

# La Paz County



## Procurement Policies and Procedures

Adopted April 17, 2017

Revised December 17, 2018

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## **I. Introduction**

The purpose of this manual is to establish uniform policies and procedures throughout La Paz County when soliciting bids, establishing agreements, and purchasing goods and services on behalf of the county. The policies set forth were written to facilitate compliance with applicable provisions of federal, state, and local laws including 2 CFR 200 and Arizona Revised Statutes. Noncompliance may result in sanctions and liabilities to both the individual and the county. Improper or non-competitive procurement practices may adversely affect the integrity of information reported to the grantor and the public. Compliance with these policies will help ensure that the residents of the county are receiving the greatest possible benefit for their tax dollars.

*For additional information please contact the La Paz County Finance Director.*

## **II. General Procurement Requirements**

Procurement activities have immediate and widespread impacts throughout the County. In order to ensure both the smooth operation of the county and the integrity of the county financial system the following policies apply to all procurement activities.

- It is the responsibility of each County employee involved in the procurement process to review, understand and comply with the Procurement Policy and any applicable ordinances. If there are any questions or concerns relative to either the applicable policies or procedures, or the ability of the employee to respond effectively to the requirements of the procedures, then it is the responsibility of the employee to bring such matters to the attention of the Finance Director immediately. Each employee will be required to sign an Annual Conflict of Interest Disclosure Statement to ensure compliance with State law. Any purchase utilizing County funds, regardless of dollar amount, shall be for a valid public purpose.
- Subscription or recurring services cost is determined on a 12-month (1 year) subscription aggregate cost.
- Purchases and service requests that are anticipated to incur an expense of at least \$5,000 require pre-approval by the Finance Director or County Administrator.
- All purchases of at least \$100,000 or contracts that exceed a 12-month commitment require Board of Supervisors approval prior to placement of the order or signing of a contract for services.
- The Board of Supervisors, County Administrator, Finance Director or Department Head may require a higher level of procurement approval than is indicated by aggregate expense for any purchase or agreement.
- All purchases and service requests, including those under existing contracts, shall be in writing.
- Various funding entities such as grant programs may have varying procurement requirements. In all cases, the more restrictive procurement policy is to be followed.

- Each County employee involved in the procurement process is bound by the Standards of Conduct sections 1.2 and 1.3 of the La Paz County Employee Handbook (1996) and by the Conflict of Interest section 4.2 of the La Paz County Personnel Policy and Procedure Handbook (2018). A violation of any section is grounds for disciplinary action and possible criminal prosecution.
- Each County employee involved in the procurement process shall sign the Conflict-of-Interest Statement and Disclosure form attached hereto as Appendix B. Failure to complete the form is grounds for disciplinary action.
- When procuring goods and services using federal funds, each employee will comply with the Uniform Administrative Requirements—2 CFR 200.320 (d)—Procurement by Competitive Proposals when the amount is more than \$3,000 (USC §200.67).
- The County must put a construction project out to bid, versus doing the work “in house” with county personnel as detailed in Appendix C.
- The County supports the promotion of Disadvantaged Business Enterprises (DBE) and local supplier participation in each of the competitive bid or proposal processes. In an effort to support these vendors, departments shall attempt to contact and invite at a minimum one DBE and/or local firm to participate as a bidder in their procurement process. The Finance Department shall be contacted for direction if the procuring department does not have knowledge of an eligible DBE and/or local supplier.

### **III. Procurement Methods**

There are six procurement methods that should be used depending on specific circumstances:

- Cooperative Purchases
- Micro Purchases: less than \$3,000
- Small Purchases: At least \$3,000 but less than \$100,000
- Sealed Bids: \$100,000 or more
- Competitive Proposals: When the procurement is based on qualifications and price is not the primary determining factor in the evaluation process.
- Non-Competitive Proposals: Allowable under limited circumstances and only with approval of the Finance Director and County Administrator.

#### **III.A) Cooperative Purchase Procurement**

La Paz County may enter into cooperative purchase agreements with other *public entities*. The County has a cooperative purchase agreement with the State of Arizona, other counties, and non-profit consortiums (see Appendix A). Departments may purchase items and services using existing cooperative purchase contracts. This allows the County to purchase materials that have already been

legally procured and are under contract. Purchases made through a public entity cooperative purchase agreement may be for any dollar amount. All purchases made through a cooperative purchase agreement shall still comply with General Procurement Requirements. ARS 41-2632.

