

Chapter 26A - PROCUREMENT¹¹

Footnotes:

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Editor's note— Ord. No. 97.55 repealed prior §§ 2-146 through 2-160 of Ch. 2, Administration, and enacted this chapter. Prior ordinances were Code 1967 §§ 13-1-13-3, Ord. No. 89.20, Ord. No. 90.28 and Ord. No. 91.18.

ARTICLE I. - PROCUREMENT

Sec. 26A-1. - General procurement applicability.

- (a) Except as otherwise provided, this chapter applies to all expenditures of public monies irrespective of their source, including federal assistance monies to this City, for the purchase of materials, goods and services, under any contract, except that this chapter does not apply to either grants, or contracts between the City and other governments. Nothing in this chapter shall prevent the City from complying with the terms and conditions of any grant, gift, bequest or cooperative agreement.
- (b) The provisions of this chapter are not applicable to the following types of procurements that by their nature are not applicable to the competitive process and therefore exempt from the Procurement Code. However, any procurements at or in excess of one hundred thousand dollars (\$100,000.00) require formal Council approval.
 - (1) Professional witnesses if the purpose of such contracts is to provide for professional services or testimony relating to an existing or probable judicial proceeding in which the City is or may become a party or to contracts for special investigative services for law enforcement purposes;
 - (2) Agreements negotiated by the City Attorney or Risk Manager in settlement of a claim or litigation or threatened litigation are exempt from the provisions of this chapter;
 - (3) Worker's compensation payments for medical and related expenses;
 - (4) Works of fine art which are not physically a part of functional construction features, and performing art entertainment;
 - (5) The purchase of miscellaneous books, magazines, newspapers, subscriptions, on-line library reference services, film, videos and assorted materials for library customer check-out purposes for which contracts by competitive bid solicitation is not practicable. Does not include major book provider contracts which are competitively bid;
 - (6) Intergovernmental payments, purchases and agreements;
 - (7) Public utility purchases of water, power and related services;
 - (8) Specialized seminar, training and educational classes;
 - (9) Magazine and media advertisement;
 - (10) Financial advisory and investment broker/dealer and related services;
 - (11) Election services;
 - (12) Council initiated contracts;
 - (13) Memberships in organizations; or

(14) Political lobbyist services.

- (c) The determination of procurements considered exempt shall be made by the Procurement Administrator.
- (d) The provisions of this chapter are not applicable to the types of procurement described in this paragraph. However, any procurements at or in excess of one hundred thousand dollars (\$100,000.00) require formal Council approval. Procurement of architect services, construction, construction services, construction-manager-at-risk construction services, design-build construction services, engineer services, job-order-contracting construction services, landscape architect services, assayer services, geologist services, and land surveying services shall comply with A.R.S. Title 34. These provisions will also be utilized for the following services: construction program management, construction management, feasibility studies, materials testing, mapping, related data collection and analysis, infrastructure system analysis or other related services. The Public Works Department, Engineering Division shall act as the City Procurement Agency and administrator for the above listed services.

(Ord. No. 97.55, 12-11-97; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. O2016.61, 11-3-16)

Sec. 26A-2. - Chapter definitions, unless the context otherwise requires.

Adequate evidence means more than mere accusation but less than substantial evidence. Consideration shall be given to the amount of credible information available, reasonableness in view of surrounding circumstances, corroboration and other inferences that may be drawn from the existence or absence of affirmative facts.

Administrative directive means the document issued by the City Manager to establish administrative policy and procedures for City departments and employees.

Affiliate means any person whose governing instruments require it to be bound by the decision of another person or whose governing board includes enough voting representatives of the other person to cause or prevent action, whether or not the power is exercised. It may also include persons doing business under a variety of names, or where there is a parent-subsidiary relationship between persons.

Assignment of rights and duties means the rights and duties of a City contract are not transferable or otherwise assignable without the written consent of the Procurement Office.

Authorized formal contract signer means the Mayor or Procurement Administrator, as appropriate under the City Charter and City Code, once the contract has been reviewed and approved by the City Procurement Office, City Risk Management and the City Attorney's Office and awarded by the City Council, if necessary.

Award means a determination by the City that it is entering into a contract with one (1) or more offerors.

Bid means an offer in response to a solicitation.

Bidder means "offeror" who is a person who responds to a solicitation.

Brand name or equal specification means a written description that uses one (1) or more manufacturers' product name or catalog item to describe the standard of quality, performance and other characteristics that meet City requirements and provides for submission of equivalent products or services. By calling out a brand name and model number, the full scope of the products' specifications is incorporated by reference to that brand.

Brand name specification means a written description limited to a list of one (1) or more items by manufacturers' product name or catalog item to describe the standard of quality, performance and other characteristics that meet City requirements.

Business means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.

Change order means a written order signed by the Procurement Administrator or the Mayor, as necessary, who directs the contractor to make changes that are authorized by the original City solicitation and any resulting contract.

City means the municipal corporation now existing and known as the City of Tempe.

Confidential information means that if a person believes that a bid, proposal, offer, specification or protest contains information that should be withheld, a statement advising the procurement officer of this fact shall accompany the submission and the information shall be so identified wherever it appears. The information so designated must be specifically identified. A blanket reference to "confidential information" appearing on every page of the bid document or a one-time reference that the entire proposal is to be considered confidential is not sufficient and will not be treated as confidential. There must be specific reference to what particular portion(s) of the submittal is to be treated as confidential. The information identified by the person as confidential shall not be disclosed until the procurement officer makes a written determination. The procurement officer shall review the statement and information and shall determine in writing whether the information shall be withheld. Such determination statement may be reviewed by the City Attorney's office and shall be approved by the Procurement Administrator; and if the procurement officer determines to disclose the information, the procurement officer shall inform the person in writing of such determination.

Construction means the process of building, altering, repairing, improving or demolishing any public structure or building, or other public improvements of any kind to any public real property. Construction does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property. Procurement responsibility for construction and related architectural and engineering services are delegated to the director directing the activities of the public works department and set apart from the procurement of goods and services.

Contract means all types of City agreements, regardless of what they may be called, for the procurement of goods and services.

Contract administrator means any person authorized to manage, supervise, and monitor compliance with the requirements of a contract.

Contract amendment means a written modification of a contract or a unilateral exercise of a right contained in the contract.

Contract value means the dollar value or estimated dollar value of single-requirement procurement or for the initial period of a term contract. If renewal options are exercised then contract value means the dollar value or estimated dollar value for the specific renewal term executed.

Contractor means any person who has a contract with the City.

Cooperative procurement means procurement conducted by, or on behalf of, more than one (1) eligible public procurement unit.

Cost-plus-a-percentage-of-cost contract means the parties to a contract agree that the fee will be a predetermined percentage of the cost of work performed and the contract does not limit the cost and fee before authorization of performance.

Cost-reimbursement contract means a contract under which a contractor is reimbursed for costs which are reasonable, allowable and allocable in accordance with the contract terms and the provisions of this chapter, and a fee, if provided for in the contract.

Days means calendar days unless otherwise specified as business days and shall be computed pursuant to A.R.S. § 1-243.

Debarment means the disqualification of a vendor to receive bid solicitations or the award of a contract by the City for a specified period of time, not to exceed three (3) years, commensurate with the

seriousness of the offense resulting from conduct, failure or inadequacy of contract performance or causing harassment to the award or performance of a City contract.

Descriptive literature means information available in the ordinary course of business that shows the technical characteristics, construction or operation of an item or service offered and is sufficient in detail to allow for the full evaluation of a product.

Designee means a duly authorized representative of a responsible party.

Director means a person directing the activities of a City department.

Discussions mean negotiations.

Eligible procurement unit means a public procurement unit a nonprofit educational or public health institution, or for profit entity which follows a procurement process comparable to the process set forth in this Code.

Emergency procurement means the procurement of goods, materials, supplies or services which are required to remedy a situation where the health, safety, welfare or quality of welfare of the public or public property is endangered or severely reduced if immediate corrective or preventive action is not taken.

Evaluation committee means a selected group of people representing the City in evaluating bid, proposal or qualifications responses for the purpose of making a contract award; and whose responsibility is to make fair and impartial decisions. An evaluation committee may consist of one (1) or more qualified individuals.

Filed means delivery to the procurement officer or to the Procurement Administrator, whichever is applicable. A time/date stamp affixed to a document by the procurement office, or similar electronic time stamp which verifies the receipt of an on-line submission whichever is applicable, shall be determinative of the time of delivery for purposes of filing.

Formal contract means a written (stand alone) contract resulting from a formal solicitation issued by the City Procurement Office and, if necessary, has been formally approved and awarded by City Council.

Governing instruments means those legal documents that establish the existence of an organization and define its powers including articles of incorporation or association, constitution, charter and by-laws.

Grant means the furnishings by the City of assistance, whether financial or otherwise, to any person to support a program authorized by law. Grant does not include an agreement whose primary purpose is to procure a specific end product, whether in the form of goods, materials, supplies or services. A contract resulting from such an agreement is not a grant but a procurement contract.

Gratuities means gifts, services or money offered or given to any officer or employee of the City or to any of their family members with a view toward securing an unfair advantage of obtaining an order or favorable treatment with respect to an award or contract.

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

Internal Services Director means the person responsible for directing the activities of the City's Internal Services Department.

Internal Services Director Designee means the Deputy Internal Services Director for Finance or the Procurement Administrator.

Invitation for bid means all documents, whether attached or incorporated by reference, which are used for soliciting bids.

Late bid means a bid or proposal response that is received (hard copy or electronically - whichever delivery method applies) by the City Procurement Office after the due date and time stated in the City's solicitation document or as may be modified by any supplemental addendum; and such late bids or proposals shall be rejected and not considered.

Legal counsel means a person licensed as an attorney pursuant to rules of the Supreme Court, Title 17A, Arizona Revised Statutes.

Materials means all personal property, including, but not limited to, equipment, supplies, printing, insurance and leases of personal property but does not include purchase of land, acquiring a permanent interest in land or real property or leasing land or real property.

May denotes the permissive.

Minor informality means a mistake, excluding judgmental errors, that have negligible material effect on price, quantity, delivery or contractual terms and waiver or correction of such mistake does not prejudice other bidders or offerors.

Model Procurement Code means the comprehensive plan or "model" for the fundamental principles of public procurement as developed by the American Bar Association, Section of Urban, State and Local Government Law.

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

Multiple award means an award of an indefinite quantity contract for one (1) or more similar materials or services to more than one (1) bidder or offeror.

Must means something is mandatory.

Negotiation means an exchange or series of exchanges between the City and an offeror or contractor that allows the City, the offeror or contractor to revise an offer or contract, unless revision is specifically prohibited by this chapter or statutes.

Newspaper means a publication regularly issued for dissemination of news of a general and public character at stated short intervals of time. Such publication shall be from a known office of publication and shall bear dates of issue and be numbered consecutively. It shall not be designed primarily for advertising, free circulation or circulation at nominal rates, but shall have a bona fide list of paying subscribers.

Nonprofit educational or public health institution means any educational or public health institution, no part of the income of which is distributable to its members, directors or officers.

Offer means a response to a solicitation.

Offeror means a person that responds to a solicitation.

Person means any corporation, business, individual, union, committee, club, other organization or group of individuals.

Price analysis means the evaluation of price data.

Price data means information concerning prices, including profit and overhead, for goods, materials and services substantially similar to those being procured under a contract or subcontract. In this definition, "prices" refers to offered or proposed selling prices, historical selling prices or current selling prices of the items being procured.

