

The Office of Procurement Services (OPS)

PROCUREMENT GUIDE



June 2016

Table of Contents

| | |
|--|----|
| DEFINITIONS..... | 4 |
| INTRODUCTION..... | 8 |
| Intent..... | 8 |
| Applicability..... | 8 |
| Mission, Vision, Value | 8 |
| Public Procurement..... | 8 |
| Ethics in Public Procurement | 9 |
| The Model Code for Procurement..... | 10 |
| Violation of the Code | 10 |
| Procurement’s Authority in the Maricopa County Organization..... | 11 |
| Office of Procurement Services Information | 11 |
| Administration | 11 |
| Procurement Officers..... | 11 |
| Procurement Code Organization | 12 |
| Policies and Procedures That Affect Purchasing Activities | 12 |
| HOW WE BUY..... | 13 |
| Procurement Core Process | 13 |
| Steps to Procure..... | 13 |
| Specifications | 14 |
| Solicitations..... | 14 |
| Formal Solicitation - Contracts..... | 15 |
| Types of Contract Solicitations..... | 15 |
| Informal Solicitation - Quote | 16 |
| Nominal Value Purchases | 17 |
| Emergency Procurement | 17 |
| Intergovernmental Agreements (IGA) (Piggybacking)..... | 17 |
| Non-Competed Purchases | 18 |
| Evaluation of Solicitation Responses (Bids) and Award..... | 18 |
| FOB Point | 20 |
| CONTRACT ADMINISTRATION..... | 21 |
| Invoicing and Receipts | 22 |
| Conduct with Vendors | 22 |
| Contractor Performance | 23 |
| Contract Compliance Reviews | 23 |
| HOW TO | 26 |
| E-Procurement | 26 |
| Supplier Sourcing and BidSync..... | 26 |
| BidSync Procedures..... | 27 |
| Advantage | 28 |
| OnBase | 28 |
| Business Objects | 28 |
| WWW and EBC..... | 29 |
| Records Retention..... | 30 |
| PURCHASE CARD PROCEDURES | 31 |
| Responsibilities | 31 |
| Types of Cards..... | 32 |
| Conditions for Use..... | 32 |
| Lost or Stolen Cards: | 34 |
| Fraudulent Transactions | 34 |
| Disputed Transactions and Recording Credits | 34 |

Declined Purchases 35
Termination, Transfer and Absence of Employees:..... 35
Billing Cycle 35
Reconciliation..... 36
Compliance Review..... 37
Emergency Procurement 37

DEFINITIONS

ADVANTAGE – the financial system used by Maricopa County and the State of Arizona. Contains the Department of Finance general ledger and chart of accounts.

ARTICLE 3 PROCUREMENT – procurement for goods and services as defined by MCPC §1-300, refers to procurement for non-construction related goods/services

ARTICLE 5 PROCUREMENT – procurement for construction and architects/engineering services as defined by MCPC §1-501, 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.

ARTICLE 10 PROCUREMENT – governs cooperative procurement and procurement through inter-governmental agreements (IGA). See *Cooperative Purchasing*.

AWARD – the evaluation and selection of a supplier to provide goods or services according to mutually acceptable terms and conditions.

BEST VALUE – the evaluation of cost and non-cost factors that take place during the procurement process to determine the best value in terms of performance, quality, expediency, risk management, cost or price, and other factors that in total, are determined to be optimal relative to the County's needs.

BID – an offer to perform a contract for work and labor or supplying commodities at a specified time.

BID CLOSING – the date and time set forth in the solicitation after which no bid or proposal will be considered.

BIDSYNC – hosted, on-line E-Procurement application for managing County suppliers and related procurement activities.

BIDDER – an entity who submits an offer to provide goods/services to any County agency

BRAND NAME OR EQUAL SPECIFICATION – a specification that uses one or more manufacturers' names or catalog numbers to describe the standard of quality, performance, and other characteristics needed to meet Maricopa County requirements, and that provides for the submission of equivalent products.

BRAND NAME SPECIFICATION – a specification limited to one or more items by manufacturers' name or catalog numbers.

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

CAPABILITY – contractor's ability to fully perform the Contract requirements at the time of Award.