### **III.B) Micro Purchase Procurement**

Micro Purchases involve the acquisition of supplies, services, and construction activities that are less than \$3,000 in the aggregate. Micro purchases do not require formal competitive analysis or competitive documentation. Reasonable attempts should be made to distribute micro purchases between qualified suppliers. Dividing a purchase into small units to avoid a more appropriate and competitive method is not allowable. ARS 11-254.01(C); ARS 41-2535(A), UAMC VI-F-8.

### **III.C) Small Purchase**

Small Purchases Level 2 involve purchases with an aggregate at least \$3,000 but less than \$100,000. Small Purchase procurement requires obtaining a minimum of three (3) written price quotations. Dividing a purchase into small units to avoid a more appropriate and competitive method is not allowable. Price quotes obtained from online storefronts and via email are acceptable. ARS 11-254.01(C); ARS 41-2535(A), UAMC VI-F-8.

### **III.D) Sealed Bid**

The competitive sealed bid method applies to all purchases of supplies/materials/equipment costing more than \$100,000. The procurement shall lend itself to a firm, fixed price contract where the selection can be principally made on the basis of price. Competitive sealed bids ensure fair and equitable competition by advertising in a newspaper of general circulation, posting to websites and/or direct solicitation of potential bidders and opening all bids at a time and place open to the public.

The invitation for bids will be publicly advertised, meaning that bids shall be solicited from an adequate number of known suppliers, providing them at least two (2) weeks response time prior to the submission deadline. This requirement may be met through one (1) or more of the following procedures:

- Invitations for bids can be advertised in at least one (1) newspaper of general circulation. An affidavit of publication shall be retained.
- Invitations for bids may also be advertised in local plan rooms. Evidence of this advertisement shall be retained.
- Invitations for bids may also be placed online. Evidence of this advertisement shall be retained.
- Bids may be solicited from a recipient's pre-qualified bidders list. If this method is used, solicitation shall be in writing (via e-mail, letter, fax, etc.) and shall be sent to all contractors on the list. The full bidders list and evidence of written solicitation shall be retained.

The invitation to bid, including the specifications and attachments, shall clearly describe the goods, scope of services or public improvement specifications required so bidders are able to respond appropriately. If applicable, the bid should specify:

- The County has the right to reject any or all bids.
- The County will select the “lowest and most responsive/responsible” bid. This allows the recipient to use factors other than price to determine the bid award. Such factors shall be clearly stated in the invitation to bid and can include: time lines for delivery; transportation costs; information relating to past performance; ability to perform. Consideration of other factors shall be consistent among bidders (i.e. if references are checked for one (1) bidder, the same check shall be completed for all bidders).
- The advertisement and bid package shall clearly state the deadline for receipt of bids and the date, location and time of the public bid opening.
- The County may elect to hold a pre-bid meeting or conference. This shall be advertised in the invitation to bid. This meeting, at the recipient’s discretion, may or may not be mandatory. This meeting may provide potential bidders the opportunity to ask questions, view the project site and meet the recipient’s team.
- Federal procurement requires bid bonds for all bids of \$100,000 or more (USC 28.101, 28.102, 28.103; ARS 41-2535 ARS 11-254.01 and ARS 41-2501). The bid bond is five percent (5%) of the bid price. County procurement mirrors this requirement (ARS 41-2535 ARS 11-254.01 and ARS 41-2501).

To ensure the bidding process is fair, transparent, and compliant with state and federal requirements the County shall comply with the following:

- All bids shall be kept confidential until the public bid opening.
- All bids will be date and time stamped upon receipt. Bids received after the deadline shall be returned unopened.
- All bids shall be opened publicly at the advertised time, date and location.
- A firm fixed price award shall be made in writing to the lowest responsive/responsible bidder after approval by the Board of Supervisors.
- A bid abstract (process summary) shall be maintained which documents:
  - date, time and location of the bid opening
  - persons present;
  - number of bids opened;
  - information received from each bidder; and
  - award decision
- If the County decides not to accept any bid, the reason shall be documented, and the decision approved by the Board of Supervisors.