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

Procurement Administrator means the person designated by the Internal Services Department Director to administer the activities of the City Procurement Office, including surplus property.

Procurement officer means any buyer, duly authorized to enter into and administer contracts and make written determinations with respect to City contracts; and includes an authorized representative acting within the limits of the officer's authority.

Professional services means those services requiring specialized knowledge, education or skill and where the qualifications of the person(s) rendering the services are of primary importance. Professional services shall include but not be limited to appraisers, land surveyors, developers, attorneys, architects, engineers, psychologists, physicians, health practitioners, auditors, systems and software analysts and professional consultants.

Proposal means an offer submitted in response to a solicitation.

Prospective offeror means a person that expresses an interest in a specific solicitation.

Public procurement unit means a political subdivision, the City, the State of Arizona or an agency of the United States.

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

Qualified products list means an approved list of materials, goods or services described by model or catalogue numbers, that, prior to competitive solicitation, the City has determined will meet the applicable specification requirements.

Qualified providers list means a list of service firms which have been pre-qualified to provide a service in a specific field. Such list may be established by a competitive sealed proposals or request for qualifications.

Requirement of good faith means that all parties involved in the negotiation, performance or administration of City contracts are required to act in good faith.

Request for proposals means all documents whether attached or incorporated by reference, which are used for soliciting proposals in accordance with procedures prescribed within this chapter.

Request for qualifications means a request by the City for detailed information concerning the qualifications of firms to provide professional services.

Responsible bidder or offeror means a person who has the capability to perform the contract requirements and the integrity and reliability which will assure good faith performance.

Responsive bidder or offeror means a person who submits a bid which conforms in all material respects to the invitation for bids or request for proposals.

Services mean the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance. Services shall include but not be limited to repair and maintenance, trades and crafts work, clerical and machine operating functions, concession operations, food catering, etc.

Shall means something is mandatory.

Single requirement procurement means the purchase, lease, or rental of materials or services without a known pattern of recurring need by the City.

Solicitation means an invitation for bids, a request for technical offers, a request for proposals, a request for quotations, a request for qualifications or any other invitation or request by which the City invites a person to participate in a procurement process.

Spot market means a short-lived market where specific materials are subject to limited purchase availability; or where a significantly reduced price offer requires the material's immediate procurement to secure and obtain the item.

Subcontractor means a person who contracts to perform work or render services to a contractor or to another subcontractor as a part of a contract with the City.

Substantial evidence means such relevant evidence as a reasonable person might accept as sufficient to support a particular conclusion.

Supplementary general principles of law means that unless displaced by the particular provisions of this chapter, the principles of law and equity, including the Uniform Commercial Code of this State, the common law of contracts as applied in this state and law relative to agency, fraud, misrepresentation, duress, coercion and mistake are applicable and supplement the provisions of this chapter.

Suspension means an action taken by the Internal Services Director temporarily disqualifying a person from participating in City procurements.

Technical offer means unpriced written information from a prospective contractor stating the manner in which the prospective contractor intends to perform certain work, its qualifications, and its terms and conditions.

Term contract means a contract for the supply of materials or services for a specified period of time as stated within the solicitation document and has provisions for contract cancellation, and for additional contract renewal periods beyond the initial term contract period.

Term contract administration means the monitoring of term contracts to ensure compliance with the City's contract award and any term contract exceeding its estimated value shall be resubmitted for review and approval by City Council.

Vendor means a person or firm in the business of selling or otherwise providing products, materials or services.

Void contract means a contract that contains unlawful language or a contract that conflicts with the requirements of the City's solicitation.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. 2010.02, 2-4-10; Ord. No. O2014.27, 6-26-14; Ord. No. O2016.22, 4-14-16; Ord. No. O2016.61, 11-3-16)

Sec. 26A-3. - Authority of the Procurement Administrator.

- (a) Except as otherwise provided in this chapter, the Procurement Administrator, under the direction of the Internal Services Director, may adopt operational procedures, consistent with this chapter, governing the procurement and management of all materials and services to be procured by the City and the disposal of materials.
- (b) Except as otherwise provided in this chapter, the Procurement Administrator shall:
 - (1) Supervise and administer the procurement of all materials and services required by the City in general conformity to procurement practices promoted by the ABA Model Procurement Code;
 - (2) Establish rules and regulations for the procurement of all materials and services for the City;
 - (3) Establish rules and regulations for the sale, trade, transfer or disposal of surplus materials belonging to the City; and
 - (4) Prepare, issue, revise, maintain and monitor the use of specifications for materials and services required by the City.
- (c) Written determinations required by this chapter shall be retained in the appropriate official contract file of the Procurement Office.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.22, 4-14-16; Ord. No. O2016.61, 11-3-16)

Sec. 26A-4. - Procurement procedures by dollar value.

- (a) *Purchases under \$5,000.00* . The single requirement procurement of materials and services, of less than five thousand dollars (\$5,000.00) do not require competitive quotes and shall be made in accord with those rules and regulations set forth and published by the City Procurement Administrator.
- (b) *Purchases between \$5,000.00 and \$99,999.00* . The single requirement or the contract value of a term contract for the procurement of materials and services, of less than one hundred thousand dollars (\$100,000.00) and greater than or equal to five thousand dollars (\$5,000.00) shall be made in accord with Section 26A-11(b).
- (c) *Formal procurements \$100,000.00 and over* . Materials, goods and services, except as otherwise provided herein, when the single requirement or estimated contract value of a term contract shall be equal to or exceeding one hundred thousand dollars (\$100,000.00) shall be procured by formal, written solicitation.

(Ord. No. 97.55, 12-11-97; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07 Ord. No. 2008.63, 11-6-08; Ord. No. O2016.61, 11-3-16)

Sec. 26A-5. - Procurement authorization levels.

- (a) The Procurement Administrator shall have the authority to approve and sign, if necessary, procurements up to and including ninety-nine thousand nine hundred ninety-nine dollars (\$99,999.00). The Procurement Administrator may delegate authority to approve and sign contracts that are valued at or below fifty thousand dollars (\$50,000.00) to City procurement officers.
- (b) The City Council shall award contracts with a value equal to or exceeding one hundred thousand dollars (\$100,000.00).
- (c) Except for formal contracts requiring the signature of the Mayor, the Internal Services Director or designee shall have the authority to enter into City Council approved procurements equal to or exceeding one hundred thousand dollars (\$100,000.00).
- (d) During those months when the City Council meets only once, the City Manager or Internal Services Director shall have the authority to award and sign contracts exceeding one hundred thousand dollars (\$100,000.00). Any award action taken shall be presented for ratification at the next regularly scheduled City Council meeting.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.22, 4-14-16; Ord. No. O2016.61, 11-3-16)

Sec. 26A-6. - Competitive sealed bidding.

- (a) *Conditions for use* . Contracts of the City may be awarded by competitive sealed bidding except as otherwise provided in this chapter.
- (b) *Invitation for bids* . An invitation for bids shall be issued and shall include specifications, and all contractual terms and conditions applicable to the procurement.

- (c) *Public notice* . The Procurement Office shall develop and maintain a method for providing adequate notice of public bid solicitations, which shall identify the place, date and time of bid opening. Notice of the bid solicitation shall be posted for public inspection on the City's internet web site and a copy of the bid solicitation shall be available for public inspection review in the Procurement Office. If the solicitation is for services other than those described in A.R.S. §§ 41-2513 and 41-2578, the notice shall include publication one or more times in a single newspaper within this state. The publication shall be not less than two (2) weeks before solicitation opening and shall be circulated within the City. Bids shall be opened no earlier than two (2) weeks from date of issue. A shorter time period may be established when unique circumstances deem it appropriate. A written determination shall be signed by the procurement officer and the Procurement Administrator citing the reasons why a shorter time frame is necessary.
- (d) *Solicitation amendment*. If a solicitation is changed by a solicitation amendment, the procurement officer shall notify suppliers to whom the procurement officer distributed the solicitation. It is the responsibility of the offeror to obtain any solicitation amendments. An offeror shall acknowledge receipt of an amendment in the manner specified in the solicitation or solicitation amendment on or before the offer due date and time. A procurement officer shall issue a solicitation amendment to do any or all of the following:
- (1) Make changes in the solicitation;
 - (2) Correct defects or ambiguities;
 - (3) Provide additional information or instructions; or
 - (4) Extend the offer due date and time, if the procurement officer determines that an extension is in the best interest of the City.
- (e) *Late bids* . A bid, modification or withdrawal is late if it is received at the location designated in the invitation for bids after the time and date set for bid opening. A late bid, modification or withdrawal shall be rejected unless the bid, modification or withdrawal would have been timely received but for the action or inaction of procurement personnel and is received before contract award. A late bid shall not be opened, except (if necessary), for identification purposes. Delivery and return of late bids shall be handled in the following manner:
- (1) If hand delivered, a late bid shall be time and date stamped, refused and returned to the bidder with a late bid notice placed in the bid file. A copy of the front envelope or box cover showing the time and date stamp shall be made and retained in the procurement file;
 - (2) If delivered by mail or electronically delivered , the bid shall be time and date stamped and filed unopened within the procurement file or e-file for thirty (30) days. The Procurement Administrator may discard the document thirty (30) days after the recorded date unless the bidder requests the document be returned;
 - (3) A late bid notice shall be mailed or electronically sent to the late bidder; and
 - (4) The Procurement Office shall determine the method for bid issuance and for acceptable response delivery and so state in the invitation for bids document.
- (f) *Bid opening* . Bids shall be opened publicly in the presence of one (1) or more witnesses at the time and place designated in the invitation for bids. If the bids have been filed on-line in an electronic format then the opening will be effective upon the opening date and time specified. The amount of each bid, and such other relevant information as the Procurement Administrator deems appropriate, together with the name of each bidder shall be recorded. This record shall be open to public inspection. The bids shall not be opened for public inspection until after a contract is awarded. After contract award, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law. If the bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions in accordance with procedures set forth in this chapter, but the City remains subject to the Arizona public records law requirements. Prior to the scheduled opening, the procurement department may open an unidentified offer to identify the solicitation number and offeror. If this occurs, the staff member shall record the

reason for opening the offer, the date and time the offer was opened, and the solicitation number. The offer shall be secured and retained for public opening.

