

CHAPTER 18

PURCHASING POLICY

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1-18-1 : PURCHASING AGENT:

A. The city clerk or other person as approved and designated by the mayor and council shall be the purchasing agent for the city of Tombstone. Unless otherwise required by state law, no purchase or contract for services of any kind or description, payment for which is to be made from funds of the city, shall be made by the purchasing agent, or any officer, employee or agent of the city, except in the manner set forth in this chapter, and unless the purchase is in accordance with the adopted city budget.

B. Payment for purchases or contract services shall be made using an official accounts payable check or city debit card in accordance this chapter and with the following.

C. Accounts payable checks will be issued to vendor when all the supporting procurement documentation has been filed with the City Clerk and will require two signatures. A list of all checks will be represented to the Mayor and Council at each regularly schedule public meeting.

D. No payment exceeding ten thousand dollars (\$10,000) will be made with a City Debit or Credit card. All payments using this method are subject to all accounts payable procedures and are required to be presented to the Mayor and Council at each regularly schedule public meeting.

E. For purposes of implementation, the term "bid" shall be synonymous with the term "request for proposals" and either method shall be acceptable for the procurement of goods and/or services under this Chapter.

F. The city clerk or other person as approved and designated by the mayor and council shall issue directions to the city staff providing for a centralized purchasing procedure, a procedure for disposition of surplus property, and a periodic inventory of city property. (Ord. 3-1989, 4-17-1989)

1-18-2 : GENERAL PROCEDURES:

City purchases or contracts for services shall be made according to the following:

A. Under Five Thousand Dollars: Whenever any contemplated purchase or contract for services is for the sum of not more than five thousand dollars (\$ 5,000.00), the mayor or the purchasing agent, with the approval of the mayor, may order the items as needed without further formality.

B. Purchases Between Five Thousand and One Dollars And Twenty Thousand Dollars: Whenever any contemplated purchase or contract for services is for the sum between Five Thousand and One dollar (\$ 5,001.00) and Twenty thousand dollars (\$ 20,000.00), the purchasing agent shall solicit at least three (3) bids for the item(s) or service(s). The purchasing agent may then award the purchase or contract of service to the lowest responsible bidder submitting the quotation, which 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.

C. Purchases Over Twenty Thousand and One Dollars: Whenever any contemplated purchase or contract for services is over twenty thousand and one dollars (\$ 20,001.00), the purchasing agent shall cause to be published in one issue of a local newspaper of general circulation a notice inviting bids, which said notice shall be published at least ten (10) days prior to the date set for the receipt of the bids. The notice herein required shall include a general description of the articles to be purchased or services to be performed and the time and place for opening bids. In addition, the purchasing agent shall post a notice inviting bids in the city and may also mail to all responsible prospective suppliers a copy of the notice inserted in the newspaper as herein required.

D. When Council Approval Required: No purchase or contract over twenty thousand and one dollars (\$ 20,001.00) shall be made, created or executed, nor shall the purchase of contract over twenty thousand and one dollars (\$ 20,001.00) be binding on the city, without express approval of the mayor and common council. Whenever any contemplated purchase or contract is valued at more than twenty thousand and one dollars (\$ 20,001.00), the mayor or purchasing agent shall present the bids to the common council for approval. (Ord. 2-2001, 7-17-2001, new ordinance reference needed)

E. Procurement requirements shall not be artificially divided or fragmented so as to constitute a purchase under this section and to circumvent the source selection procedures required by any section in this chapter.

1-18-3 : EXCLUSIVE SERVICE:

In the event that there is only one firm or company or individual capable of providing a particular service or commodity and such services or commodities cannot be secured from other persons or companies, section 1-18-2 of this chapter shall not be applicable and such services or commodities can be secured without bidding. Provided, however, no services or commodities shall be secured herein without the approval of the mayor and council of the city of Tombstone. (Ord. 3-1989, 4-17-1989)

1-18-4 : BIDDING:

The purchasing agent and all parties contracting with the city shall follow the procedure hereinafter set forth in relation to all bidding:

- A. All notices and solicitation of bids shall state the time and place for opening.
- B. All bids shall be submitted sealed to the purchasing agent and shall be identified as bids on the envelope.
- C. All bids shall be opened in public at the time and place stated in the public notice.
- D. A tabulation of all bids received shall be posted for at least five (5) days in the city complex for public inspection.
- E. The purchasing agent shall have the authority to require bid guarantees for up to five percent (5%) of the amount of the bid. The bid guarantee shall consist of a certified check, cashier's check or surety bond and shall guarantee that the contractor or bidder will enter into a contract or provide the product in accordance with the bid, or as liquidated damages in the event of failure or refusal to enter into a contract or provide the product.