Certified Agency Procurement Aide (CAPA) – serve as the department liaison between the using agency and the Office of Procurement Services to facilitate procurement needs of the department and provide procurement assistance under Article 3 of the MCPC.

CHIEF PROCUREMENT OFFICER –the executive director and purchasing agent for Maricopa County responsible for development of centralized procurement policy and oversight for all County Procurement activities. This position also serves as the agency director for the Office of Procurement Services.

COMMODITIES – all property, including equipment, supplies, printing, insurance and leases of personal property, but does not include land or other real property interests.

COMPETITION IMPRACTICABLE – procurements may be completed as a one-time purchase or through contract for goods or services because of standardization, warranty, or other factors, even though other sources may be available.

CONSTRUCTION – the process of improving, altering, remodeling or demolishing of any public structure, highway, bridge, building or public improvements of any kind to any real property. Does not include the routine operation, routine repair or routine maintenance of existing structures, highways, bridges or public property.

CONTRACT – all properly executed agreements, regardless of what they may be called, for the Procurement of Commodities, Services, Construction or the disposal of materials.

CONTRACTOR – an entity that has received payment for goods/services rendered to Maricopa County.

COOPERATIVE PURCHASING – procurement conducted by, or on behalf of, more than one public entity's Procurement Agency. Guidelines contained in Article 10 of MCPC. Also known as Intergovernmental Agreement (IGA).

E-PROCUREMENT – purchasing online. E-Procurement systems are used to procure goods and services via the internet.

EMERGENCY PROCUREMENT – a situation where there exists a threat to public health, welfare, property or safety or if a situation exists which makes compliance with sections MC1-316 (Invitations for Bids) or MC1-330 (Request for Proposals) impracticable, unnecessary or contrary to the public interest. Following MC1-353-354 is vital. See MC1-353 & MC1-354

FUNCTIONAL SPECIFICATION – a specification that sets forth the specific operational requirements or results.

INVITATION FOR BIDS (IFB) (MC1-316) – a formal solicitation method where price is the determining factor after it has been determined the bidder offer meets the minimum specifications of the solicitation and the bid is both responsive and responsible.

INVITATION TO NEGOTIATE (ITN) (MC1-345) – a formal solicitation method used when it is determined it is advantageous to Maricopa County to conduct oral or written negotiations with vendors to obtain best value. This is a procurement method similar to the RFP process.

NIGP COMMODITY CODE – Standard numeric code identifying type of good, service or construction.

BID – a proposal of terms, either solicited or unsolicited, made with the purpose of securing or modifying a contract.

OFFICE OF PROCUREMENT SERVICES (OPS) – is the central procurement agency for all County departments, and includes County Reprographics, Procurement, Records Management, and the P-card Program. OPS maintains control over all contracting activity for goods/services and construction.

ONBASE – electronic content management system used for workflow process automation and document management.

PERFORMANCE SPECIFICATION – a specification that sets forth a predefined criteria or objective to be met.

PURCHASE ORDER – authorization for a supplier to provide goods and/or services. Purchase orders encumber funds in the general ledger.

PO TYPES

DO (Delivery Order)– (Contract price agreement PO) to be used for contract purchases.

PDI3 (decentralized PO) - used when procurement value is less than \$100,000 for noncontract purchases when vendor does not accept P-cards.

PN3 (decentralized PO) - used when procurement value is less than \$5,000 for noncontract purchases when vendor does not accept P-cards.

PRICE – for the purposes of the Procurement Code, the total expenditure for a defined quantity of a commodity or service.

PROCUREMENT – buying, purchasing, renting, leasing or otherwise acquiring any materials, services, construction, or construction services.

PROCUREMENT OFFICER – duly authorized by the Chief Procurement Officer to engage in specific limited procurement activity acting within the limits of authority under the Procurement Code.

PUBLIC RECORD - A.R.S. §41-151.18 defines public records as any documentary materials, regardless of physical form or characteristics, made or received by any governmental agency.

RESPONSIBLE - a vendor, business entity or individual who is fully capable to meet all of the requirements of the solicitation and subsequent contract. Must possess the full capability, including financial and technical, to perform as contractually required. Must be able to fully document the ability to provide good faith performance.