- (g) *Bid acceptance and bid evaluation* . Bids shall be unconditionally accepted without alteration, correction, or amendment except as authorized in this chapter. Bids shall be evaluated based on the requirements set forth in the invitations for bids. No criteria may be used in the bid evaluation that is not set forth in the invitation for bids.
- (h) *Correction or withdrawal of bids prior to award* . Correction or withdrawal of inadvertently erroneous bids before or after bid opening may be permitted where appropriate. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the Procurement Office prior to the time set for bid opening. After bid opening corrections in bids shall be permitted only to the extent that the bidder can show by clear and convincing evidence that a mistake of a non-judgmental character was made and that the mistake and the intended offer are evident in the uncorrected offer; for example, an error in the extension of unit prices. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the City or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids shall be supported by a written determination made by the procurement officer and approved by the Procurement Administrator. In lieu of bid correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if:
 - (1) The mistake is clearly evident on the face of the bid document but the intended correct bid is not similarly evident; or
 - (2) The bidder submits evidence which clearly and convincingly demonstrates that a mistake was made.
- (i) *Mistakes discovered after award—Contractor responsibility*. If a mistake in the offer is discovered after the award, the offeror may request withdrawal or correction in writing and shall include all of the following in the written request:
 - (1) Explanation of the mistake and any other relevant information;
 - (2) A request for correction including the corrected offer or a request for withdrawal; and
 - (3) The reasons why correction or withdrawal is consistent with fair competition and in the best interest of the City.
- (j) *Mistakes discovered after award—City's responsibility*. Based on the considerations of fair competition and the best interest of the City, the Procurement Administrator may:
 - (1) Allow correction of the mistake, if the resulting dollar amount of the correction is less than the next lowest offer;
 - (2) Cancel all or part of the award; or
 - (3) Deny correction or withdrawal.
- (k) *Mistakes discovered after award—Re-award option*. After cancellation of all or part of an award, if the offer acceptance period has not expired, the Procurement Administrator may award all or part of the contract to the next lowest responsible and responsive offeror, based on the considerations of fair competition and the best interest of the City. Any decision that allows for the correction of a mistake or the cancellation of a contract shall be supported by a written determination made by the procurement officer and approved by the Procurement Administrator.
- (l) *Extension of offer acceptance period*. To extend the offer acceptance period, a procurement officer shall notify offerors in writing of an extension and request written concurrence from all offerors. To be eligible for a contract award, an offeror shall submit written concurrence to the extension. The procurement officer shall not consider the offer from an offeror who fails to respond to the notice of extension.
- (m) *Contract award* . The contract shall be awarded in accordance with Section 26A-5 on the recommendation of the Procurement Administrator with appropriate written notice to the lowest

responsible and responsive bidder whose bid conforms in all material respects to requirements and criteria set forth in the invitation for bids:

- (1) In evaluating the bids, and for purposes of determining the low bidder, the Procurement Office shall include the amount of applicable business privilege tax for all offerors, except that the amount of City of Tempe business privilege tax shall not be included in the evaluation. Tempe privilege tax that is to be paid (returned) to the City shall be considered as a pass-through cost and calculated as zero expense to the City for evaluation purposes. In the event an offer is received from an out of state vendor who does not possess an Arizona transaction privilege tax license then for evaluation purposes only, sales taxes will not be considered for any bidder in determining the awarded firm.
- (2) In the event the low responsive and responsible bid for a purchase exceeds available funds as certified by the procurement officer and budget office, and such bid does not exceed such funds by more than five percent (5%), the Procurement Office is authorized, when time or economic considerations preclude re-solicitation of work of a reduced scope, to negotiate an adjustment of the bid price with the low responsive and responsible bidder, in order to bring the bid within the amount of available funds. Any such negotiated adjustment shall be based only upon eliminating independent deductive items specified in the invitation for bids;
- (3) After contract award, bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law. If the bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions as designated in the definition of confidential information, but the City remains subject to the Arizona public records law. A brief summary of the bid being recommended for award and competing bids will be included in the request for Council action and published to the City's external web site up to five (5) days prior to the City Council meeting. All other bids including evaluation information shall remain confidential until after award;
- (4) The City, at its option, may not recommend for award the bid of a vendor who is in default on the payment of City taxes, licenses or other monies due the City at the time of bid opening;
- (5) The City, at its option, may not recommend for award the bid of a vendor who has defaulted on a previous contract with the City; or has defaulted on a similar contract with another jurisdiction or public entity during a past three (3) year period;
- (6) If there are two (2) or more low responsive bids from responsible bidders that are identical in price and that meet all the requirements and criteria set forth in the invitation for bids, award may be made by a coin toss; and
- (7) The Procurement Office shall procure recycled materials in accord with ordinances, resolutions and administrative directives of the City.

(Ord. No. 97.55, 12-11-97; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. O2016.61, 11-3-16)

Sec. 26A-7. - Multi-step sealed bidding.

- (a) *General.* When it is considered impractical to initially prepare a specification to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been determined to be technically acceptable under the criteria set forth in the first solicitation.
- (b) *Multi-step sealed bidding.* Multi-step sealed bidding shall be initiated by the issuance of an invitation for bids. The multi-step invitation for bids shall state:
 - (1) That unpriced technical offers are requested;

- (2) Whether priced bids are to be submitted at the same time as unpriced technical offers; if they are, such priced bids shall be submitted in a separate sealed envelope;
 - (3) That it is a multi-step sealed bid procurement, and priced bids will be considered only in the second phase and only from those bidders whose unpriced technical offers are found acceptable in the first phase;
 - (4) The criteria to be used in the evaluation of the unpriced technical offers;
 - (5) That the City, to the extent the procurement officer finds necessary, may conduct oral or written discussions of the unpriced technical offers;
 - (6) That bidders may designate those portions of the unpriced technical offers which contain trade secrets or other proprietary data which are to remain confidential; and
 - (7) That the item being procured shall be furnished in general accordance with the bidder's technical offer as found to be finally acceptable and shall meet the requirements of the invitation for bids.
- (c) *Amendments to the invitation for bids.* After receipt of unpriced technical offers, amendments to the invitation for bids shall be distributed only to bidders who submitted unpriced technical offers, and they shall be permitted to submit new unpriced technical offers or to amend those submitted. If, in the opinion of the procurement officer, having obtained the Procurement Administrator's approval, a contemplated amendment will significantly change the nature of the procurement, the invitation for bids shall be cancelled and a new invitation for bids issued.
- (d) *Receipt and handling of unpriced technical offers.* Unpriced technical offers shall not be opened publicly but shall be opened in front of two (2) or more procurement officials. Such offers shall not be disclosed to unauthorized persons. Bidders may request non-disclosure of trade secrets and other proprietary data identified in writing.
- (e) *Evaluation of unpriced technical offers.* The unpriced technical offers submitted by bidders shall be evaluated solely in accordance with the criteria set forth in the invitation for bids. The unpriced technical offers shall be categorized as:
- (1) Acceptable;
 - (2) Potentially acceptable, that is, reasonably susceptible of being made acceptable; or
 - (3) Unacceptable. The procurement officer shall record in writing the basis for finding an offer unacceptable and make it part of the procurement file.
- (f) *Initiation of phase two.* The procurement officer may initiate phase two (2) of the procedure if, in the procurement officer's opinion, there are sufficient acceptable unpriced technical offers to assure effective price competition in the second phase without technical discussions. If the procurement officer finds that such is not the case, the procurement officer shall issue an amendment to the invitation for bids or engage in technical discussions.
- (g) *Discussion of unpriced technical offers.* The procurement officer may conduct discussions with any bidder who submits an acceptable or potentially acceptable technical offer. During the course of such discussions the procurement officer or members of the evaluation team shall not disclose any information derived from one (1) unpriced technical offer to any other bidder. Once discussions are begun, any bidder who has not been notified that its offer has been finally found unacceptable may submit supplemental information amending its technical offer at any time until the closing date established by the procurement officer. Such submission may be made at the request of the procurement officer or upon the bidder's own initiative.
- (h) *Notice of unacceptable unpriced technical offer.* When the procurement officer determines a bidder's unpriced technical offer to be unacceptable, such offeror shall not be afforded an additional opportunity to supplement its technical offer.

- (i) *Mistakes during multi-step sealed bidding.* Mistakes may be corrected or bids may be withdrawn during phase one (1) at any time. During phase two, mistakes may be corrected or withdrawal permitted in accordance with subsection (c) above.
- (j) *Procedure for phase two initiation.* Upon the completion of phase one, the procurement officer shall either:
 - (1) Open priced bids submitted in phase one (if priced bids were required to be submitted) from bidders whose unpriced technical offers were found to be acceptable; or
 - (2) If priced bids have not been submitted, technical discussions have been held, or amendments to the invitations for bids have been issued, invite each acceptable bidder to submit a priced bid.
- (k) *Procedure for phase two conduct.* Phase two shall be conducted as any other competitive sealed bid procurement except:
 - (1) No public notice need be given of this invitation to submit priced bids because such notice was previously given;
 - (2) After award the unpriced technical offer of the successful bidder shall be disclosed as follows. The procurement officer shall examine written requests of confidentiality for trade secrets and proprietary data in the technical offer of such bidder to determine the validity of any such requests. If the parties do not agree as to the disclosure of data, the procurement officer shall inform the bidder in writing what portions of the unpriced technical offer will be disclosed and that, unless the bidder protests under Section 26A-21, the offer will be so disclosed. Such technical offer shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data; and
 - (3) Unpriced technical offers of bidders who are not awarded the contract shall not be open to public inspection unless the Procurement Administrator determines in writing that public inspection of such offers is essential to assure confidence in the integrity of the procurement process as provided for within this chapter with respect to the possible disclosure of trade secrets and proprietary data.

(Ord. No. 97.55, 12-11-97)

Sec. 26A-8. - Competitive sealed proposals.

- (a) *Conditions for use* . When the procurement officer with the approval of the Procurement Administrator, determines that the use of an invitation for bids is either not practicable or not advantageous to the City, a contract may be entered into by use of a request for proposals.
- (b) *Request for proposals* . Request for proposals shall be issued and shall include desired specifications, and all contractual terms and conditions applicable to the procurement.
- (c) *Public notice* . Adequate public notice of the request for proposals shall be given in the same manner as provided in Section 26A-6(c).
- (d) *Solicitation amendments* . Solicitation amendments shall be handled in the same manner as described in Section 26A-6(d).
- (e) *Receipt of proposals* . Proposals shall be opened publicly in the presence of one (1) or more witnesses at the time and place designated in the request for proposals. If the proposals have been filed on-line in an electronic format then the opening will be effective upon the opening date and time specified. The name of each offeror shall be read. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing offerors during the negotiation process. Proposals shall be open for public inspection only after contract award. A proposal, modification or withdrawal is late if it is received at the location designated in the request for proposal after the time and date set for proposal opening. A late proposal, late modification or late withdrawal shall be rejected, unless the proposal, modification or withdrawal would have been timely

received but for the action or inaction of procurement personnel and is received before contract award. Prior to the scheduled opening, the Procurement Department may open an offer to identify the offeror. If this occurs, the staff member shall record the reason for opening the offer, the date and time the offer was opened, and the solicitation number. The offer shall be secured and retained for public opening.

