

**Salt River**  
**PIMA-MARICOPA INDIAN COMMUNITY**  
10005 E. OSBORN RD. / SCOTTSDALE, ARIZONA 85256-9722 / PHONE (480) 362-7400

ADMINISTRATIVE POLICIES

CHAPTER: 3     FINANCE

POLICY:    3-5 PROCUREMENT POLICY

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ADMINISTRATIVE POLICIES

CHAPTER: 3 FINANCE

POLICY: 3-5 PROCUREMENT POLICY

I. PURPOSE:

A. The purpose of this Procurement Policy is to:

1. Provide for the fair and equitable treatment of all persons or firms involved in purchasing by the Salt River Pima-Maricopa Indian Community (hereafter, "SRPMIC" or "the Community");
2. Assure that goods and services are procured efficiently and effectively, at the most favorable prices and the highest quality available to the Community;
3. Promote the success and growth of Community-owned and Community Member-owned businesses and individual Community Members through the application of preference as set forth in this policy;
4. Promote competition;
5. Provide safeguards for maintaining a procurement system of quality and integrity; and assure that the Community's purchasing actions are in compliance with applicable laws, including procurement laws, rules and regulations of outside funding sources, where applicable.

II. DEFINITIONS:

- A. Administration. The office of the senior-most leader in the appropriate Community entity, such as President, Vice President, Community Manager, CEO, COO or Assistant Community Managers, as appropriate in the situation.

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- B. Amendment. A written change/modification to an existing contract or agreement including any alteration affecting any of the terms of a contract, the validity of which shall require the written mutual consent of the parties to the contract. An amendment to a contract which required OGC review and approval must also go through OGC review and approval.
- C. Award. The selection of a seller/supplier based on the policies and procedures contained herein and offering a contract/job to that seller/supplier.
- D. Bid. The executed document submitted by a bidder in response to an invitation for bids or a multi-step bidding procedure.
- E. Bidder. An individual, partnership, firm, corporation, joint venture or other legal entity submitting, directly or through a duly authorized representative or agent, a bid for the goods and/or services being requested.
- F. Change Order. A written agreement to modify, or add to an existing contract or agreement, which is expressly provided for in the original contract, and the validity of which shall require the written mutual consent of the parties to the contract. So long as it is expressly authorized in the original contract, a Change Order does not have to go through the Office of the General Counsel (herein “OGC”) for review and approval.
- G. ChartField. A term referring to coding in the Community’s accounting system, used for purposes of recording transactions into the system.
- H. Check Requests. A request for disbursement for certain expenditures in accordance with the Check Request Standard Operating Procedures.
- I. Community, the. The Salt River Pima-Maricopa Indian Community, including government, administration, departments, divisions, enterprises and programs.
- J. Community Member-owned Business. A properly licensed business established or organized to conduct business on the Community, in which an enrolled member of the Community owns at least 51% of the financial interest in the company. If the company is owned by more than one enrolled member of the Community, the combined ownership interest must be at least 51%. Additionally, at least one of the enrolled member owners must be able to demonstrate active participation in the daily operations, and decision making of the company, and entitlement to at least 51% of the company profits, as evidenced by company documents.
- K. Community-owned Business. Any business or activity that is wholly created and owned by the Community and operated for the purpose of returning profits to the Community. Also referred to as “Community Enterprise”.

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- L. Construction. The process of building, altering, repairing, remodeling, improving or demolishing any building, or other improvements of any kind, to any real property.
- M. Contract. A written agreement for the benefit of the Community that establishes a binding legal relationship between two (2) parties for the procurement of goods and/or services, obligating one party (the “Seller” or “Contractor”) to furnish specifically identified goods and/or services, and the other party (the “Buyer”) to pay a specified price for such specifically identified goods and/or services.
- N. Contractor. An individual, partnership, firm, corporation, joint venture or other legal entity providing goods and/or services, whether acting directly or through agents or employees pursuant to the terms of an executed contract with the Community.
- O. Contract Administration. The process of interpreting, defining and/or approving the Scope of Work for a contract, signing off on change orders, and ensuring compliance with contract terms and conditions.
- P. Contract Review Approval System (CRAS). The process used by the Community to obtain contract approvals.
- Q. Community Member. An enrolled member of the Salt River Pima-Maricopa Indian Community.
- R. Fiscal Year. The twelve month period from October 1<sup>st</sup> through September 30<sup>th</sup>.
- S. Goods. Any tangible item of personal property including, but not limited to, supplies, merchandise, equipment, machinery, tools, furniture and computers.
- T. Joint Venture. Two or more persons or firms legally associated to carry out a single or limited number of business enterprises or activities, for which purposes such persons or firms combine their property, money, effects, skills and knowledge.
- U. Micro Purchase. A small purchase for which competitive procurement is not required.
- V. Native American. An enrolled member of a federally recognized Indian tribe, band, nation or other organized Native group or community, including any Alaska native village or regional village corporation.

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- W. Native American-Owned Business. A properly licensed business established or organized to conduct business on the Community, in which a Native American owns at least 51% of the financial interest in the company. If the company is owned by more than one Native American, the combined ownership interest must be at least 51%. Additionally, at least one of the Native American owners must be able to demonstrate active participation in the daily operations and decision making of the company, and entitlement to at least 51% of the company profits, as evidenced by company documents.
- X. Outside funding source. Any funds that do not come directly from the Community. Generally, this will be funds received from the state or federal government pursuant to a governmental grant or intergovernmental agreement.
- Y. Procurement. Buying, renting, leasing or otherwise acquiring any goods and/or services including all functions and actions that pertain to the obtaining of any goods and/or services including description of requirements, selection and solicitation of sources and preparation and award of contract.
- Z. Professional services. Services of a specific licensed professional or other licensed person(s) or entities with special expertise. Procurement for such services always requires a contract. This does not ordinarily apply to retaining a business entity providing services (other than professional services) when these services are routine and can be performed by various employees to the company.
- AA. Purchase Card (P-Card). A charge card issued to an authorized Community user which can be utilized, subject to certain restrictions, to make direct purchases on behalf of the Community, activity or function under which the cardholder is employed.
- (See: <http://connect/administration/policies/ch03/3-4.pdf> for separate P-Card policies and procedures.)
- BB. Purchase Order (PO). A document issued by the Community to a seller/supplier, indicating the type, quantity and agreed price(s) for identified goods and/or services that the seller will provide to the Community. Providing a PO to a seller/supplier constitutes a legal offer to buy the identified goods and/or services in the quantity and for the agreed price set forth in such PO. If the PO is accepted by the seller/supplier, a contract is created between the parties in accordance with the terms and conditions set forth in such PO.
- CC. Reasonable. Thinking, speaking, or acting according to the dictates of reason, fit and appropriate to the ends desired, not immoderate nor excessive, being synonymous with rational, honest, equitable, fair, suitable, moderate, and being within the bounds of common sense.