RESPONSIVE - A vendor, business entity or individual who has submitted a bid or request for proposal that fully conforms in all material respects to the solicitation and all of its requirements, including all form and substance.

REQUEST FOR PROPOSALS (RFP) (MC1-330) – A formal solicitation method where price is not the primary consideration in determining award. RFP's are used when it is advantageous to Maricopa County to conduct oral or written negotiations with vendors or to permit vendors to modify or revise their offers.

REQUEST FOR QUOTATIONS (RFQ) (Commonly Referred to as Quotes) – an informal solicitation process used for purchase of less than \$100,000. These can be solicited either verbally or in writing, determined by the dollar value of the purchase.

REQUISITION – request for goods or services. (RX – AMS requisition document type)

REPROGRAPHICS – an internal service agency that provide other departments with printing and related services.

REVERSE AUCTION – a type of auction in which the roles of buyer and seller are reversed. In an ordinary auction (also known as a forward auction), buyers compete to obtain a good or service by offering increasingly higher prices. In a reverse auction, the sellers compete to obtain business from the buyer and prices will typically decrease as the sellers undercut each other.

REVIEW OF QUALIFICATIONS (ROQ) (MC1-355) – a formal procurement method which is limited for use to professional services as defined in section MC1-203.C. of the Maricopa County Procurement Code. The ROQ process uses the qualifications of the vendor as the primary selection criteria and price is negotiated.

SERVICES – the furnishing of labor, time or effort by a contractor or subcontractor that does not involve the delivery of a specific end product other than required reports and performance. Services do not include employment agreements or collective bargaining agreements.

SMALL BUSINESS ENTERPRISE – for the purposes of this policy, means a concern, including its affiliates, which is not dominant in its field and which employs fewer than one hundred full-time employees or which has gross annual receipts of less than four million dollars in its last fiscal year. (A.R.S. 41-1001)

SOLE SOURCE - procurements may be completed as a one-time purchase or through contract for goods or services without competition in situations where compatibility of equipment, accessories, systems, and technology or replacement parts is of paramount consideration.

SOLICITATION – process of notifying prospective or qualified bidders of a need for a particular product and/or service.

VENDOR – an entity that could potentially do business with the County.

INTRODUCTION

Intent

The intent this procurement guide is to provide simple, direct answers to the types of procurement situations employees' encounter in the course of carrying out their responsibilities. The goal is to give agencies an easy to use reference to answer the most common questions. If it can't be found here, or the question is more complicated, please do not hesitate to contact the Office of Procurement Services to discuss the issue. We would also like to hear from anyone with comments or suggestions regarding the contents of this document and related training. We are constantly looking for ways to better inform and assist our customers. Please visit our EBC intranet page at <http://ebcportal.maricopa.gov/procurement> for additional information and resources.

Applicability

The County has adopted a modified version of the State of Arizona Procurement Code, which is derived from the American Bar Association (ABA) model code for procurement. This guide will promote consistency and efficiency in executing County procurement activity, and will serve as a reference manual for agency procurement personnel to use as they fulfill agency requirements for goods and services in accordance with the Maricopa County Procurement Code (MCPC Article 3). Nothing in the Code or in regulations or policies and procedures adopted under this Code shall prevent any County Governmental Unit from complying with the terms and conditions of any Grant, gift, bequest or cooperative agreement.

Mission, Vision, Value

MISSION

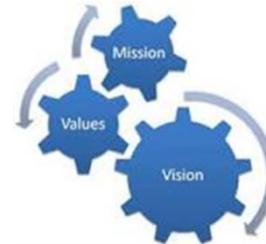
The Mission of the Procurement Services is to provide innovative, cost-effective, and quality services to County agencies through a strategic and systematic approach to procurement so agencies get the **right product** at the **right time** at the **right price**.