- (f) *Correction and withdrawal of proposals prior to award* . Correction and withdrawal of proposals prior to award shall be handled in the same manner as provided in Section 26A-6(g).
- (g) *Mistakes discovered after award* . Mistakes discovered after award shall be handled in the same manner as provided in Sections 26A-6(i), (j) and (k).
- (h) *Evaluation factors* . The request for proposals shall state the relative importance of price and other evaluation factors. Specific numerical weighing is not required. Evaluation factors may include but are not limited to categories such as price, quality, experience, expertise, qualifications, method of approach, responsiveness, financial strength, etc.
- (i) *Extension of the offer and acceptance period* . Extension of the offer and acceptance period shall be handled in the same manner as described in Section 26A-6(l).
- (j) *Clarifications of offers* . The purpose for clarifications is to provide for a greater mutual understanding of the offer. Clarifications are not negotiations and material changes to the request for proposal or offer shall not be made by clarification. The procurement officer may request clarifications from any offeror(s) at any time after receipt of offers. Clarifications may be requested orally or in writing. If clarifications are requested orally, the offeror shall confirm the request in writing. A request for clarifications shall not be considered a determination that the offeror is susceptible for award. Any clarifications shall be retained in the procurement file.
- (k) *Determination of not susceptible for award*. A procurement officer may determine at any time during the evaluation period and before award that an offer is not susceptible for award. The procurement officer shall notify the offeror in writing of the final determination that the offer is not susceptible for award unless the purchasing officer determines that notification to the offeror would compromise the City's ability to negotiate with other offerors. A determination of non-susceptibility shall be based on the following (but not limited to):
 - (1) A legal offer has not been submitted due to the lack of an authorized signature (or other legal commitment to be bound) on the designated offer form; or
 - (2) An offer is substantially lacking in required information that was to be submitted by the offeror at the time of proposal submittal that significantly impacts the ability of the Evaluation Committee to properly assess scoring; or
 - (3) The offer is not within the competitive range in comparison to other offers based on the scoring of evaluation criteria as set forth in the solicitation.
- (l) *Negotiations with responsible offerors* . If negotiations are conducted, negotiations shall be conducted with all offerors determined to be reasonably susceptible for award. Negotiations may be conducted orally or in writing. If oral negotiations are conducted, the offeror shall confirm the negotiations in writing. Offerors may revise offers based on negotiations provided that any revision is confirmed in writing. The City may conduct negotiations with responsible offerors to improve offers in such areas as cost, price, specifications, performance or terms, to achieve best value for the City based on the requirements and the evaluation factors set forth in the solicitation. Once negotiations are initiated, an offeror may withdraw an offer at any time before the best and final offer due date and time by submitting a written request to the procurement officer. The procurement officer shall ensure there is no disclosure of one (1) offeror's price or any information derived from competing offers to another offeror.
- (m) *Best and final offers*. The procurement officer shall request written best and final offers from any offeror with whom negotiations have been conducted. Best and final offers shall be requested only once, unless the City Procurement Administrator determines that it is advantageous to the City to

conduct further negotiations or change the City's requirements. The procurement officer shall include in the written request:

- (1) The date, time and place for submission of best and final offers; and
 - (2) A statement that if offerors do not submit a written notice of withdrawal or a written best and final offer, their last offer shall be accepted as their best and final offer.
- (n) *Contract award* . Award shall be made in accordance with Section 26A-5 on the recommendation of the Procurement Administrator to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made. After contract award, the proposals shall be open for public inspection except to the extent that the withholding of information is permitted or required by law. If the offeror designates a portion of its proposal as confidential, it shall isolate and identify in writing the confidential portions, but the City remains subject to the Arizona public records law. A brief summary of the proposal being recommended for award and competing proposals along with cursory scoring information will be included in the request for council action and published to the City's external web site up to five (5) days prior to the City council meeting. All other proposals including evaluation information shall remain confidential until after award. In the event the City Manager or City Council rejects the recommended award, all submitted offers will be held confidential if the City plans to re-issue the solicitation within six (6) months from the date of rejection.

(Ord. No. 97.55, 12-11-97; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. O2016.61, 11-3-16)

Sec. 26A-9. - Contracting for professional services.

- (a) A contract for professional services may be awarded by means of competitive sealed proposals, by an invitation for bids or by limited source selection if the director of the using department determines in writing that the nature of the service presents such limited competition that a competitive process cannot reasonably be used or, if used, will result in a substantially higher cost to the City, will otherwise impair the City's financial interests or will substantially impede the City's administrative functions or the delivery of services to the public; or if only one (1) provider has the experience and capability to successfully perform the contract. The director of the department shall be responsible for making a limited source determination, prepare and sign a written limited source justification for not seeking competition and transmit the justification to the Procurement Office for review.
- (b) Unless the director of the department makes a limited source determination that is approved by the procurement officer and Procurement Administrator, the Procurement Office shall issue competitive solicitations for the requested professional services.
- (c) Professional and personal service contracts requiring formal City Council approvals may be reviewed by the City Risk Management Division and City Attorney's office before signing.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.61, 11-3-16)

Sec. 26A-10. - Request for qualifications.

Conditions for use . A request for qualifications may be utilized for certain professional services (such as developer services for the sale or lease of City owned land) when the City is attempting to evaluate a company on categories other than cost. The issuance, evaluation, and awarding of a request for qualifications shall follow the format as outlined herein for competitive sealed proposals in Section

26A-8. When issuing request for qualifications for developer services involving the sale or lease of City-owned land those solicitations shall be considered Council initiated contracts.

(Ord. No. O2016.61, 11-3-16)

Editor's note— Ord. No. O2016.61, § 9, adopted November 3, 2016, repealed the former § 26A-10, and enacted a new § 26A-10 as set out herein. The former § 26A-10 pertained to selection for legal counsel and derived from Ord. No. 97.55, 12-11-97.

Sec. 26A-11. - Purchases under the formal solicitation threshold.

- (a) *General* . Any contract not exceeding the dollar value requiring formal bidding may be made by the Procurement Office in accordance with the informal purchasing procedures authorized in this section. Contract requirements shall not be artificially divided so as to constitute an informal purchase under this section.
- (b) *Purchases between \$5,000.00 and \$99,999.00* Insofar as it is practical for purchases equal to or in excess of five thousand dollars (\$5,000.00), but less than one hundred thousand dollars (\$100,000.00), no less than three (3) businesses shall be solicited to submit quotations. Award shall be made to the responsible party submitting the quotation that is most advantageous to the City and conforms in all material respects to the solicitation. The names of the businesses submitting quotations, and the date and amount of each quotation, shall be recorded and maintained as a public record. Verbal or written quotes shall be received from vendors when the total quote value is under fifteen thousand dollars (\$15,000.00). Written quotes shall be received from vendors when the total quote value is over fifteen thousand dollars (\$15,000.00) but under one hundred thousand dollars (\$100,000.00). The procurement officer with the approval of the Procurement Administrator may determine in writing that a purchase under the formal solicitation threshold is not practical to quote. The written determination will document why this determination is made and what circumstances limits the item from being competed.
- (c) *Purchases under \$5,000.00* . The Procurement Administrator shall adopt operational procedures for making purchases of less than five thousand dollars (\$5,000.00). Such operational procedures shall provide for obtaining adequate and reasonable competition for the materials, goods and services being purchased. Quotes are not required for single purchase requirements valued at less than five thousand dollars (\$5,000.00).

(Ord. No. O2016.61, 11-3-16)

Editor's note— Ord. No. O2016.61, § 10, adopted November 3, 2016, repealed the former § 26A-11, and enacted a new § 26A-11 as set out herein. The former § 26A-11 pertained to small purchases and derived from Ord. No. 97.55, 12-11-97; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08.

Sec. 26A-12. - Sole source procurement.

- (a) A purchase may be made or contract awarded by the Procurement Office without competition when a department director, procurement officer and Procurement Administrator determines in writing, after conducting a good faith review of available sources, that there is only one (1) reasonable and practicable source for the required material or service. The department requesting the sole source procurement shall provide written evidence to support a sole source determination. The procurement officer will participate with the department in the conduct of negotiations, as appropriate, to price, delivery and terms. The procurement officer may require the submission of cost or pricing data in connection with a purchase or award under this section. Sole source procurement shall be avoided,

except when no reasonable alternative sources exist. A record of sole source procurements shall be maintained as a public record.

(b) The following items may be approved for sole source procurement:

- (1) Interface upgrades, add-on parts and components to existing, city owned equipment which requires total compatibility assurance; license renewals for city owned software, and repair and maintenance for city owned equipment and software for which it is technologically and cost effective to procure from the original seller or manufacturer;
- (2) Materials for resale in city concession operations which are purchased in response to customer demands;
- (3) Spot market purchases which are evidenced to provide a substantial savings to the City and which are approved by the Procurement Administrator or a party delegated by the Procurement Administrator to review the justification for spot market purchase requests. Such spot market purchases to be requisitioned and obtained through the Procurement Office. Any purchase of a dollar amount requiring Council approval shall be submitted for review at the next scheduled Council meeting date;
- (4) Specialized computer software for network infrastructure applications which have been technically reviewed, tested and justified by the city's Information Technologies Division, and which are obtainable from a single source. This shall not apply to individual PC software obtainable from multiple suppliers; or
- (5) Professional services, as determined by the department director, shall be reviewed by the Procurement Administrator and the City Attorney.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. 2010.02, 2-4-10)

Sec. 26A-13. - Emergency procurements.

Notwithstanding any other provisions of this chapter, a department director or designee may make or authorize others to make emergency procurements of materials, goods or services when there exists a threat or severe impairment to the quality of public health, welfare or safety, or if a situation exists which makes compliance with established procurement processes impracticable, unnecessary or contrary to the public interest; provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. An emergency procurement shall be limited to those materials, goods or services necessary to satisfy the emergency need. A written determination of the basis for the emergency and for the selection of the particular contractor shall be submitted to the Procurement Office and included in the purchase file. Any emergency procurement exceeding the dollar limit for Council approval shall be scheduled for review at the next available Council meeting.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2007.72, 10-25-07; Ord. No. 2010.02, 2-4-10)

Sec. 26A-13.1. - Reverse auction bidding.

- (a) *Conditions for use.* When the procurement officer, with the approval of the Procurement Administrator determines it is advantageous to the City, a contract for goods, services, or information services may be subject to reverse auction bidding. Reverse auction bidding could include electronic bidding, over the internet in a real-time, competitive bidding event. Reverse auction bidding may be used for any of the solicitation processes described within the procurement article including request for quotations, invitation for bids, and request for proposals.

- (b) *Public notice* . The Procurement Office shall select a solicitation process and follow the procedures provided for in this chapter. Any public notice of a solicitation process utilizing the reverse auction option will clearly indicate that pricing will be established separately via an independent bidding event. Firms will be directed to not include pricing with initial submittals. Qualified firms will be invited to participate in a separate reverse auction bidding event to be announced as to time and date after offer submission.
- (c) *Bid opening*. Offers shall be received and recorded in accordance with the procedures provided for in this chapter for the solicitation process selected by the procurement officer.
- (d) *Bid acceptance, bid evaluation and contract award*. The procedure for bid acceptance, bid evaluation and contract award shall follow the procedures for the selected procurement process as outlined in this chapter except:
 - (1) When using an invitation for bid process, the submitted offers will be reviewed to determine those firms that are considered responsible and responsive to the published solicitation. Only those firms determined to be responsive and responsible will be moved forward to the pricing step using the reverse auction bidding event. The qualified firms will receive direction from the City on how the pricing step will be accomplished. The reverse auction bidding event will be conducted by the City or via a qualified reverse auction contractor. Once the reverse auction bidding event is completed, the City will finalize the evaluation process by determining the lowest responsive and responsible bidder; or
 - (2) When using a request for proposal process, the submitted offers will be evaluated and scored in accordance with published evaluation criteria with the exception of cost. Once the initial scoring has been finalized, the City will determine which firms are considered susceptible for award. Only those firms determined susceptible for award will be invited to participate in the reverse auction bidding event to determine the price component. Once the reverse auction bidding event is complete, the City will finalize the scoring matrix which will include the assigning of cost points based on results of reverse auction. The City will have the option of entering into discussions with those firms determined susceptible for award. Interviews may be conducted as well to ensure full understanding of offers. Best and final offers may also be requested as outlined in this chapter. Award will be made to the most advantageous offer in accordance with the scoring of published evaluation criteria.

(Ord. No. 2008.63, 11-6-08; Ord. No. O2016.61, 11-3-16)

Sec. 26A-14. - Cancellation of solicitations.