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DD. Request for Bid (RFB). A process by which a written solicitation is used to solicit seller/supplier response when specific goods and/or services have been selected and price quotations are needed from several sellers/suppliers.

EE. Request for Proposal (RFP). A written solicitation that conveys to sellers/suppliers, a requirement for goods and/or services that the requestor intends to buy. The RFP process includes consideration in which the seller/supplier's experience, qualifications and proposed solution may take precedence over price.

FF. Responsible. Possessing the technical and financial competence to perform and having a satisfactory record of integrity and performance.

GG. Responsive Behavior. A firm or person who submits a bid that conforms in all material respects to an RFB or RFP.

HH. Scope of Work. A detailed, written description of the work to be performed by the supplier/contractor, including both specific deliverables and standards by which to judge that a contract has been fulfilled.

II. Services. Time and effort by a contractor that results in a benefit to the Community, but does not result in the delivery of a tangible good. Examples include, but are not limited to repair work, consulting, professional services and temporary labor.

JJ. Sole Source. A single source which provides goods and/or services not reasonably available from other sources and is deemed to be in the best interest of the Community for the purchase of goods and/or services on a non-competitive basis. Examples include contractors where the learning curve for any other contractor would be too long, or circumstances in which continuity of care are a concern.

KK. Sovereign. Self-governing person, body, or state in which independent and supreme authority is vested, independent of other governing law.

LL. Supplier. A seller, supplier, retailer or individual that provides goods to or performs services for the Community.

### III. POLICY:

A. It is the policy of the Community, through application of preference in the procurement of goods and/or services, to first promote the success and growth of:

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1. Certified Community-owned businesses; and
  2. Certified Community Member-owned businesses and certified individual Community Members.
- B. It is the policy of the Community to utilize a Purchase Order system as the primary method for the procurement of all goods and/or services.
- C. It is the policy of the Community that no agreements may be reached, contracts executed, nor funds committed in the procurement of goods and/or services without the participation of the appropriate personnel, as outlined within this Policy.
- D. After certified Community-owned businesses and certified Community Member-owned businesses and certified individual Community Members, it is the policy of the Community to give preference to other certified Native Americans in the procuring of goods and/or services.
- E. This Procurement Policy and any subsequent amendments, revisions, or changes hereto shall be effective when approved by the Community Council.
- F. Consequence of Violation of Policy.
1. Violation of any part of this Policy may subject a Community employee, agent or officer to administrative, disciplinary or civil penalties. All discipline of Community employees shall be carried out pursuant to Personnel Policy 2-12, or Community-owned business equivalent.
  2. Violation of any part of this Policy may subject a Bidder or Contractor to cancellation of an existing contract or contracts, prohibition from being eligible for future contracts, and exposure to administrative and/or civil penalties.

#### IV. PROCEDURE:

##### A. Application.

1. This Policy applies to all procurement of supplies and/or services entered into by the Community after the effective date of this Policy.
2. This Policy shall apply to all expenditures of funds by the Community for procurement of goods and/or services, generally irrespective of the source of funds, **except that certain outside funding sources may require application of specific rules, regulations, policies and procedures that take precedence over those set forth in this Policy.**

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3. Nothing in this Policy shall prevent the Community from complying with the terms and conditions of any grant, contract, gift, or bequest that is otherwise consistent with law.
4. All Community and Community-owned business employees, appointees and elected officials must comply with the policies and procedures contained herein unless such employee, appointee, or elected official has specifically been exempted by a superseding policy approved by an applicable governing body such as a Board or the Community Council.
5. The Office of General Counsel (OGC) serves as the official advisor to the Community in all matters related to compliance with codes, statutes, rules and regulations, as well as interpretation, resolution and adjudication thereunder. For purposes of this Policy, the Office of the General Counsel provides legal review for transactions requiring the same. The Community Manager (or equivalent) shall be the final authority on all procurement matters.

#### B. Procurement Authority and Administration

1. Responsibility for financial control and stewardship rests primarily with the Community Finance Department, but responsibility also rests with each department, division, Community-owned business and/or program that authorizes the use of Community funds to procure goods and/or services. Each Community Director is responsible for:
  - a. Reviewing the nature and appropriateness of all authorized expenditures for such department, division, Community-owned business and/or program;
  - b. Reviewing the accuracy of all ChartField (or equivalent) coding (e.g., fund, program, department, account, project coding) on all procurement methods (See: Procurement Methods, Section IV.E. of this Policy);
  - c. Ensuring that each person assigned tasks that involve procurement (e.g., those completing requisitions, check requests, and P-Card holders) is performing their duties with competence and integrity;
  - d. Ensuring that any other procurement laws, rules, prerequisites, regulations or policies which are applicable to the expenditure because of the funding source are complied with fully.
2. The staff of the Purchasing Division of the Finance Department (or equivalent) shall be available as resources to facilitate procurement of goods

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and/or services for the benefit of the Community in accordance with this Policy.

3. The Grants and Contracts Administrator shall be responsible for providing to Directors and Assistant Finance Director over the Purchasing Division of the Finance Department a copy of applicable governing procurement policies, laws, rules, prerequisites or regulations as provided by any outside funding source when applicable.
4. The Assistant Finance Director over the Purchasing Division of the Finance Department (or equivalent), or authorized designee, shall facilitate:
  - a. An annual planning process to ensure timely, efficient and economical purchasing of routine, annual purchases (i.e., maintenance agreements, uniforms, water, etc.) and establishment of annual contracts for services in time for the beginning of the fiscal year;
  - b. Creation of Purchase Orders, contracts and change orders, which are in writing and clearly specify the desired goods and/or services which are supported by sufficient documentation. Procurement via construction contracts and capital purchases in excess of \$150,000 using competitive bids as provided for in this Policy;
  - c. Adjudication of Sole Source requests in accordance with this Policy;
  - d. Ensuring that contract awards are made to the responsive and responsible bidder(s) offering the greatest value to the Community, considering all pertinent and relevant factors;
  - e. Ensuring that unsuccessful firms for bids and competitive proposals are notified in writing after contract award;
  - f. Providing that qualifications-based selections consider all information deemed relevant to the interest of the Community, including past performance on projects of similar size and complexity.
5. Authority to obligate Community funds is commensurate with Policy 3-1, Signature Authorization Policy.
6. An assigned project manager has the authority, in accordance with this Policy, to obligate funds by establishing Purchase Orders and contracts and approving Change Orders and Amendments to contracts that are within the budget and for the purpose shown in the budget and project description.
7. If a procurement is deemed to require a written contract or agreement (See: Appendix A for matrix to determine what requires a contract/agreement),

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the contracts and agreements must go through the Community's Contract Review and Approval System (CRAS) and, as part of that system, be reviewed as to legal content and approved as to form (including whether it contains the requisite terms of a contract) by the Office of General Counsel.