- Both the awardee and any unsuccessful bidders shall be notified promptly in writing. If the County's protest procedure was not included in the bid package, it shall be included in this notification.
- All bids received by the published deadline shall be retained for three (3) years.

### **III.E) Competitive Proposals.**

Procurement through competitive proposals follows either the Request For Proposals (RFP) process or the Request For Qualifications (RFQ) process. RFP is normally conducted with more than one (1) source submitting an offer and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. Common examples of items procured through this method are grant administration, audits, and general plans. RFQ is usually followed for the procurement of professional services such as architectural, engineering or legal services where qualification rather than price is the primary selection factor. All RFP/RFQ shall be approved by the Board of Supervisors after review by the La Paz County Attorney's Office. ARS 11-254.01(C); ARS 41-2535(A), UAMC VI-F-8; 2 CFR 200.320(d).

The process for competitive proposals (RFP/RFQ) is as follows:

- A written Request For Proposal (RFP) or Request For Qualifications (RFQ) shall be developed.
- The RFP/RFQ is reviewed by the La Paz County Attorney's Office
- The RFP/RFQ is submitted to the Board of Supervisors for approval.
- Proposals may be solicited from known qualified sources. If directly solicited, proposals should be requested from at least three (3) qualified sources to ensure reasonable competition. A list of the firms solicited shall be maintained.
- All RFP/RFQs shall be advertised in a newspaper of general circulation. The affidavit of publication should be retained in the recipient's procurement files.
- All proposals shall be date and time stamped upon receipt. Proposals received after the deadline shall be returned unopened.
- All proposals shall be evaluated in writing following the method stated in the RFP/RFQ.
- An RFP/RFQ score sheet shall be used to document the evaluation factors as described in the RFP/RFQ. This score sheet shall verify decisions to negotiate with a bidder or bidders.
- As necessary, the County conducts negotiations depending on the process followed:
  - RFP: The County deems which offers are responsible and responsive and fall within a competitive price range based on the recipient's evaluation of the bidders' pricing and technical proposals.
  - RFQ: The County determines which offerors' qualifications are most suited to the project, including only those that are considered responsive and responsible. Once the offerors have

been ranked according to qualifications, the recipient may enter into cost negotiations with the most qualified. If the two (2) parties fail to reach a mutual agreement, the recipient may move down the list to the next most qualified offeror and start the negotiation process over.

- In conducting negotiations, there shall be no disclosure of any information derived from proposals submitted by competing offerors.
- The award may be made by the Board of Supervisors to the offeror whose proposal would be most advantageous to the County considering all evaluation factors identified in the RFP/RFQ. The award shall be in writing and clearly identify any contingencies resulting from the negotiations
- Unsuccessful bidders shall be notified promptly in writing. This notification should include information regarding the protest procedures if it was not included in the RFP/RFQ.
- The contract/agreement resulting from the acceptance of the award may be either for a fixed price (paid when the items/services are delivered and approved) or as a reimbursement after costs are incurred (i.e. an hourly fee for legal services rendered).

It is important that the RFP/RFQ clearly identify the type of services/goods to be obtained and other evaluation factors.

- It shall describe the evaluation process as well as the importance (weight) of each evaluation factor. For example, it should indicate the relative weight of experience as compared to qualifications.
- The RFP/RFQ shall identify the approximate time frame for the review and evaluation of all proposals as well as the job titles of the persons who will evaluate the proposals.
- The RFP/RFQ shall clearly identify the deadline for receipt of proposals.

### **III.F) Non-competitive Procurements**

Procurement by non-competitive proposal is procurement through solicitation of a proposal from only one (1) source and may only be used in very limited circumstances when one (1) or more of the following apply:

- After solicitation from a number of sources, competition is determined to be inadequate (i.e. only one (1) or no source responds). Advertising in only one (1) local newspaper that solicits no or only one response, is not considered adequate justification for a non-competitive negotiation
- The item is only available from a single source. This is highly unlikely and shall be independently verified by the Finance Director or County Administrator.
- There is a public emergency and other procurement methods cannot be used. A public emergency shall be declared by an elected official and verified by the Finance Director.
- When contracting with another unit of general local government or WACOG

## **IV. Developing Bid Documents for Procurement**

Procurement bid documents are quite lengthy and should contain as much information as possible. The final bid package incorporates and includes a sample of the actual contract, all attachments and addenda. When the award is made, the signed contract will incorporate those documents or list them by reference regarding the project and detail what will be required of the vendor or contractor. The following items SHALL be included in all bids:

- Scope of Work. This shall be a clear and detailed description of the contractor or vendor's duties and responsibilities.
- Technical specifications of the project or item(s) to be purchased.
- Any required license(s).
- Work schedule.
- Payment amount and method. This should state the basis for payment (i.e. if payments will be made on the basis of task completion, invoices, or on a stated timetable). This section should also specify the conditions for payment, conditions for non-payment, and any amounts that may be withheld for stated reasons.
- Sanctions/penalties. The bid/contract shall describe appropriate remedies for violations including administrative, legal or contractual remedies. This section may also provide for sanctions and penalties as appropriate.
- Method of termination. The bid/contract shall specify the manner in which it may be terminated and the basis for settlement; conditions under which the contract may be terminated for default or because of circumstances beyond the control of the contractor.
- Protest procedures.
- Civil Rights Certification.
- Equal Employment Certification.
- Conflict of Interest Certification.

## **V. Amendments to Solicitations -Addenda.**

Addenda may be issued due to changes in quantity, specifications, scope of work, delivery schedules, opening dates, or plans/drawings. Addenda may also be required for correcting ambiguous RFP/RFQ provisions or resolving conflicting provisions. A change or correction required as a result of a discussion during a pre-bid/pre-proposal conference requires an addendum to the solicitation. A change to the written terms of the solicitation shall be done formally in writing through an addendum to the solicitation document.

When issuing an addendum, it is important to consider whether or not to extend the time and date for receipt of offers. The impact of the changes shall be carefully considered in light of the time it will take

a prudent offeror to incorporate those changes. This includes the time impact on the work already done in preparing the bid or proposal. At a minimum, offerors shall have two weeks' notice between the posting of the addendum and the opening of the bids. A drafted Addendum shall be submitted to the County Attorney's Office for review. All addendums shall be approved by the Board of Supervisors. Firms wishing to submit responses to County solicitations are responsible for obtaining the latest addenda for the respective solicitation in person or from the County's website.

## **VI. Disposal of Property.**

At the end of an item's useful life or when the department no longer has a foreseeable need for and item the property should be disposed of. Disposal of property with a current value of \$250 or more requires written authorization of the County Administrator. Department Heads may dispose of any property that has an estimated current value of less than \$250.

1. All specialized property, such as motor vehicles, computers, and medical equipment, shall be examined by a person who deals in that type of property to determine its current value.
2. All La Paz County departments should be notified of excess property that is available.
3. If no La Paz County department desires the property then it may be sold at auction, transferred to another government entity, or donated to a 501(C)(3) non-profit organization. The sale, transfer, or donation of County Property with an estimated value of \$250 or more requires written authorization by the County Administrator.
4. Property with an estimated value of less than \$25 may be disposed of in any manner seen fit by the department head.
5. The Department Head shall notify the Finance Director of the disposal of any property with an original cost of \$5,000 or more or a current value of greater than \$25 within 30 days of such disposal.

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Duce Minor, Chairman

## **Appendix A – Cooperative Purchasing Listing**

Arizona State Procurement

<https://spo.az.gov/>

Mohave Educational Services Cooperative (MESC)

<http://www.mesc.org/>

Pima County

<http://webcms.pima.gov/cms/One.aspx?portalId=169&pageId=18377>

Pinal County

<http://www.pinalcountyaz.gov/Purchasing/Pages/home.aspx>

Strategic Alliance for Volume Expenditures (SAVE)

<https://www.mesaaz.gov/business/purchasing/save>

US Communities

<https://www.uscommunities.org/usc/>

# Appendix B – CONFLICT-OF-INTEREST STATEMENT AND DISCLOSURE

## LA PAZ COUNTY, ARIZONA

Arizona Revised Statutes (A.R.S.) §38-503 requires that all public officers and employees of a public agency who have, or whose relatives have, a substantial interest in any decision, contract, sale, purchase, or service to that public agency to disclose that interest in the official records of that public agency and refrain from voting upon or otherwise participating in any manner as an officer or employee in such decision, contract, sale, purchase, or service.

“Substantial interest” is defined by A.R.S. §38-502 as any pecuniary or proprietary interest, either direct or indirect, other than a remote interest.