- (a) *Cancellation of solicitation*. An invitation for bids, a request for proposals or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation at any time before award, when it is in the best interests of the City. Each solicitation issued by the City shall state that the solicitation may be cancelled and that any bid or proposal may be rejected in whole or in part when in the best interests of the City. When a solicitation is cancelled prior to opening, notice of cancellation shall be sent to all businesses solicited; identify the solicitation; briefly explain the reason for cancellation; and where appropriate, explain that an opportunity will be given to compete on any re-solicitation or any future procurements of similar materials or services. If the solicitation has been cancelled prior to opening, the City shall not open any offers received. The City may discard the offers after thirty (30) days from the notice of solicitation cancellation, unless the offeror requests the offer be returned.
- (b) *Cancellation of solicitation prior to opening*. As used in this section, "opening" means the date and time set for opening of bids, receipt of unpriced technical offers in multi-step sealed bidding, or receipt of proposals in competitive sealed proposals. Prior to opening, a solicitation may be cancelled in whole or in part when the procurement officer with the approval of the Procurement Administrator determines in writing that such action is in the city's best interest for reasons including, but not limited to:

- (1) The City no longer requires the materials or services;
- (2) The City no longer can reasonably expect to fund the procurement;
- (3) Proposed amendments to the solicitation would be of such importance that a new solicitation is desirable; or
- (4) It is in the best interests of the City.

(Ord. No. 97.55, 12-11-97; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08)

Sec. 26A-15. - Rejection of bids or proposals after opening.

- (a) After opening but prior to award, all bids or proposals may be rejected in whole or in part when the procurement officer with the approval of the Procurement Administrator determines in writing that such action is in the City's best interest for reasons including, but not limited to:
 - (1) The materials or services being procured 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 City;
 - (4) Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
 - (5) All otherwise acceptable bids or proposals received are at clearly unreasonable prices;
 - (6) There is reason to believe that the 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; or
 - (7) Necessary or proposed amendments to the solicitation would be of such importance that a new solicitation may be desirable and is in the best interests of the City.
- (b) When a solicitation is rejected or cancelled after opening, notice of rejection or cancellation shall be provided to all businesses that submitted bids or proposals, and may be separately sent or included as an explanation in a subsequent solicitation of the need. The reasons for cancellation or rejection shall be made a part of the procurement file and shall be available for public inspection. The City shall retain offers received under the cancelled solicitation in the procurement file. If the City intends to issue a replacement solicitation within six (6) months after cancellation of the procurement, the City shall withhold the offers from public inspection. After award of a contract under the subsequent solicitation, the City shall make offers submitted in response to the cancelled solicitation available for public inspection except for information determined to be confidential as allowed herein.
- (c) A bid may be rejected if:
 - (1) The bidder is determined to be non-responsible; or
 - (2) The bid is non-responsive.
- (d) A proposal or quotation may be rejected if:
 - (1) The person responding to the solicitation is determined to be non-responsible;
 - (2) The proposal is determined non-susceptible;
 - (3) The proposed price is unreasonable; or
 - (4) It is otherwise not advantageous to the City.
- (e) Reasons for rejection shall be provided upon request by unsuccessful bidders or offerors.

(Ord. No. 97.55, 12-11-97; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. O2016.61, 11-3-16)

Sec. 26A-16. - Responsibility of bidders and offerors.

- (a) *Determination of non-responsibility* . If a bidder or offeror who otherwise would have been awarded a contract is found non-responsible, a written determination of non-responsibility, setting forth the basis of the finding, shall be prepared by the procurement officer. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to such bidder or offeror. The final determination shall be made part of the contract file.
- (b) *Factors used to demonstrate bidder or offeror responsibility* . For a bidder or offeror to be considered responsible, the bidder or offeror shall demonstrate to the satisfaction of the City, its capability to perform an awarded contract in a satisfactory and timely manner, based on requirements stated in the City's bid solicitation which may include but not be limited to whether the proposed bidder or offeror:
 - (1) Has sufficient and acceptable financial, business, personnel or other resources, including subcontractors;
 - (2) Has a successful record of performance and integrity, which may include past contracts with the City or other public agencies;
 - (3) Is legally licensed, certified or otherwise legally qualified to contract with the City at the time of the response to the solicitation; and
 - (4) Has supplied all necessary information concerning its responsibility to meet City requirements for contract responsibility.
- (c) *Procurement responsibility criteria*. The procurement officer may establish specific responsibility criteria for a particular procurement. Any specific responsibility criteria shall be set forth in the solicitation.
- (d) *Pre-qualification* . Prospective contractors may be pre-qualified for particular types of materials, goods or services. Prospective contractors have a continuing duty to provide the Procurement Office with information on any material change affecting the basis of pre-qualification.
- (e) *Bid and contract security, material or service contracts* . The procurement officer may require the submission of security to guarantee faithful bid and contract performance. Security shall be in the form specified within the City's bid solicitation, and may include but not be limited to a performance bond, fidelity bond or irrevocable letter of credit. In determining the amount and type of security required for each contract, the procurement officer shall consider the nature of the performance and the need for future protection to the City. The requirement for security must be included in the invitation for bids or request for proposals. Failure to timely submit security in the amount and type of security required may result in the rejection of the bid or proposal.

(Ord. No. 97.55, 12-11-97; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. O2016.61, 11-3-16)

Sec. 26A-17. - Types of contracts.

- (a) *General*. Subject to the limitations of this section, any type of contract which will promote the best interests of this City may be used. Cost-plus-a-percentage-of-cost contracts shall not be used unless unique circumstances support the use of this type of contract mechanism. A cost-reimbursement contract may be used only if a determination is made in writing by the procurement officer that such contract is likely to be less costly to the City than any other type or that it is impracticable to obtain the materials, goods or services required except under such a contract.

- (b) *Contract administration* . A contract administration system designed to ensure that a contractor is performing in accordance with the solicitation under which the contract was awarded, and the terms and conditions of the contract, shall be maintained.
- (c) *Approval of accounting system* . Except with respect to firm fixed-price contracts, the procurement officer may require that the proposed contractor's accounting system is adequate to allocate costs in accordance with generally accepted cost accounting principles prior to award of a contract.
- (d) *Multi-term contracts* . Unless otherwise provided by law, a contract for materials or services may be entered into for a period of time as deemed to be in the best interest of this City, if the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and monies are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods are subject to the availability and appropriation of monies.
- (e) *Right to inspect plant* . The City may, at reasonable times, inspect the part of the plant or place of business of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by the City.
- (f) *Right to audit records* . The City may, at reasonable times and places, audit the books and records of:
 - (1) Any person, vendor or contractor who submits cost or pricing data to the extent that the books and records relate to the cost or pricing data. Any person, vendor or contractor who receives a contract, change order or contract modification for which cost or pricing data is required shall maintain the books and records that relate to the cost or pricing data for three (3) years from the date of final payment under the contract, unless a shorter period is otherwise authorized in writing by the procurement officer; and
 - (2) Any contractor or subcontractor under any contract or subcontract to the extent that the books and records relate to the performance of the contract or subcontract. The books and records shall be maintained by the contractor for a period of three (3) years from the date of final payment under the prime contractor and by the subcontractor for a period of three (3) years from the date of final payment under the subcontract, unless a shorter period is otherwise authorized in writing by the Internal Services Director.
- (g) *Reporting of anti-competitive practices* . If for any reason collusion or other anti-competitive practices are suspected among any bidders or offerors, a notice of the relevant facts shall be transmitted to the Procurement Administrator and the City Attorney. This section does not require a law enforcement agency conducting an investigation into such practices to convey such notice to the Procurement Administrator.
- (h) *Prospective bidders notice* . The following pertains to bidder notices:
 - (1) The Procurement Office shall provide for the issuing of public bid solicitation notices as may be compiled and maintained on a prospective bidders list, placed for electronic inquiry, or placed for public advertisement. Inclusion of the name of a person on a bidders list shall not indicate whether the person is responsible concerning a particular procurement or otherwise capable of successfully performing a City contract;
 - (2) Persons desiring to be included on the prospective bidders list shall complete the online application that can be accessed from the Procurement Division's internet portal. It will be the responsibility of the applicant to properly complete the application and maintain the application over time to ensure accuracy of information;
- (i) *Contract form and execution* . All contracts entered into under this chapter shall be executed in the name of the City by the Procurement Office or the Mayor, as necessary, and may be approved as to form by the City Attorney. When necessary, some contracts are required to be countersigned by the City Clerk.

- (j) *Efficient resource procurement and utilization* . It shall be encouraged that printed material produced by a contractor in the performance of a contract shall, whenever practicable, be printed on recycled paper, labeled as printed on recycled paper and printed on both sides.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.22, 4-14-16; Ord. No. O2016.61, 11-3-16)

Sec. 26A-18. - Specifications.

- (a) *Definition* . As used in this section, "specification" means any description of the physical or functional characteristics, or of the nature of a material, good or service. Specification may include a description of any requirement for inspecting, testing or preparing a material, good or service for delivery.
- (b) *Maximum practicable competition* . All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the City's needs and shall not be unduly restrictive. No person preparing specifications shall receive any direct or indirect benefit from the utilization of such specifications. To the extent practicable and unless otherwise permitted by this chapter, all specifications shall describe the City's requirements in a manner that does not unnecessarily exclude a material, good or service.
- (c) *Proprietary specifications*. Proprietary specifications shall not be used unless the procurement officer with the approval of the Procurement Administrator determines in writing that such specifications are required by demonstrable technological justification and that it is not practicable or advantageous to use a less restrictive specification. Past success in the material's performance, traditional purchasing practices or inconvenience of drawing specifications do not justify the use of proprietary specifications. If a proprietary specification is determined to be appropriate, the specification shall include the following:
 - (1) A description of the essential characteristics of the products and materials so specified; and
 - (2) A statement indicating the City's intent to consider alternative products or materials which have the described essential characteristics if such alternative products or materials are identified.
- (d) *Submitting prior approvals for a solicitation for alternative products or materials*. Persons desiring to submit bids for alternative products or materials for prior approval, shall submit such products and any support information in the time specified by the bid solicitation, prior to the scheduled bid opening date. The City shall consider and either approve or reject bids submitted and shall comply with the following requirements:
 - (1) If in the time specified in the bid solicitation, the City has approved any alternative products or materials, the bid solicitation shall be modified to include the alternative products or materials, and the City shall issue an addendum to all registered and known bidders at least ten (10) calendar days prior to the bid opening deadline; and
 - (2) If the City rejects an alternative product or material, it shall give notice of the rejection to the bidder proposing the alternative product or material as required by the time specified in the bid solicitation, and prior to the bid opening date. The rejection notice shall include a description of the rejected product or material.
- (e) *Accepted commercial specifications*. To the extent practicable, the City shall use accepted commercial specifications and shall procure standard commercial materials.
- (f) *Brand name or equal specification* . A brand name or equal specification may be used when the procurement officer determines that use of brand name or equal specifications is advantageous to the City. It is the responsibility of bidder to provide complete descriptive literature for any alternate

product offered. Failure to provide descriptive literature or insufficient literature may result in the rejection of the offer for that product.

- (g) *Brand name specification* . A brand name specification may be prepared and utilized only if the procurement officer makes a determination that only the identified brand name item will satisfy the City's needs.
- (h) *Ozone-producing agents*. To the extent practicable and where applicable, specifications shall promote products which are documented and evaluated to have low or no-content of reactive organic compounds (ozone-producing agents).
- (l) *Sustainable practices*. Where the City considers practicable, cost effective and applicable, specifications shall promote the use of recycled content, recyclability, energy consumption and conservation.