## C. Preference

### 1. General

- a. This Section specifies the methods and procedures the Community must follow to provide preference to qualified and certified Community-owned businesses, Community Member-owned businesses, individual Community Members and other Native American-owned business enterprises and individual Native Americans when contracting.
- b. All Contactors contracted by the Community or its agencies must adhere to the methods and procedures of this Section when subcontracting.
- c. This Section shall apply to all procurement conducted by the Community as well as any person or entity contracting with the Community.
- d. This Section shall supersede all prior conflicting Community procurement Codes or Regulations.
- e. This Section shall not be interpreted in any way to prevent the Community from rejecting any bid or proposal on the ground that the bid or proposal is unresponsive or for any other reason provided that such reason remains consistent with this Policy.

### 2. Certification

- a. A firm or individual seeking certification as a Community Member-owned or Native American-owned business enterprise shall submit a completed application to the Purchasing Division of the Finance Department of the applicable tribal agency on a form provided by the Purchasing Division of the Finance Department.

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- b. The process and application can be found at the Purchasing Division's internet site at <https://www.srpmic-nsn.gov/wp-content/uploads/2017/04/ProcurementCertificationApplication.pdf> or can be obtained in hard copy by contacting the Purchasing Division.

### 3. Community/Native American Preference

- a. The Community shall give preference when awarding contracts in the following order:
  - 1) Certified Community-owned businesses;
  - 2) Certified Community Member-owned businesses or individual Community Members;
  - 3) Other certified Native American-owned businesses or individual Native Americans.
- b. All RFP's, RFQ's or other invitations for bids or contract solicitations shall contain a statement that preference, as defined in this Section, applies in the award of the contract and in the procurement of goods and/or services pursuant to the contract.
- c. Preference will apply to all procurement actions unless otherwise prohibited by an external funding agency.

### D. Process for Procuring Goods/Services

#### 1. Flowchart

- a. For a detailed flowchart of the procurement process, see Appendix B.

#### 2. Supplier Selection

- a. If a certified Community-owned business, certified Community Member-owned business or certified individual Community Member is able to provide a particular good or service, quotes will not be obtained from any other source, nor will competitive procurement methods be utilized.
- b. The certified Community-owned business, certified Community Member-owned business or certified individual Community Member will be deemed a sole source and the Community will negotiate price for the good or service.

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- c. If more than one certified Community Member-owned business or certified individual Community Member is deemed able to provide a particular good or service, only those certified Community Member-owned businesses or certified individual Community Members will be subject to competition with each other in accordance with this Policy.
- d. If a mutually acceptable negotiated price cannot be agreed to between the Community and the certified Community-owned business, certified Community Member-owned business or certified individual Community Member proposing to supply the good or service, the Community will then look to other sources to obtain quotes, as outlined herein.

### 3. Preferred Supplier List

- a. The Purchasing Division of the Finance Department shall create and maintain a list of preferred suppliers consisting of those suppliers who are certified in accordance with Section IV.C.2 of this Policy.
- b. The intent of the preferred supplier list is primarily to facilitate Community Member/Native American preference.
- c. If two suppliers on the preferred supplier list provide the same goods or services, procurement must follow preference as outlined in Section IV.C of this Policy.
- d. The suppliers on the preferred supplier list that are not certified Community- owned businesses, certified Community Member-owned businesses or certified individual Community Members will be reviewed and their pricing updated and/or confirmed at least every two years; The Community may update and/or confirm pricing more frequently.
- e. Certified Community-owned businesses, certified Community Member-owned businesses and certified individual Community Members on the preferred supplier list are not subject to periodic re-bids.
- f. A supplier can request to be considered as a preferred supplier by contacting the Purchasing Division.
- g. The Purchasing Division shall make the preferred supplier list available to the Community.

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#### 4. Procurement using ISDEAA (Self Governance) Funding

- a. When procuring goods or services using ISDEAA as the funding source, refer to and follow procedures used when the funding source is Tribal (including application of preference), **except**:

- 1) When using ISDEAA funding for procuring goods and services, the Community Manager may **not** (nor may any other official) override the requirements for competition.

- b. The Community is solely responsible, using good administrative practice and sound business judgment, for processing and settling all contractual and administrative issues arising out of a procurement. These issues include, but are not limited to source evaluation, protests, disputes and claims.

- 1) The settlement of any protest, dispute, or claim shall not relieve the Community of any obligations under its self-determination contract
- 2) Violations of law shall be referred to the Community or Federal authority having proper jurisdiction.

#### 5. Small Purchase Procedures

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a. General.

- 1) Any procurement not exceeding \$250,000 may be conducted in accordance with the small purchase procedures authorized in this Section.
- 2) Purchases shall not be artificially divided so as to constitute a small purchase under this Section.
- 3) Purchase shall be from a certified Community-owned business, a certified Community Member-owned business, a certified individual Community Member, a certified Native American-owned business or another certified Native American if available, unless the good or service of the available preferred supplier(s) is of such inferior quality that it would not best serve the needs of the Community in which case, evidence of such determination must exist and be documented.
- 4) The Community shall use contracts for services to be supplied to the Community according to risk/price evaluation (See: Appendix A).

b. Micro Purchases - up to (and including) \$50,000 in amount

- 1) Do not require competition.
- 2) At the Community's option, quotes may be obtained, but such is not necessary.
- 3) Generally also applies to Federal grants, but if the external funding source of a specific grant requires a lower Micro Purchase limit, then that limit shall apply.

c. Purchases of more than \$50,000 up to (and including) \$250,000 in amount

1) Obtaining Quotes

- a) The Community shall solicit price quotations by any informal procedure that allows participation by competitive sources.
- b) Quotes may be obtained by Purchasing Division staff or by requesting department staff.
- c) Verbal quotes are acceptable only when documented.

d) Competitive quotations may be waived when items are

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categorized as standardized products, are covered under annual contracts or are purchased under GSA or cooperative pricing agreements.