VISION

Working together to deliver value

VALUE

Best Quality, Best Service, Best Practices - Best Value



Public Procurement

Government procurement is not a task to be taken lightly; it is simply one of the most important responsibilities for any government's leadership. For example, if local governments cannot purchase all of the equipment and materials needed to hold elections, the entire voting process could be delayed or disrupted. Numerous services provided to citizens rely on some type of procurement. These include the materials used to repave roads to the tools used by tradespersons; all of these things require strategic procurement practices.

Like everything else, procurement is making its way through its own evolution. Government used to think that low bid was always the best, and that all purchases should be formally bid. More recently, we have seen procurement evolve as we have realized that best value isn't always low bid, and that performance is much more important.

Public procurement is based on the idea of fair and open competition. Each person or business who wants to do business with the County can do so in a manner that is free from biased, or prejudicial practices, that promote the best interest of the taxpayers as a whole. Procurement is responsible for the stewardship of tax dollars and committed to achieving best value.

The ultimate **value** of a dollar is measured not only by what it can buy but also by the cost leading up to a purchase and beyond. The design of the procurement process can have a significant impact Government's bottom line. Government

Procurement understands that not every purchase decision should be, or can be, made at the top. By identifying thresholds for purchases based on dollar amount, efficiency and value are increased when the majority of purchases for commonly used items, within specific dollar amounts, are made by agency employees with proper training and without direct oversight from the Office of Procurement Services.

Ethics in Public Procurement

Accountability - Taking ownership and being responsible to stakeholders for our actions...essential to preserve the public trust and protect the public interest.

Principles:

- Apply sound business judgment.
- Be knowledgeable of and abide by, all applicable laws and regulations ensuring due diligence in all transactions
- Be responsible stewards of public funds and optimize value to stakeholders through innovative procurement strategies that are effective, economic and efficient.
- Maximize competition to the greatest extent practicable.

Transparency - Easily accessible and understandable policies and processes...essential to demonstrate responsible use of public funds.

Principles:

- Maintain current and complete policies, procedures, and records.
- Provide timely access to procurement policies, procedures, and records.
- Exercise discretion in the release of information.

Impartiality - Unbiased decision-making and action...essential to ensure fairness for the public good.

Principles:

- Be open, fair, impartial, and non-discriminatory in all processes.
- Treat suppliers equitably, without discrimination, and without imposing unnecessary constraints on the competitive market.
- Use sound professional judgment within established legal frameworks to balance competing interests among stakeholders.
- Provide open access to competitive opportunities.

Professionalism - Upholding high standards of job performance and ethical behavior...essential to balance diverse public interests.

Principles:

- Continually develop as a profession through education, mentorship, innovation, and partnerships.
- Develop, support, and promote the highest professional standards in order to serve the public good.
- Seek continuous improvement through on-going training, education, and skill enhancement.
- Continually contribute value to the organization.

Service - Obligation to assist stakeholders...essential to support the public good.

Principles:

- Be a crucial resource and strategic partner within the organization and community.
- Develop and maintain relationships with stakeholders.
- Develop collaborative partnerships to meet public needs.
- Maintain a customer-service focus while meeting the needs, and protecting the interests, of the organization and the public.

The Model Code for Procurement

In 1969, the Federal code of conduct included standards to obtain adequate competition, provide expanded business opportunities to small and disadvantaged businesses, and provide equal opportunity for minority contractors. When President Nixon, in 1969, began state revenue sharing, vast amounts of money flowed into states for infrastructure projects. At that time, there was no consistency among State and Local governments; however all were required to comply with federal procurement standards. Federal authorities decreed that state and localities adopting the Model Code for Procurement would be deemed to be compliant with those standards.

The American Bar Association (ABA) approved the Model Procurement Code (MPC) in 1979 in the hopes to promote honesty and stability in public life, as well as integrity in state and local government by eliminating wasteful spending, and by eliminating corruption in procurement.