(Ord. No. 97.55, 12-11-97; Ord. No. 2007.72, 10-25-07; Ord. No. O2016.61, 11-3-16)

Sec. 26A-19. - Contract clauses.

- (a) *Contract clauses* . All City contracts for materials, goods or services shall include provisions necessary to define the responsibilities and rights of the parties to the contract. The Procurement Administrator, after consultation with the City Attorney, may issue clauses appropriate for material, good or service contracts, addressing among others the following subjects:
 - (1) The unilateral right of the City to order in writing changes in the work within the scope of the contract;
 - (2) The unilateral right of the City to order in writing temporary stopping of the work or delaying performance that does not alter the scope of the contract;
 - (3) Variations occurring between estimated quantities of work in contract and actual quantities;
 - (4) Defective pricing;
 - (5) Liquidated damages;
 - (6) Specified excuses for delay or nonperformance;
 - (7) Termination of the contract for default;
 - (8) Termination of the contract in whole or in part for the convenience of the City; and
 - (9) Site conditions differing from those indicated in the contract, or ordinarily encountered; except that a differing site conditions clause need not be included in a contract that is negotiated, when the contractor provides the site or design, or when the parties have otherwise agreed with respect to the risk of differing site conditions.
- (b) *Price adjustments* . Adjustments in price where allowed by the terms and conditions of a bid solicitation or contract shall be computed in one (1) or more of the following ways:
 - (1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
 - (2) By unit prices specified in the contract or subsequently agreed upon;
 - (3) By the costs attributable to the events or situations under such clauses with adjustment of profit or fee, all as specified in the contract or subsequently agreed upon;
 - (4) By published price reduction or if applicable to contract, profit sharing advantage to the City concurrent with announcements to other customers, as may be specified in the contract or subsequently agreed upon;
 - (5) In such other manner as the contracting parties may mutually agree;

- (6) In the absence of agreement by the parties, by a unilateral determination by the City of the costs attributable to the events or situations with adjustment of profit or fee as computed by the City; or
 - (7) A contractor shall be required to submit cost or pricing data if any adjustment in contract price is requested and permitted by the bid solicitation or contract, As determined necessary by the procurement officer.
- (c) *Standard clauses and their modification* . The Procurement Administrator, after consultation with the City Attorney, may establish standard contract clauses for use in City contracts. If the Procurement Administrator establishes any standard clauses addressing the subjects set forth in subsection (a) above, such clauses may be varied provided that any variations are supported by a written determination that states the circumstances justifying such variations, and provided that notice of any such material variation be stated in the invitation for bids or request for proposals.

(Ord. No. 97.55, 12-11-97; Ord. No. 2007.72, 10-25-07; Ord. No. O2016.61, 11-3-16)

Sec. 26A-20. - Cost principles.

- (a) *Cost principles*. The Procurement Office shall establish cost principles which shall be used to determine the allowability of incurred costs for the purpose of reimbursing costs under contract provisions which provide for the reimbursement of costs.
- (b) *Cost or pricing data*. The submission of current cost or pricing data may be required in connection with an award in situations in which analysis of the proposed price is essential to determine that the price is reasonable and fair. Any contract, change order or contract modification under which cost or pricing data is required shall contain a provision that the price to the City shall be adjusted to exclude any significant amounts by which the City finds that the price was increased because the contractor-furnished cost or pricing data was inaccurate, incomplete or not current as of the date agreed on between the parties. Such adjustment by the City may include profit or fee.
- (c) *Contract pricing*. The requirements of this section need not be applied to contracts if any of the following apply:
 - (1) The contract price is based on adequate price competition;
 - (2) The contract price is based on established catalogue prices or market prices;
 - (3) Contract prices are set by law or regulation; or
 - (4) It is determined by the Procurement Administrator that the requirements of this section may be waived, and the reasons for the waiver are stated in writing.

(Ord. No. 97.55, 12-11-97; Ord. No. 2007.72, 10-25-07)

Sec. 26A-21. - Protest procedure.

- (a) *Right to protest* . Any actual or prospective bidder, offeror or contractor who believes they are aggrieved in connection with the solicitation or award of a contract may file a protest with the procurement office. All protests shall be filed with the procurement officer, with a copy of the protest being delivered to the Procurement Administrator. The procedures for filing the protest are set forth herein.
- (b) *Resolution of bid protests* . The procurement officer shall have the authority to resolve protests. Appeals from the decisions of the procurement officer may be made to the Procurement Administrator as set forth herein.
- (c) *Filing of a protest* . Any protest shall be in writing and shall include the following information:

- (1) The name, current address and telephone number of the protester;
 - (2) The signature of the protester or its representative;
 - (3) Identification of the solicitation or contract number;
 - (4) A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
 - (5) The form of relief requested.
- (d) *Time for filing protests.* The time for filing protests shall be as follows:
- (1) If a protest is based upon any alleged improprieties occurring in a solicitation prior to the deadline date of a solicitation response, such a protest must be filed prior to the deadline date. Otherwise, any protests based on any alleged improprieties in a solicitation during this time frame will be deemed waived;
 - (2) If a protest is based upon any alleged improprieties occurring upon or after the deadline date for a solicitation response, such protest must be filed prior to the award of the contract. Otherwise, any protests based on any alleged improprieties during this time frame will be deemed waived;
 - (3) Protests concerning alleged improprieties that do not exist in the initial solicitation but that allegedly exist in the subsequently incorporated addendum to the solicitation shall be filed by the next deadline date for receipt of addendum responses;
 - (4) Protests concerning awards shall be filed within ten (10) business days after the contract has been awarded. The City typically publishes award recommendations five (5) days prior to council review; and
 - (5) The procurement officer may grant any written requests for extensions of time to file a protest if the request for an extension of time sets forth good cause as to why the extension is necessary; why the protest could not be filed within the times set forth herein; and the request is submitted prior to the expiration of time for filing the original protest. If the extension of time request is not filed prior to the expiration of time for filing the original protest, the extension and protest will be deemed to be denied and/or waived. The ruling on the request for extension shall be set forth in writing setting forth the basis for the grant or denial and, if granted, setting forth the deadline by which the protest must be filed.
- (e) *Notice of protest* . The procurement officer shall immediately give notice of the protest to all interested parties.
- (f) *Stay of procurements during the protest* . In the event of a timely protest as set forth herein, the Procurement Administrator shall make a written decision to:
- (1) Proceed or not proceed with the solicitation process, award or contract execution or performance;
 - (2) Stay or not stay all or part of the procurement award or contract performance, based upon the best interests of the City; and
 - (3) The Procurement Administrator shall provide the protestor, procurement officer and any other interested party with a copy of the written decision as to whether or not to stay the award or contract execution or performance.
- (g) *Decision by the procurement officer* . The procurement officer shall:
- (1) Unless extended as provided herein, issue a written decision no later than ten (10) business days after a protest has been filed. The decision shall contain an explanation of the basis of the decision;
 - (2) Transmit a copy of the decision to the protester, by certified mail, return receipt requested or by electronic transmission that provides evidence of receipt; and

- (3) Extend the time limit for a decision by the procurement officer for a reasonable time not to exceed thirty (30) calendar days. The procurement officer shall notify the protester in writing that the time for the issuance of a decision has been extended and the date by which a decision will be issued. If the procurement officer fails to issue a timely decision, the protester may proceed as if the procurement officer had issued an adverse decision.
- (h) *Remedies* . Remedies shall be addressed as follows:
- (1) If the Procurement Office sustains the protest in whole or part and determines that a solicitation, proposed contract award or awarded contract does not comply with the Procurement Code, the Procurement Office shall implement an appropriate remedy;
 - (2) In determining an appropriate remedy, the Procurement Office shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to, the seriousness of the procurement deficiency, the degree of prejudice to other interested parties or to the integrity of the procurement system, the good faith of the parties, the extent of performance, costs to the City, the urgency of the procurement and the impact of the relief on the using department's mission and other relevant issues;
 - (3) An appropriate remedy may be to decline an option to renew the contract, to terminate the contract and reissue the solicitation, to issue a new solicitation and award a contract consistent with the Procurement Code, or to seek relief as determined to be in the best interests of the City and in conformity with City procurement; and
 - (4) If the procurement officer denies the protest, then the Procurement Office may lift any stays previously placed on the award or contract execution or performance and may continue with the solicitation, awarding the contract or allowing the successful bidder or respondent to begin executing the contract previously awarded.
- (i) *Appeals to the Procurement Administrator* . A written appeal from a decision entered or deemed to be entered by the procurement officer shall be filed with the Procurement Administrator no later than ten (10) business days from the date the decision of the procurement officer is sent by certified mail, return receipt requested or by electronic transmission that provides evidence of receipt and the appellant shall also file a copy of the appeal with the procurement officer.
- (j) *Content of appeal* . The appeal shall contain:
- (1) The information set forth in subsection (c) above;
 - (2) A copy of the decision of the procurement officer; and
 - (3) The precise alleged factual or legal error in the decision of the procurement officer from which an appeal is taken.
- (k) *Notice of appeal* . The Procurement Office shall immediately give notice of the appeal to the recommended or awarded offeror. Interested parties shall have the right to request copies of the appeal. The recommended or awarded offeror has the right to participate in the proceedings.
- (l) *Stay of procurement during appeal* . In the event of a timely appeal as set forth herein, the Procurement Administrator shall make a written decision to:
- (1) If a stay has already been issued, continue the stay. The stay can be lifted if the Procurement Administrator makes a written determination that the award of a contract or a notice to proceed with contract performance is necessary to protect the best interests of the City; and
 - (2) If a stay was not previously issued, the Procurement Administrator may, after reviewing the procurement officer's decision and the appeal, stay the procurement if it is determined that a stay is in the best interests of the City.
- (m) *Procurement Administrator report* . The Internal Services Director shall require the Procurement Administrator to file a summary report on the appeal within fifteen (15) business days from the date the appeal is filed and provide copies of the administrator's report to the appellant by certified mail,

return receipt requested and the recommended or awarded offeror. The report will contain a compilation of all pertinent documents related to the protest appeal and may contain copies of:

- (1) The appeal;
 - (2) The bid or proposal submitted by the appellant;
 - (3) The bid or proposal of the firm that is being considered for award;
 - (4) The solicitation, including the specifications or portions relevant to the appeal;
 - (5) The abstract of bids or proposals or relevant portions;
 - (6) Any other documents that are relevant to the protest; and
 - (7) A statement by the procurement officer setting forth findings, actions, recommendations and any additional evidence or information necessary to determine the validity of the appeal.
- (n) *Extension for filing of report* . The Procurement Administrator may make a request to the Internal Services Director in writing for an extension of the time period setting forth the reason for the extension request. The Internal Services Director's determination on the request shall be in writing, state the reasons for the determination and, if an extension is granted, set forth a new date for the submission of the Procurement Administrator's report. The Procurement Administrator shall notify the appellant in writing that the time for the submission of the report has been extended and the date by which the report will be submitted.
- (o) *Response to report* . The appellant may file a response to the report with the Procurement Administrator no later than ten (10) business days after certified receipt of the report. Copies of the response shall be provided by the appellant to the procurement officer and the Internal Services Director.
- (p) *Decision of Procurement Administrator* . Unless extensions are provided as set forth herein, the Procurement Administrator shall issue a written decision no later than fifteen (15) business days after appellant's certified receipt of report if no response is filed or no later than fifteen (15) business days after the Procurement Office receives a response.
- (q) *Extension for filing of decision* . The Procurement Administrator may make a request to the Internal Services Director in writing for an extension of the time period setting forth the reason for the extension request. The Internal Services Director's determination on the request shall be in writing, state the reasons for the determination and, if an extension is granted, set forth a new date for the submission of the Procurement Administrator's decision. The Procurement Administrator shall notify the appellant in writing that the time for the issuance of the decision has been extended and the date by which the decision will be issued.
- (r) *Appeals to Internal Services Director* . A protester wishing to appeal a decision of the Procurement Administrator shall file an appeal with the Internal Services Director no later than ten (10) business days from the date the Procurement Administrator decision is delivered by electronic delivery or certified mail, return receipt requested to the protester/appellant. The appellant may request that the Internal Services Director or designee hold a hearing on the appeal before a hearing panel. The Internal Services Director shall have the sole discretion to decide whether to hold a hearing before a hearing panel.
- (s) *Dismissal before hearing* . The Internal Services Director or designee shall dismiss, upon a written decision, an appeal before scheduling a hearing if:
- (1) The appeal does not state a valid basis for protest;
 - (2) The appeal is filed in an untimely manner; or
 - (3) The appeal attempts to raise issues not raised in the original protest.
- (t) *Hearing*. The Internal Services Director may decide to allow a hearing on the appeal of the decision of the Procurement Administrator. The hearing shall be conducted by a panel consisting of the Internal Services Director or designee, a representative from the City Attorney's office and

representatives from one (1) or more City departments as determined appropriate by the City. The protester and the recommended or contract awarded firm(s) may be invited to attend the hearing. The decision made by a majority of the panel after the protest hearing shall be final. The panel shall issue a written decision no later than ten (10) business days after the conclusion of the panel hearing, unless the Internal Services Director agrees in writing to an extension of time.

- (u) *Remedies* . If, after the hearing, the hearing panel sustains the appeal in whole or part and determines that a solicitation, proposed award or award does not comply with procurement requirements and this chapter, remedies shall be implemented as appropriate and consistent with the law.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07; Ord. No. 2008.63, 11-6-08; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.22, 4-14-16; Ord. No. O2016.61, 11-3-16)

Sec. 26A-22. - Resolution of contract claims and controversies.

- (a) *Authority to resolve contract disputes* . The procurement officer administering the contract shall have the authority to settle and resolve contract disputes. Appeals from decisions of the procurement officer may be made to the Procurement Administrator as set forth below. The settlement or resolution of a dispute in excess of ten percent (10%) of the total contract award amount, up to fifty thousand dollars (\$50,000.00) requires the prior written approval of the Procurement Administrator. Settlement or resolution of those equal to or over fifty thousand dollars (\$50,000.00) requires the written approval of the Internal Services Director or designee.
- (b) *Procurement officer's decision* . If a dispute cannot be resolved by mutual agreement and a contractor submits a written request for a final decision, the procurement officer shall issue a written decision no later than sixty (60) calendar days after the request is filed. Before issuing a final decision, the procurement officer shall review the facts pertinent to the dispute and secure any necessary assistance from legal, fiscal and other advisors.
- (c) *Final decision*. The procurement officer shall furnish a copy of the final decision to the contractor, by certified mail, return receipt requested or by any other method that provides evidence of receipt with a copy to the Procurement Administrator. The decision shall include:
 - (1) A description of the dispute;
 - (2) A reference to the pertinent contract provision;
 - (3) A statement of the factual areas of agreement or disagreement;
 - (4) A statement of the procurement officer's decision, with supporting rationale; and
 - (5) A paragraph that substantially states that "this is the final decision of the procurement officer. This decision may be appealed to the Procurement Administrator. If you appeal, you must file a written notice of appeal with the Internal Services Director no later than thirty (30) calendar days from the date you receive this decision."
- (d) *Issuance of a timely decision* . The procurement officer may extend the time limit for issuance of a final decision for disputes exceeding fifty thousand dollars (\$50,000.00) for a reasonable time not to exceed thirty (30) calendar days. The procurement officer shall notify the contractor in writing that the time for the issuance of a decision has been extended and the date by which a decision shall be issued. The time limit for decisions may not be extended for disputes amounting to less than fifty thousand dollars (\$50,000.00). Unless the procurement officer extends the time limit, if the procurement officer fails to issue a decision within sixty (60) calendar days after the request on a dispute is filed, the contractor may proceed as if the procurement officer had issued an adverse decision.

- (e) *Appeals to the Procurement Administrator* . An appeal from a final decision of a procurement officer, or the failure of the procurement officer to timely issue a decision on a dispute shall be filed with the Procurement Administrator no later than thirty (30) calendar days from the date the procurement officer's final decision is delivered to the contractor, return receipt requested. The appellant shall also file a copy of the appeal with the procurement officer. The appeal shall contain a copy of the decision of the procurement officer and the basis for the precise factual or legal error in the decision of the procurement officer from which an appeal is taken. The Procurement Administrator may assign the dispute to a hearing or to mediation services or to arbitration in accordance with this section and discussion with the City Attorney. The Procurement Administrator shall notify the appellant of the decision to assign the dispute within fifteen (15) business days after the date an appeal is filed.
- (f) *Controversies involving City claims against a contractor* . All contract claims asserted by the City against a contractor that are not resolved by mutual agreement shall promptly be referred by the procurement officer to the Procurement Administrator for a hearing, mediation or arbitration in accordance with this section and discussion with the City Attorney.
- (g) *Hearing* . Hearings on appeals of final decisions shall be conducted in accordance with Section 26A-21.
- (h) *Mediation*. Contract claims and controversies may be resolved utilizing mediation services if the Internal Services Director in consultation with the City Attorney's Office determines the use of such services is in the best interest of the City.
- (i) *Arbitration*. Contract claims and controversies may be resolved utilizing arbitration if the Internal Services Director in consultation with the City Attorney's Office determines the use of arbitration is in the best interest of the City. The claim or controversies shall be settled by arbitration in accordance with current commercial arbitration rules of the American Arbitration Association or, at the option of the City, in accordance with the provisions of the Title 12, Chapter 9, Article I, Arizona Revised Statutes.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2005.69, 9-29-05; Ord. No. 2007.72, 10-25-07; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.22, 4-14-16; Ord. No. O2016.61, 11-3-16)

Sec. 26A-23. - Debarment and suspension.

- (a) *Authority to debar or suspend*. The Internal Services Director has the sole authority to debar or suspend a person from participating in city procurements.
- (b) *Initiation of debarment*. Upon receipt of information concerning a possible cause for debarment, the Internal Services Director shall investigate the possible cause. If the Internal Services Director has a reasonable basis to believe that a cause for debarment exists, the Internal Services Director may propose debarment.
- (c) *Debarment or suspension causes*. The causes for debarment or suspension shall be limited to the following:
 - (1) Conviction of any person or any affiliate of any person for commission of a criminal offense arising out of obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
 - (2) Conviction of any person or any affiliate of any person under any statute of the federal government, this State or any other state for embezzlement, theft, fraudulent schemes and artifices, fraudulent schemes and practices, bid rigging, perjury, forgery, bribery, falsification or destruction of records, or receiving stolen property; or any other offense indicating a lack of business integrity or business honesty which currently, seriously and directly affects responsibility as a city contractor and which conviction arises out of or obtaining or attempting to

obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

- (3) Conviction or civil judgment finding a violation by any person or affiliate of any person under state or federal antitrust statutes arising out of the submission of bids or proposals;
 - (4) Violations of contract provisions within three (3) years of current debarment action, as set forth below, of a character which are reasonably deemed to be so serious as to justify debarment action and which include abandonment of a contract without good cause; knowingly failing without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or failure to perform or unsatisfactory performance in accordance with the terms of one (1) or more contracts, except that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment; or
 - (5) Any other cause that the Internal Services Director reasonably determines to be so serious and compelling as to affect responsibility as a city contractor, including suspension or debarment of such person or any affiliate of such person by another governmental entity for any cause listed in this section.
- (d) *Matters not proper for debarment or suspension.* Any conviction or judgment dated more than three (3) years prior to the notice of suspension or notice of proposed debarment shall not be a basis for any debarment or suspension of a person or an affiliate of a person.
 - (e) *Period of debarment.* The period of time for a debarment shall not exceed three (3) years from the date of the debarment determination. If debarment is based solely upon debarment by another governmental agency, the period of debarment may run concurrently with the period established by that other debarring agency.
 - (f) *Notice.* If the Internal Services Director proposes debarment, the Internal Services Director shall notify the person in writing within seven (7) business days by certified mail, return receipt requested, of the proposed debarment and that the person and affected affiliates have the right to a hearing which shall be scheduled in accordance with this article.
 - (g) *Notice to affiliates.* If the Internal Services Director proposes to debar an affiliate of the person, the affiliate shall have a right to appear in any hearing on the proposed debarment to show mitigating circumstances. The affiliate shall file a written request for a hearing to the Internal Services Director no later than ten (10) business days of receipt of the notice of proposed debarment. Failure to provide a written request for a hearing within the ten (10) business day period shall be a waiver of the right to a hearing.
 - (h) *Imputed knowledge.* The Internal Services Director may attribute improper conduct to an affiliate for purposes of debarment where the impropriety occurred in connection with the affiliate's duties for or on behalf of, or with the knowledge, approval or acquiescence of, the contractor. The Internal Services Director may attribute improper conduct of a person or its affiliate having a contract with a contractor for purposes of debarment where the impropriety occurred in connection with the person's duties for or on behalf of, or with the knowledge, approval or acquiescence of, the contractor.
 - (i) *Reinstatement.* The Internal Services Director may at any time after a final decision on debarment reinstate a debarred person or rescind the debarment upon a determination that the cause upon which the debarment is based no longer exists. Any debarred person may request reinstatement by submitting a petition to the Internal Services Director supported by documentary evidence showing that the cause for debarment no longer exists or has been substantially mitigated. The Internal Services Director may require a hearing on the request for reinstatement. The decision on reinstatement shall be in writing no later than thirty (30) days after the request is filed and may specify the factors on which it is based.
 - (j) *Suspension.* If adequate evidence for debarment exists, the Internal Services Director may suspend a person from receiving any award. The Internal Services Director shall not suspend a person pending debarment unless sufficient reasons require suspension to protect city interests.