- e) Other factors such as sole source or justifiable rush orders may be considered at the discretion of the Community Manager (or equivalent) or Assistant Finance Director over the Purchasing Division of the Finance Department (or equivalent). See Section IV.D.8 for Sole Sourcing procedures.

## 2) Competition

- a) The Community shall attempt to obtain quotations from at least two (2) qualified sources.
  - i. A single quotation may be accepted if accompanied by an approved Sole Source Justification form (see Section IV.D.8 of this policy for Sole Sourcing (Non Competitive) Process).
  - ii. The Community Manager or Assistant Finance Director over the Purchasing Division of the Finance Department may waive the requirement for competitive bids if it can be demonstrated that bids within the last six (6) months adequately meet the need for price and quality competition.

## 3) Award

- a) Award based on price. For small purchases awarded based on price and fixed specifications (i.e., not subject to negotiation) the Community shall make award to the qualified Native American-owned business or individual with the lowest responsible quotation. If no responsive quotation from a qualified Native American-owned business or individual is received, then award shall be made to the supplier with the lowest quotation.

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- b) Preference (See: Section IV.C of this document) will be applied by multiplying the lowest bid or quotation received by a factor as follows:

Certified Native  
American

\$ 0.00-\$ 50,000 3.5%  
\$50,000.01 - \$150,000 2.5%

(Note: For how to apply preference for purchases over \$100,000, see Section IV.D.5.b.1).c).v. of this document)

- c) Award based on factors other than price. For small purchases to be awarded based on factors other than price, evaluation factors, including but not limited to: quality, delivery, support, warranty and past performance of goods and/or services will be considered.

#### 6. Purchases greater than \$250,000 (RFBs)

##### a. Conditions for Use

- 1) Contracts shall be awarded based on competitive bidding if all of the following conditions are present:
  - a) A complete, adequate, and realistic specification or purchase description is available;
  - b) Three or more responsive and responsible bidders are willing and able to compete effectively for the work;
  - c) The procurement could lend itself to a firm fixed price contract; and
  - d) The selection of the successful bidder can be made principally on the basis of price.

##### b. Solicitation and Receipt of Bids

- 1) Invitation and amendment
  - a) A Request for Bid (RFB) shall be issued including specifications and all contractual terms and conditions applicable to the procurement.

- b) Any amendments to the RFB shall be in writing, and if it is

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necessary to issue an amendment within three (3) days of the bid opening, the bid opening shall be postponed until at least seven (7) days after the issuance of the amendment.

- c) The RFB shall state the time and place for both the receipt of bids and bid opening.
  - i. All bids received shall be time-stamped but not opened and shall be stored in a secure place until bid opening.
  - ii. A bidder may withdraw its bid at any time prior to bid opening.
  - iii. Opening Bids. Bids shall be reviewed in the presence of at least one witness from the Purchasing Division and one from the department whose budget is impacted by the procurement or contract.
  - iv. Award. Award shall be made as provided in the invitation for bids by written notice to the successful bidder.
  - v. Preference (See: Section IV.C of this document) will be applied to the lowest received bid or quotation as follows:

Certified Native American

\$100,000.01 - \$ 500,000.00	1.5%
\$ 500,000.01 - \$1,000,000	.5%
\$1,000,000.01 – and above	0%

(Note: For how to apply preference for purchases of \$100,000 or less, see Section IV.D.4.c.3).b) of this document.)

- 2) Mistakes in Bids.
  - a) Correction or withdrawal or inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for bid opening.
  - b) After bid opening, corrections in bids shall be permitted only if the bidder can show by clear and convincing evidence that a mistake of a non-judgmental character was made, the nature of the mistake, and the bid price actually intended.
  - c) A low bidder alleging a non-judgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was

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made.

- d) Withdrawal of a bid results in forfeiture of the bidder's bid bond. See: Section IV.G.3.
- e) All decisions to allow correction or withdrawal of bid mistakes shall be approved by the Assistant Director Assistant Finance Director over the Purchasing Division of the Finance Department (or equivalent).

## 7. Competitive Proposals (RFPs)

- a. General. The Community shall use requests for proposal (RFP) when it is determined that price should not be the sole factor in awarding the contract.
- b. Conditions for Use. When feasible, and regardless of purchase amount, RFPs will be used if there is an adequate method of evaluating technical proposals and where the Community determines that conditions are not appropriate for the use of bidding.
- c. Solicitation (Request for Proposal)
  - 1) Proposals shall be handled so as to prevent disclosure of their contents to unauthorized persons.
  - 2) The RFP shall clearly identify the relative importance of price and other evaluation factors and sub-factors, including but not limited to technical factors and Community Member/Native American preference.
  - 3) The RFP shall specify a deadline for supplier submission.
  - 4) The RFP shall specify the name of a single contact for the supplier to communicate with regarding the RFP.
- d. Evaluation Process
  - 1) A selection panel of no fewer than three (3) individuals will be assembled.
  - 2) The Assistant Finance Director over the Purchasing Division of the Finance Department or delegate must sit on every selection panel.

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- 3) The selection panel shall apply price and other evaluation factors as specified in the RFP.
- 4) The selection panel shall thoroughly document its decision-making process and reasons for selection.

e. Questions about RFPs

- 1) Respondents (suppliers who have responded to the RFP) shall be afforded fair and equal treatment with respect to any opportunity for clarification of proposal language.
- 2) Respondents may wish to seek clarification with regard to both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements.
- 3) Respondent questions shall be directed to and gathered only by the contact specified in the RFP.
- 4) Respondent questions and the associated SRPMIC answers will be published to all respondents, not only the supplier who asked the question.
- 5) No respondent shall be provided information about any other respondent's proposal, and no respondent shall be assisted in bringing its proposal up to the level of any other proposal.
- 6) Respondents shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award.

f. Award

- 1) After evaluation of proposal responses, the contract shall be awarded to the responsible firm whose qualifications, price and other factors considered, are the most advantageous to the Community provided that the price is within the maximum total contract price established for the specific project or activity.
- 2) The Community may accept a sole proposal, in unusual circumstances, such as when the Community determines that the delays caused by re-soliciting would cause higher costs, where the Community determines that the proposal has a fair and reasonable price or when other factors require a prompt response.