The certified check, cashier's check, or surety bond shall be returned to the bidder whose proposal is not accepted, and to the successful bidder upon the execution of a satisfactory contract or delivery of the product.

F. The purchasing agent under subsections 1-18-2A, B and C of this chapter and the mayor and council under subsection 1-18-2D of this chapter shall have the authority to reject any and all bids and parts of all bids and readvertise or resolicit bids. (Ord. 3-1989, 4-17-1989)

1-18-5 : DETERMINATION OF LOWEST RESPONSIBLE BIDDER:

Unless the mayor and council or the purchasing agent shall exercise the right of rejection as provided by subsection 1-18-4F of this chapter, the purchase or contract shall be made from and with the lowest responsible bidder from the entire purchase or contract for any part thereof. In determining the lowest responsible bidder, the mayor and council and purchasing agent shall consider:

- A. The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
- B. Whether the bidder can perform the contract or provide the services promptly or within the specified time, without delay or interference.
- C. The quality of performance of previous contracts.
- D. The previous and existing compliance by the bidder with laws and ordinances of the city.
- E. The financial resources and ability of the bidder to perform the contract.
- F. The quality, availability, and adaptability of the supplies or services. (Ord. 3-1989, 4-17-1989)

1-18-6 : PERFORMANCE BOND:

The purchasing agent, after seeking and obtaining the approval of the mayor and council, shall have the authority to require a performance bond, in cash or otherwise, for such amount as he or she deems sufficient to secure the execution of the contract for the best interest of the city. (Ord. 3-1989, 4-17-1989)

1-18-7 : EMERGENCY PURCHASES:

In case of an emergency which requires immediate purchases of supplies or services and time is of the essence, the mayor shall be empowered to authorize the purchasing agent to purchase or secure services without complying with procedures as set forth above. A full report, in writing, of the circumstances of any emergency purchase shall be filed by the purchasing agent with the mayor and common council at its next meeting. (Ord. 3-1989, 4-17-1989)

1-18-8 : FORMS:

The purchasing agent shall prescribe and maintain such forms as necessary for the operation of the provisions of this chapter. (Ord. 3-1989, 4-17-1989)

1-18-9 : PROFESSIONAL SERVICES:

Unless required by the mayor and council, the bidding requirements of this chapter shall not apply to professional services and the requirements herein shall not be required in the employment of professional services. Such services shall include, but not be limited to, the following: physicians, attorneys, accountants, information technology professionals, local artists, architects, and engineers. (Ord. 3-1989, 4-17-1989)

1-18-10 : COOPERATIVE PURCHASING:

This chapter shall not apply to purchases made by, through or with the state of Arizona, or its political subdivisions. The city may make purchases or award contracts for services without a formal bidding process whenever other governmental units have done so for the same item or service if, in the opinion of the purchasing agent, a separate bidding process is not likely to result in a lower price for such items or services. (Ord. 3-1989, 4-17-1989)

1-18-11 : PROTESTS AND APPEALS:

A. Any bidder wishing to protest the bidding procedure shall file a written objection setting forth the grounds relied upon with the purchasing agent within five (5) days of the bid opening. The purchasing agent shall review and decide on the protest as soon as practicable, but not less than ten (10) days after the protest is filed. The purchasing agent shall immediately notify the objecting bidder of his/her determination. The objecting bidder may appeal the purchasing agent's decision by filing a written notice with the

city clerk within five (5) days of the decision. The mayor and council shall conduct a hearing at the next regular or special meeting on said protest.

B. A bidder may make an oral protest to the city clerk. The objection and grounds therefor shall be put into writing by the city clerk and signed by the person protesting. (Ord. 3-1989, 4-17-1989)