“Relative” is defined by A.R.S. §38-502 as a spouse, child, grandchild, parent, grandparent, brother, or sister of the whole or half blood and their spouses, and the parent, brother, sister, or child of a spouse.

Except as otherwise noted, I, \_\_\_\_\_, hereby certify that:

1. I do not participate in any private contracts with the County to provide or receive equipment, materials, supplies, or services.
2. I do not maintain a direct or indirect financial interest such as an officer, employee, or any ownership interest, in any proprietorship, partnership, corporation, or governmental entity doing business with the County.
3. I do not have private contracts to provide materials or services to any proprietorship, partnership, or corporation that maintains a business relationship with the County.
4. I do not have any relatives who have a direct or indirect financial relationship with the County.
5. I do not have any relative employed by the County who would receive a direct economic benefit or detriment from a contract or decision or who would confer a direct economic benefit or detriment upon me.
6. I do not have any relatives employed by another public agency or political subdivision who would receive a direct benefit or detriment from a contract or decision or who would confer a direct economic benefit or detriment upon me. Disclose any exceptions to the above statements here: (If none, please state “None”.)

Name	Organization	Relationship
_____	_____	_____
_____	_____	_____

\_\_\_\_\_

Date

\_\_\_\_\_

Signed

### Appendix C – County Construction Projects

A.R.S. § 34-201 dictates what construction projects La Paz County can complete with its own regularly employed personnel or with volunteer labor and which projects are subject to state mandated competitive bidding procedures. The law includes the following provisions:

- La Paz County may complete a project that it believes can be advantageously done by its own employees provided that the total cost of the work, excluding materials and equipment previously acquired by bid, does not exceed a threshold amount that is adjusted annually for inflation. The threshold amount for FY2019-20 is estimated at \$22,506 and for FY2020-21 will be \$23,072.
- La Paz County may use its own employees for street, road, bridge, water or sewer work, other than a water or sewer treatment plant or building, without advertising for bids if the total cost of the project does not exceed a threshold amount that is adjusted annually for inflation. The total cost of water or sewer work does not include services provided by volunteers or donations made for the water or sewer project. The threshold amount for FY2019-20 is estimated at \$241,140 and for FY2020-21 will be at \$247,200.
- La Paz County may construct, reconstruct, install or repair a natural gas or electric utility and distribution system, owned and operated by such agent, with their employees without going to bid unless otherwise prohibited by charter or ordinance.
- La Paz County, without going to bid, may make a contribution for the financing of public infrastructure pursuant to a development agreement up to a threshold amount that is adjusted annually for inflation. The threshold amount for FY2019-20 is estimated at \$160,760 and for FY2020-21 will be at \$164,800.
- La Paz County, without going to bid, may construct recreational projects, including trails, playgrounds, ballparks and other similar facilities excluding buildings, structures, or additions or alterations to structures or buildings, with volunteer workers or workers provided by a nonprofit organization without advertising for bids for labor and materials provided that the total cost of the work does not exceed a threshold amount which is adjusted annually for inflation. The threshold amount for FY2019-20 is estimated at \$213,345 and for FY2020-21 will be at \$218,715.

#### Own Personnel Thresholds

Base Year amount (ARS 34-201)	FY17-18	FY18-19 (est.)	FY19-20 (est.)	FY20-21 (est.)
\$ 14,000.00	\$ 21,472	\$ 21,983	\$ 22,506	\$ 23,072
\$ 150,000.00	\$ 230,055	\$ 235,530	\$ 241,140	\$ 247,200
\$ 100,000.00	\$ 153,370	\$ 157,020	\$ 160,760	\$ 164,800
FY price deflator	109.115	111.709	114.367	117.242
FY Inflation Factor (Base FY1994/1995)	1.5337	1.5702	1.6076	1.648

### Volunteer Thresholds

<b>Base Year amount (ARS 34-201)</b>	<b>FY17-18</b>	<b>FY18-19 (est.)</b>	<b>FY19-20 (est.)</b>	<b>FY20-21 (est.)</b>
\$ 150,000	\$ 203,550	\$ 208,395	\$ 213,345	\$ 218,715
FY price deflator	109.115	111.709	114.367	117.242
FY Inflation Factor (Base FY2001/2002)	1.357	1.3893	1.4223	1.4581