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## 8. Cancellation of Solicitations

- a. A RFB, RFP, or other solicitations may be cancelled at any time if it is determined that cancellation is in the best interests of the Community.
- b. A RFB, RFP, or other solicitations may be cancelled before offers are due if any of the following conditions exist:
  - 1) The Community no longer requires the goods and/or services;
  - 2) The Community can no longer reasonably expect to fund the procurement;
  - 3) Proposed amendments to the solicitation would be of such magnitude that a new solicitation would be desirable; or
  - 4) For similar reasons.
- c. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
  - 1) The goods and/or services are no longer required;
  - 2) Ambiguous or otherwise inadequate specifications were part of the solicitation;
  - 3) The solicitation did not provide for consideration of all factors of significance to the Community;
  - 4) Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
  - 5) There is a reason to believe that bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith;
  - 6) A condition for cancelling a solicitation and re-soliciting, as specified in paragraphs above, is met;
  - 7) For good cause of a similar nature when it is in the best interest of the Community.
- d. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request to any supplier solicited.
- e. A written notice of cancellation shall be sent to all suppliers solicited.

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9. Sole Sourcing (Noncompetitive Purchases)

- a. Procurements shall be conducted competitively to the maximum extent possible.
- b. Procurements using Federal funds may only be conducted using sole sourcing if the relevant code of federal regulations that outlines procurement under the applicable grant allows for such and provided the process followed conforms to Uniform Guidance.
- c. Procurement by noncompetitive proposals may be used only when one of the following is true:
  - 1) the award of a contract is not feasible using small purchase procedures, sealed bids, or competitive proposals, and/or use of
  - 2) noncompetitive procedures is in the best interests of the Community, as determined by the Department Director or higher authority; OR
  - 3) the good or service is listed on an approved “Automatic Sole Source” list (only applies to purchases that do not use external funding sources).
- d. Sole Source Justification Form
  - 1) A Sole Source Justification Form must be completed when a purchase:
    - a) is between \$50,000 and \$250,000 in amount and at least two quotes have not been obtained; or
    - b) is over \$250,000 in amount and has not been bid or otherwise competitively sourced
  - 2) The form must be submitted to the Assistant Finance Director in charge of the Purchasing Division and/or the Community Manager and the form must be signed by either of those individuals indicating approval to proceed with the purchase from a single source.
  - 3) The Sole Source Justification Form can be located at <http://connect/finance/purchasing/solesource/Lists/solesource/NewForm.aspx>

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## E. Procurement Methods

### 1. Selection of Method.

- a. An individual responsible for procurement shall choose one of the following procurement methods based on the nature and anticipated dollar value of the total purchase.

### 2. Online Requisition (ONL)/Purchase Order

- a. Procurement by way of requisition and purchase order is the preferred method for procuring goods and/or services for two reasons:
  - 1) Pre-authorization of purchases by those authorized to obligate SRPMIC funds; and
  - 2) Systematic encumbrance of funds to prevent overspending of appropriated funds.
- b. Other than delivery instructions or a description or specifications of the product and the like, nothing is to be attached to the purchase order, such as the supplier's contract, supplier requirements, limitations on warranty, nor anything else that would place obligations on the Community or would limit the Community's rights under the law or would constitute a waiver of sovereign immunity. OGC must be consulted if any supplier insists that the Community sign anything but the Community's own PO.

### 3. Online Check Requests (Payment Requests/PRQs)

- a. Payment requests are used for reimbursements to non-employee individuals and for procuring goods and/or services from suppliers who will not accept purchase orders.
- b. Payment requests are pre-authorized systematically via workflow.
- c. Payment requests are encumbered systematically.

### 4. P-Card

- a. P-Cards are in no way to be used to circumvent the policies and procedures contained in this document.
- b. Purchasing Cards are issued to authorized SRPMIC employees.

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- c. P-Cards may be used for purchases up to the limit established on the card and in accordance with P-Card policy and procedure.
- d. There is a separate policy and procedure for P-Card use: See: <http://connect/administration/policies/ch03/3-4.pdf>
- e. When choosing to use a P-Card to procure goods and/or services, purchasers as well as Department Directors must be aware of the following:
  - 1) Purchases made on a P-Card are not pre-authorized.
  - 2) Purchases made on a P-Card are not encumbered systematically, and therefore do not set aside appropriated funds.

#### 5. Contracts

- a. See Appendix C for price/risk matrix to determine when a contract is an appropriate or desired method for procuring goods or services.
- b. If a contract is the preferable method, see <http://connect/ogc/SitePages/Home.aspx> for the Contract Review and Approval System (CRAS) process and procedures.
- c. The Purchasing Division enters contracts that have gone through the CRAS process into the online procurement system, encumbering the entire contract amount.

#### 6. Petty Cash

- a. Small purchases of \$500.00 and less may be processed through the use of petty cash accounts.
- b. Department Directors allowing and/or requesting the establishment of petty cash in their divisions should be aware of the inherent risks associated with managing physical cash within their areas.
- c. Department Directors shall provide adequate training to those assigned to access and maintain departmental petty cash funds.
- d. Departmental accounts are established in amounts sufficient to cover small purchases made during a reasonable period (e.g., one week).
- e. Security is maintained and only authorized individuals have access to the accounts.

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- f. The accounts are periodically reconciled and replenished by submission of a voucher to the Finance Department of the applicable SRPMIC agency.
- g. The Department Directors or designees are to validate proper use, periodically audit the accounts and verify that the account total equals cash on hand plus the total of accumulated vouchers.
- h. The Finance Department periodically audits the accounts randomly to verify proper use and balances.

#### F. Cost and Price Analysis

- 1. A cost or price analysis may be performed when necessary for procurement actions, including contract modifications. The degree of analysis shall depend on the facts surrounding the procurement.
- 2. A cost or price analysis may be performed on procurements when it is sole sourced and above the micro purchase threshold.
- 3. Submission of Cost or Pricing Information. If the procurement is based on noncompetitive proposals, or when only one offer is received, or for other procurements as deemed necessary by the Community (e.g., when contracting for professional, consulting, or architect/engineer services) the respondent may be required to submit:
  - a. Commercial pricing and sales information sufficient to enable the Community to verify the reasonableness of the proposed price such as a catalog or market price of a commercial product sold in substantial quantities to the general public; or
  - b. Documentation showing that the offered price is set by law or regulation.
- 4. Cost Analysis
  - a. Cost analysis may be performed if a bidder/contractor is required to submit a breakdown of expected costs as part of its proposal.
  - b. When a cost breakdown is submitted, a cost analysis may be performed of the individual cost elements, such as labor, materials and overhead.
  - c. The cost analysis may consist of inquiries and research of current market prices for similar labor, materials and overhead elements.