- (k) *Period and scope of suspension.* Unless otherwise agreed to by the parties, the period of suspension shall not be more than thirty-five (35) business days without satisfying the notice requirements.
- (l) *Suspension notice, hearing, determination and appeal.* The Internal Services Director shall notify the person suspended by personal service or certified mail, return receipt requested. The notice of suspension shall state:
 - (1) The basis for suspension;
 - (2) The period, including dates, of the suspension;
 - (3) That bids or proposals shall not be solicited or accepted from the person and, if received, will not be considered; and
 - (4) That the person is entitled to a hearing on the suspension if the person files a written request for a hearing with the Internal Services Director no later than thirty (30) business after receipt of the notice.
- (m) *Suspended party request for hearing.* If a suspended party requests a hearing, the hearing officer shall arrange for a prompt hearing unless the City Attorney determines that a hearing at such time is likely to jeopardize an investigation. Unless both parties agree to an extension, the hearing shall not be delayed longer than three (3) months after notice of suspension. A hearing requested under this section shall be conducted, to the extent practicable, in accordance with this chapter.
- (n) *Master list for suspension and debarment .* The Internal Services Director shall maintain a master list of debarment, suspensions and voluntary exclusions under this chapter. The master list shall include a separate section listing persons voluntarily excluded from participation in city contracts. The master list shall show as a minimum the following information:
 - (1) The names and vendor number of those persons whom the City has debarred or suspended under this chapter;
 - (2) The basis of authority for the action;
 - (3) The period of debarment or suspension, including the expiration date;
 - (4) The name of the debarring or suspending agency, if the city's debarment or suspension is based on debarment or suspension by another governmental agency; and
 - (5) A separate section listing persons voluntarily excluded from participation in state contracts.
- (o) *Hearing procedures.* If a hearing is required or permitted, the Internal Services Director may appoint a hearing officer. The hearing officer shall arrange for a prompt hearing and notify the parties in writing of the time and place of the hearing. The hearing shall be conducted in an informal manner without formal rules of evidence or procedure. The hearing officer may:
 - (1) Hold pre-hearing conferences to settle, simplify or identify the issues in a proceeding, or to consider other matters that may aid in the expeditious disposition of the proceeding;
 - (2) Require parties to state their positions concerning the various issues in the proceeding;
 - (3) Require parties to produce for examination those relevant witnesses and documents under their control;
 - (4) Rule on motions and other procedural items on matters pending before such officer;
 - (5) Regulate the course of the hearing and conduct of participants;
 - (6) Establish time limits for submission of motions or memoranda;
 - (7) Impose appropriate sanctions against any person failing to obey an order under these procedures, which may include refusing to allow the person to assert or oppose designated claims or defenses, or prohibiting that person from introducing designated matters in evidence; excluding all testimony of an unresponsive or evasive witness; and expelling the person from further participation in the hearing;

- (8) Take official notice of any material fact not appearing in evidence in the record, if the fact is among the traditional matters of judicial notice;
 - (9) Administer oaths or affirmations; and
 - (10) A transcribed record of the hearing shall be made available at cost to the requesting party.
- (p) *Recommendation by the hearing officer.* The hearing officer shall make a recommendation to the Internal Services Director based on the evidence presented. The recommendation shall include findings of fact and conclusions of law. The Internal Services Director may affirm, modify or reject the hearing officer's recommendation in whole or in part, may remand the matter to the hearing officer with instructions, or make any other appropriate disposition.
- (q) *Final decision by the Internal Services Director.* A decision by the Internal Services Director shall be final. The decision shall be sent within twenty (20) days after the conclusion of the hearing to all parties by personal service or certified mail, return receipt requested. The decision shall state that any party adversely affected may within ten (10) days request a rehearing with the Internal Services Director.
- (r) *Rehearing of Internal Services Director's decision.* Any party, including a procurement officer, who is aggrieved by the Internal Services Director's decision may file a written request for rehearing of the decision specifying the particular grounds. The request for rehearing shall be filed with the Internal Services Director within ten (10) days after receipt of the decision and shall include any supporting affidavits. The request shall be clearly designated as a "request for rehearing." Rehearings shall be addressed as follows:
- (1) The Internal Services Director shall within five (5) days after the request is filed notify interested parties of the request by personal service or certified mail, return receipt requested;
 - (2) An interested party may within ten (10) days after receipt of the notice file a response including opposing affidavits;
 - (3) Any argument not raised in the request or in a response is waived;
 - (4) The Internal Services Director may require the filing of written briefs and may provide for oral argument;
 - (5) A rehearing of the decision may be granted for irregularity in the proceedings before the Internal Services Director or an abuse of discretion by the Internal Services Director, depriving the requesting party of a fair hearing; misconduct of the Internal Services Director, his staff or the hearing officer or any party; accident or surprise that could not have been prevented by ordinary prudence; newly discovered material evidence that could not with reasonable diligence have been discovered and produced at the original hearing; excessive or insufficient penalties; error in the admission or rejection of evidence or other error of law occurring at the hearing; or showing that the decision is not justified by the evidence or is contrary to law;
 - (6) The Internal Services Director's decision concerning a request for rehearing shall be in writing and shall state the basis of the decision. A decision granting a rehearing shall specify with particularity the grounds on which the rehearing is granted, and the date, time and place of the rehearing. The rehearing shall cover only those matters specified in the decision; and
 - (7) The Internal Services Director, within the time for filing a request for rehearing under this section, may on his own initiative order a rehearing of his decision for any reason for which he might have granted a rehearing on request of a party.
- (s) *Exclusive remedy.* Notwithstanding any law to the contrary, this article shall provide the exclusive procedure for asserting a claim or cause of action against this City arising in relation to any procurement conducted under this chapter.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2007.72, 10-25-07; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.22, 4-14-16)

Sec. 26A-24. - Intergovernmental and cooperative procurement.

- (a) *Applicability.* Agreements entered into pursuant to this article shall be limited to the areas of procurement or materials management.
- (b) *Intergovernmental procurement agreements approval.* All agreements entered into pursuant to this article shall be approved by the Internal Services Director or designee or City Council as necessary.
- (c) *Cooperative purchasing authorized.* The City may either participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any materials, goods or services with one (1) or more eligible procurement units in accordance with an agreement entered into between the participants. Parties under a cooperative purchasing agreement may:
 - (1) Sponsor, conduct or administer a cooperative agreement for the procurement or disposal of any materials, goods or services;
 - (2) Cooperatively use materials or services;
 - (3) Commonly use or share warehousing facilities, capital equipment and other facilities;
 - (4) Provide personnel, except that the requesting eligible procurement unit may pay the public procurement unit providing the personnel the direct and indirect cost of providing the personnel, in accordance with the agreement;
 - (5) On request, make available to other public procurement units informational, technical or other services that may assist in improving the efficiency or economy of procurement. The public procurement unit furnishing the informational or technical services has the right to request reimbursement for the reasonable and necessary costs of providing such services; and
 - (6) The activities described in paragraphs 1 through 5 do not limit the activities of parties under a cooperative purchasing agreement.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2007.72, 10-25-07; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.22, 4-14-16)

Sec. 26A-25. - Requirements for street sweepers.

Contracts for street sweeping on city streets shall require that street sweeping be conducted with certified PM-10 efficient street sweepers. Street sweepers purchased or leased by the City shall be certified PM-10 efficient street sweepers.

(Ord. No. 2010.27, 7-1-10)

Secs. 26A-26—26A-49. - Reserved.

ARTICLE II. - MATERIALS MANAGEMENT

Sec. 26A-50. - Materials management responsibilities and powers, auctions, offenses.

- (a) The Internal Services Director or designee shall be responsible for establishing guidelines for the administration of the materials management function, including the sale, trade, transfer or disposal of surplus materials belonging to the City.
- (b) The Internal Services Director or designee shall have the responsibility and authority to establish rules and regulations to govern:

- (1) The management of materials during their entire life cycle;
- (2) The acquisition and distribution of City surplus or excess materials;
- (3) The sale, lease or disposal of surplus or excess materials by public auction, competitive sealed bidding, spot bidding, trade-in, negotiated sale, sale at posted prices, auction, trade or transfer, to another public entity, retail sales outlet, or other appropriate methods designated by City rules, regulations and procedures;
- (4) The purchase or acquisition of any surplus or excess materials by City employees or the disposal of surplus or excess materials by City departments;
- (5) The transfer of excess or surplus fixed asset materials for the purpose of reutilization within the City; and
- (6) Rules of attendance and participation at auctions, including expulsion and debarment from an auction or an auction call for bids. Such regulations shall also include procedures for immediate suspension or expulsion of an attendee or participant on grounds specified in the City's rules and regulations. A violation of such rules and regulations is punishable as provided in Section 1-7 of the City Code.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2005.69, 9-29-05; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.22, 4-14-16; Ord. No. O2016.61, 11-3-16)

Sec. 26A-51. - Disposition of surplus or excess materials generally.

- (a) The Internal Services Director or designee may act on behalf of the City in all matters pertaining to establishing rules, regulations and procedures for the disposition of excess or surplus materials.
- (b) Unless otherwise authorized by law or City ordinances, rules or regulations, no using department shall transfer, sell, trade, or otherwise dispose of materials owned by the City without written authorization of the department head and the Internal Services Director or designee in accordance with the City's rules, regulations and procedures.
- (c) A using department shall notify the Internal Services Director or designee of all excess and surplus fixed asset materials on such forms and at such times as prescribed by established City rules, regulations and procedures. The Internal Services Director or designee shall determine the fair market value of excess and surplus fixed asset materials.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2005.69, 9-29-05; Ord. No. 2010.02, 2-4-10; Ord. No. O2016.22, 4-14-16; Ord. No. O2016.61, 11-3-16)

Sec. 26A-52. - Methods of disposal for surplus or excess materials.

- (a) Surplus or excess materials may be offered for sale or lease through competitive sealed bidding, spot bidding, trade-in, sale at posted prices, auction, negotiated sale, or trade, to another public entity, retail sales outlet, or transferred for public purpose to another Arizona based public entity or otherwise as designated by City rules, regulations and procedures.
- (b) Competitive sealed bidding shall be advertised and conducted in accordance with City ordinances, rules and regulations.
 - (1) Copies of the invitation for bid sales shall be available at the City Procurement Office. The notice for invitation for bid sales shall list the materials offered for sale, their location, availability for inspection, the terms and conditions of sale and instructions to bidders including the place, date, and time for bid opening. Bids shall be opened and read in public; and

- (2) The award shall be made in accordance with the invitation for bid sales to the highest responsive and responsible bidder if the price offered by such bidder is acceptable to the Internal Services Director or designee. If the Internal Services Director or designee determines that the bid is not advantageous to the City, the bids may be rejected in whole or in part. The Internal Services Director may again solicit bids or may negotiate the sale if the negotiated sale price is higher than the highest responsive and responsible bidder's price.
- (c) No employee of a disposing department shall directly or indirectly purchase or agree with another person to purchase surplus or excess materials if the employee is, or has been, directly or indirectly involved in the purchase, disposal, maintenance, operation or preparation for sale of the surplus or excess material. Sworn public safety personnel are exempt from this requirement for specific exceptions as stipulated in subsection (e) below.
 - (d) No employee, nor agent or relative of an employee, of the City's Financial Services Division shall purchase or acquire, directly or indirectly, any City surplus or excess or scrap property.
 - (e) Sworn police officers may purchase their duty handgun for one dollar (\$1.00) upon retiring in good standing with twenty (20) or more years of service with the City. Medical retirements for officers with less than twenty (20) years of service that result from line of duty physical incidents may also qualify with the approval of the Police Chief. Sworn police officers and fire fighters may be awarded their assigned service badges upon retirement in good standing or upon the upgrading of badges as determined by the respective chiefs. Sworn police officers and fire fighters may be awarded their assigned fire fighter helmet or police motor officer helmet upon retiring in good standing with the City at the discretion of the respective department chiefs.

(Ord. No. 97.55, 12-11-97; Ord. No. 2001.17, 7-26-01; Ord. No. 2005.69, 9-29-05; Ord. No. 2008.63, 11-6-08; Ord. No. 2010.02, 2-4-10; Ord. No. O2014.27, 6-26-14; Ord. No. O2016.22, 4-14-16; Ord. No. O2016.61, 11-3-16)

Sec. 26A-53. - Allocation of proceeds from sale, disposal of excess or surplus materials.

All monies received from sale of city surplus or excess materials shall be deposited in the city general fund or other appropriate fund unless otherwise prescribed by law.

(Ord. No. 97.55, 12-11-97; Ord. No. 2005.69, 9-29-05)