - Sustainable Colleagues – Both Public Agency and Private Sector
  - Procurement Colleagues – Both Public Agency and Private Sector
  - Legal Colleague
- Establish a Timeline – Mid September
- Bring to Council 1<sup>st</sup> Quarter of 2024 (calendar)



# Procurement Code Manual Amendments

## Future Revisions – Housing Emergency

- Purchasing will explore possibilities for adding policy to assist with Housing emergency
  - Consult with Housing staff
  - Research other municipalities
  - Research what vendors/contractors might be seeing
  - Timeline undetermined



# Procurement Code Manual Amendments



**QUESTIONS?**