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- d. In analyzing the proposed costs, the Community may consider factors such as the complexity and risk of work as defined by the Scope of Work, the contractor's investment and productivity, the amount of subcontracting that is being proposed by the bidder, and the quality of the bidder's past performance.

## G. Supplier Qualifications and Duties

### 1. Supplier Responsibility

- a. Procurements shall be conducted only with responsible contractors, that is, those who have the technical and financial competence to perform and who have a satisfactory record of integrity and performance.
- b. Before awarding a contract or entering into a purchase order, the Community, when the Assistant Finance Director over the Purchasing Division of the Finance Department deems necessary, shall review the proposed supplier's ability to perform the contract or satisfy the purchase order terms successfully, considering factors such as the contractor's integrity, compliance with public policy, record of past performance (including contacting previous clients of the contractor), and financial, administrative, and technical capability to perform contract work of the size and type involved and within the time period provided under the contract.
- c. If a prospective supplier is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the supplier's file, and the prospective supplier shall be advised of the reasons for the determination.

### 2. Suspension and Debarment

- a. Contracts shall not be awarded to, nor purchase orders entered into with, debarred, suspended, or ineligible suppliers.
- b. Suppliers may be suspended, debarred, or determined ineligible by the Community when necessary to protect the Community in its business dealings.
- c. The Community may suspend or debar a supplier under applicable law.

3. Procurement using Federal funds requires that suppliers be checked at the website Excluded Parties List System site (<https://www.sam.gov/SAM/pages/public/searchRecords/advancedPIRSearch.jsf/>)

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#### 4. Bonds

- a. To ensure only serious bids, those bidding on service and construction contracts in excess of \$100,000 may be required to provide a bid bond equal to 10% of their bid.
- b. In addition to the other requirements of the Policy, the successful bidder may be required to submit one of the following forms of assurance, within ten (10) days after the prescribed contract forms are presented for signature:
  - 1) A performance and payment bond for 100% of the total contract price for construction contracts in excess of \$100,000; or
  - 2) Evidence that the successful bidder has set up an escrow account established in the name of that successful bidder and the Community, and evidence that the successful bidder has deposited into that escrow account not less than 20% of the total contract price, subject to reduction, during the warranty period commensurate with potential risk; or
  - 3) An irrevocable letter of credit for 25% of the total contract price, unconditionally payable upon demand to the Community, subject to reduction, during the warranty period commensurate with potential risk; or
  - 4) An irrevocable letter of credit for 10% of the total contract price and compliance with the procedures for monitoring and disbursements provided by the contractor.
- c. Bonding companies used must have a AAA rating, as reported by the U.S. Department of Treasury.

#### H. Procurement Ethics

##### 1. Conflict of Interest

- a. No employee, officer or agent of the Community shall participate directly or indirectly in the selection or award or administration of any contract if a conflict, real or apparent, would be involved.

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- b. Such conflict would arise when a financial or other interest in a firm selected for award is held by:
  - 1) An employee, officer or agent involved in making the award;
  - 2) His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister, grandfather, grandmother, grandson and granddaughter);
  - 3) His/her partner; or
  - 4) An organization which employs or contracts with, is negotiating to employ or contract with, or has an arrangement concerning prospective employment or contracting with any of the above.
- c. No contractor, supplier or provider shall participate in any conflicts of interest or violate or assist in violating this Section in any way.

## 2. Gratuities, Kickbacks and Use of Confidential Information

- a. All SRPMIC officers, employees and agents shall follow the ethical standards set forth in the Community's Policies and Procedures, Policy 2-11 Ethical Standards.
- b. No SRPMIC officer, employee or agent shall knowingly use confidential information for actual or anticipated personal or family gain.
- c. No contractor, supplier or provider shall participate in any gratuities, kickbacks or misuse of confidential information or violate or assist in violating this Section in any way.

## 3. Prohibition Against Contingent Fees

- a. Contractors shall not retain a person to solicit or secure a SRPMIC contract for commission, percentage, brokerage, or contingent fee.

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V. APPENDICES

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V. Appendix A – RISK MATRIX: Whether to use Contract or Not

The matrix below gives examples of types of purchases that require only a PO versus purchases that require a contract. The decision is based upon a combination of risk (liability) to the Community and dollar amount of purchase. Examples in boxes ARE NOT ALL-INCLUSIVE, but are examples only. If you have questions about a particular purchase and do not see it as an example on this matrix, please seek the assistance of the Purchasing Division of the Finance Department

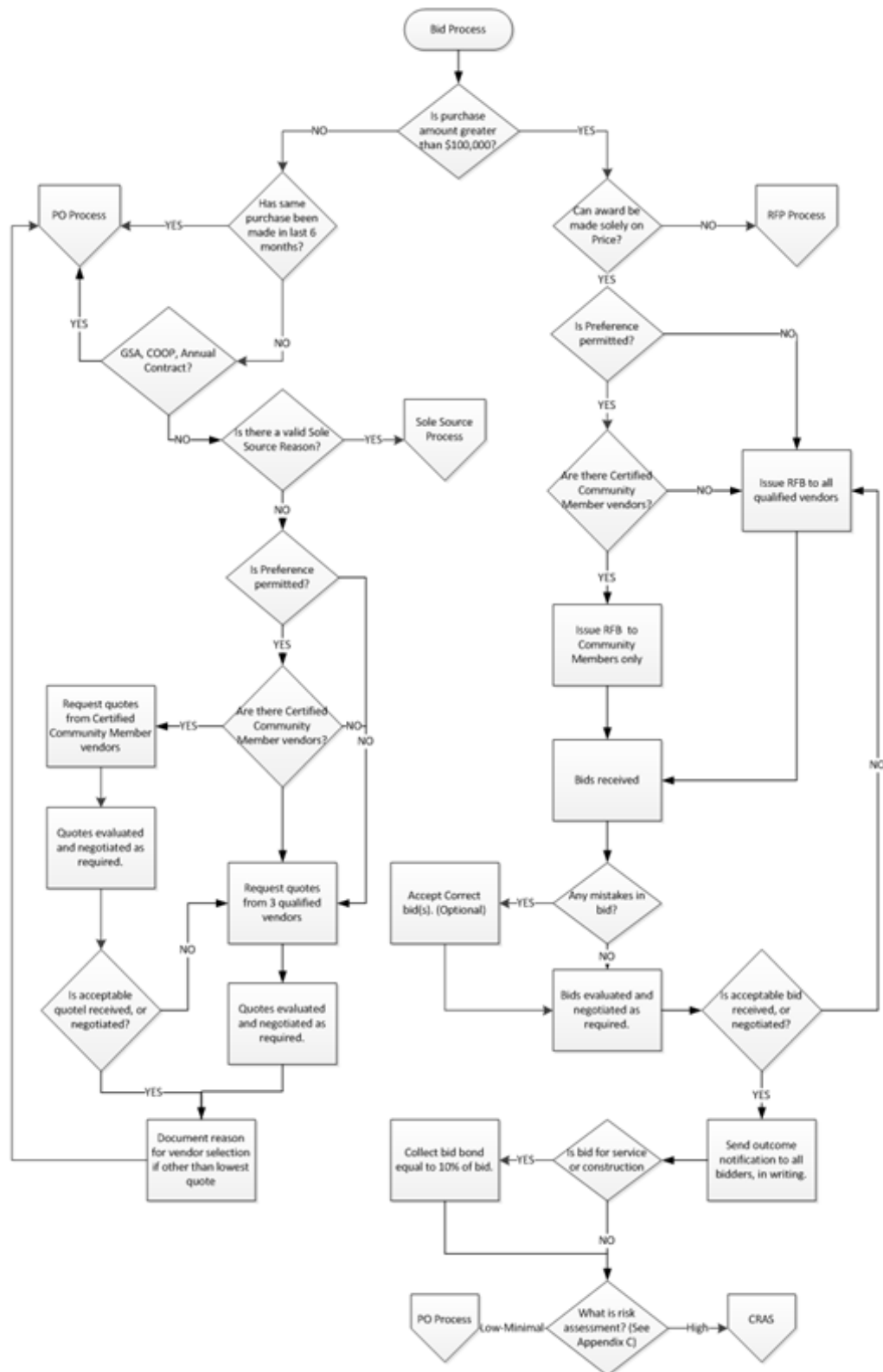
Contract				
P.O.				
Over \$100,000	Janitorial services, monitoring of alarm/fire system, pest control	Professional Services, Architectural & Engineering, Environmental	Construction projects, expensive software	
	Purchase + Installation (i.e. carpet, cabinets, furniture, fencing), Onsite instructional training	Armored car service	Service/maintenance agreements, elevator repair, pump stations	
	Repairs to tools/office equipment, Onsite instructional training	Installation of marquee (electrical) signs	Inflatable jumping play areas	
Less than \$5,000				
Low / Minimal		Medium	High	
RISK				

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VI. Appendix B– Procurement Flowcharts

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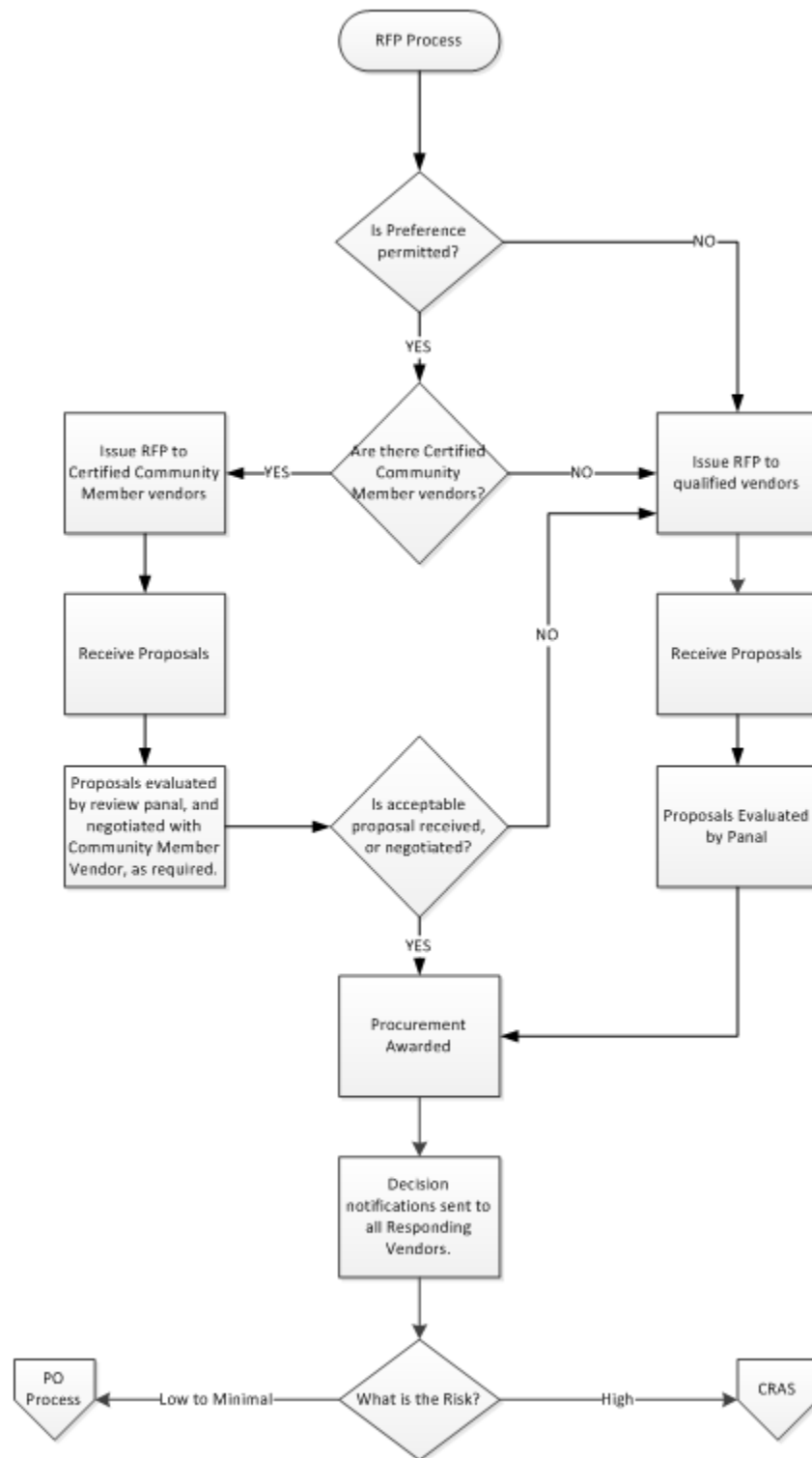
## A. RFB Process Flowchart



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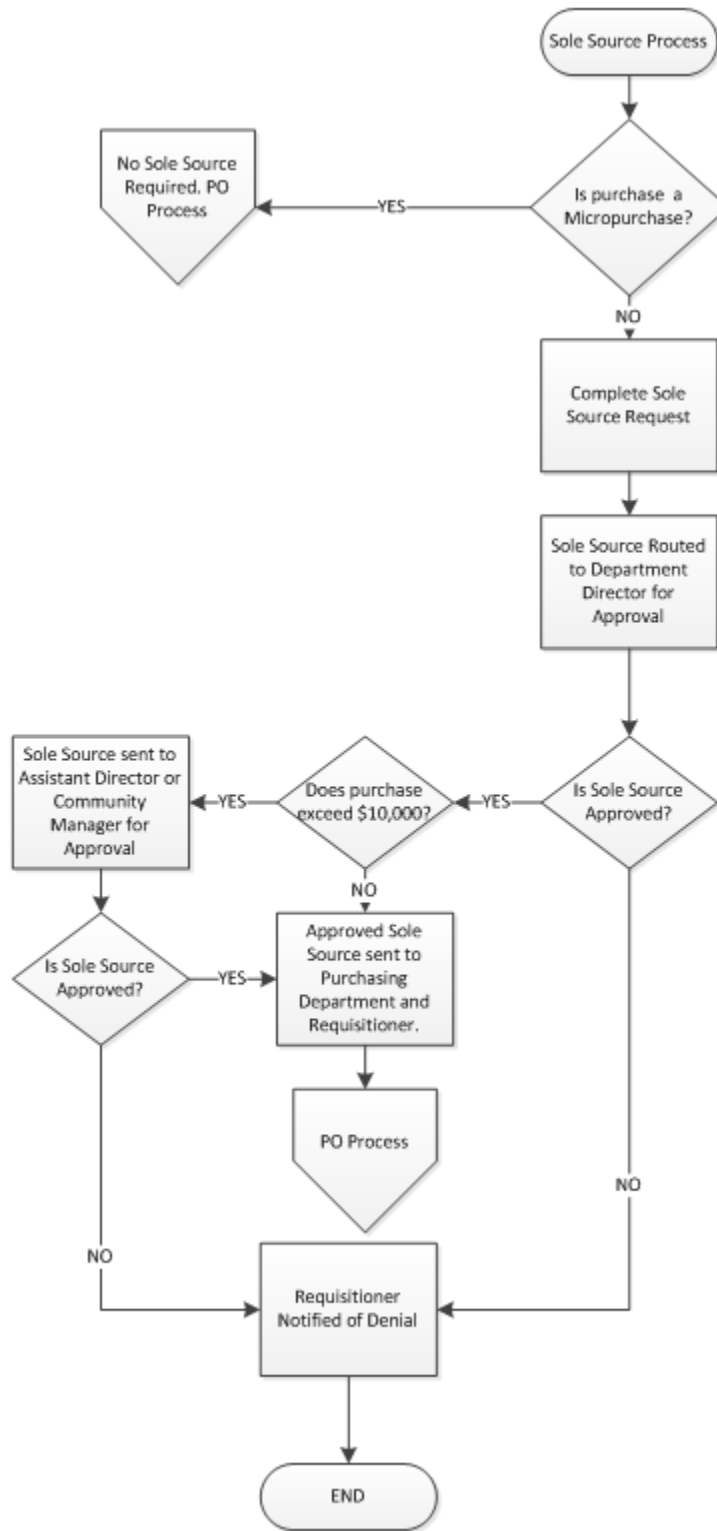


## B. RFP Process Flowchart



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### C. Sole Source Process Flowchart



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## AUTOMATIC SOLE SOURCE

### Accounting services and audits

Advertising: Includes any advertisement placed directly with newspapers, trade magazines, internet publications, social media or bulletin boards.

Includes broadcast television and radio advertisements placed directly with the broadcaster or publisher. Includes participation fees for trade shows, conferences or conventions.  
Excludes any indirect placement, promotional items or advertising consultant services.

### Artwork and Historical Items

Includes the purchase of and service to artwork and historical items.

### Attorneys and Law Firms

### Intra-Governmental Agency Agreements

### Court Ordered Placements

Includes when placing children at various educational and/or behavioral centers.

### Entertainers

Includes individuals and/or groups contracted at the request of the Community to entertain or to assist in the production of entertainment.

### Hospitality

Includes expenses for food, beverages, facility rental and entertainment relating to conducting Community business.

### Medical Fees

Includes fees for medical services (behavioral and physical) from individual doctors, dentists, clinics, hospitals, laboratory testing facilities, audiologists, county medical examiners, physical and occupational therapists, behavioral counseling and evaluations, etc. for individual patients, inmates, students and clients where the Community is responsible for payment for this one-time service.

- i. Medical Fees (cont'd)
- ii. Includes programs designed for low income / uninsured patient care on an individual basis as defined under the General Welfare ordinance.
- iii. Excludes inmate health care management, clinic management, consulting services or agreements to provide services for groups of patients, inmates, students or clients, etc.

Postage: Includes stamps, metering, overnight services.

### Professional Association Dues

### Resale Items

Investigative Services; Subject Matter Experts and Witnesses for Administrative Hearing and Legal Proceedings

- i. Includes obtaining investigative services and the services of a subject matter expert or witness.
- ii. Excludes agency consulting services or former employees retained by their agency or hired by another agency.

### Subscriptions and publications

### Training Activities

### Utilities

### Court Ordered Payments

### Intellectual Property

- i. Includes the purchase of licenses to intellectual property, such as copyrighted or trademarked material, for creative use in the development of products, promotions, or advertising when the license can be obtained from only one source.
- ii. Excludes software.

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## PURCHASING THRESHOLD MATRIX

<u>Type</u>	<u>Amount Range</u>	<u>Requirements</u>
Micro	\$0-\$50k	No quotes required
<u>Simplified small</u> Purchase	>\$50k – \$250k	At least two (2) informal quotes
Competitive	>\$250k	Bids or RFP required

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