The MPC was adopted into Arizona Administrative Code, and State statute, and a modified version of the code was adopted by the Maricopa County Board of Supervisors in 1987. Likewise it has been adopted in full or in part by 25 states and a large number of localities making it a widely referenced procurement standard. **The Maricopa County Procurement Code (MCPC) defines standard rules for procurement and is implemented and enforced by the Chief Procurement Officer.**

The MCPC applies to the expenditure of public monies by or to any; procurement staff, business and contract administrators, suppliers, or sub-contractors, under any contract for the procurement of materials, services, construction, or construction services. In the context of the Procurement Code, public officers or employees should consider any money that is in their custody in their official capacity to be public money and subject to the procurement code unless specifically exempted. Nothing in the Code or in regulations or policies and procedures adopted under this Code shall prevent any County Governmental Unit from complying with the terms and conditions of any Grant, gift, bequest or cooperative agreement.

Violation of the Code

Significant Procurement Role - The Procurement Code applies to any person having a significant procurement role including: participation in developing procurements or evaluation tools; approving procurements or evaluation tools; soliciting quotes; serving as a technical advisor or evaluator; recommending or selecting vendors to provide materials, services, or construction; or serving as decision maker or designee on a protest or any appeal by a party regarding an agency procurement decision. *A.R.S. TB No. 010.*

Civil Penalty - Any person who contracts for or purchases any material, services or construction in a manner contrary to the requirements of [the Procurement Code], [and] the rules adopted pursuant to [the Procurement Code] . . . is personally liable for the recovery of all public monies paid plus twenty percent of such amount and legal interest from the date of payment and all costs and damages arising out of the violation. *A.R.S. § 41-2616(A)*

Criminal Penalty – Any person who intentionally or knowingly contracts for, or purchases any material, services, or construction pursuant to a scheme or artifice to avoid the requirements of [the Procurement Code or the] rules adopted pursuant to [the Procurement Code] . . . is guilty of a class 4 felony. *A.R.S. § 41-2616(B)*

Conflict of Interest - Any person serving on an evaluation committee who fails to disclose unauthorized contact with a competing vendor or who fails to provide accurate information on the required disclosure statement is subject to a civil penalty of at least one thousand dollars but not more than ten thousand dollars. *A.R.S. § 41-2616(C).*

Procurement's Authority in the Maricopa County Organization

The citizens elect the Board of Supervisors, who then appoints the County Manager, **who appoints the Chief Procurement Officer**. The Board delegates procurement authority to the CPO to make awards on behalf of the BOS up to \$500,000.00 for non IGA contracts and to enforce compliance with the Maricopa County Procurement Code (MCPC).



CAPA's do not have the authority to legally bind the County. Only the BOS or the CPO can sign legally binding documents. Any County purchase **over \$500,000** must be approved by the Board of Supervisors.

The CPO delegates authority to Procurement Officers under the Code, who are responsible for enterprise and agency level contracting, and also to Certified Agency Procurement Aides (CAPAs). Employees who have attended a CAPA certification course and pass the CAPA exam with a grade of 90% or better are given a two year certification which carries additional authority to procure goods and services with values between \$5,000 - \$100,000, within Article 3 Procurement Code guidelines under delegated authority of the CPO and with permission from their agency. They are also given authority to award up to \$15,000 through quotes issued on BidSync.

The CAPAs Role is to provide procurement assistance under Article 3 of the MCPC and to serve as the department liaison between the using agency and OPS to facilitate procurement needs of the department. CAPA's may be responsible for writing performance specifications/solicitations, **soliciting and awarding competitive quotes up to \$100K**, requesting sole source or competition impracticable solicitations, performing emergency procurements, vendor management or a number of other duties. It is important that CAPAs have a fundamental understanding of the government procurement process as their level of responsibility can vary greatly.

To remain certified, CAPA's must re-certify every two years by attending a CAPA re-certification course and pass the exam with 90% or better.

Office of Procurement Services Information

CONTACT INFORMATION - If CAPA's need assistance with a procurement related issue or want to provide comments or suggestion on how to improve this document, our contact information is provided below. For the Front Desk, please call **602-506-3967**.

Administration

Kevin Tyne – **Chief Procurement Officer**

James Foley, MBA, CPPO, CPPB – **Deputy CPO**

Lisa Nash – **Administrator**

Chad Elms, MBA, CPPB – **Trainer**

Marlene Olivas – **P-Card Administrator**

Procurement Officers

| Article 3 | Article 5 |
|------------------------------|-------------------------|
| Jose Molina, CPPB, CPM | Corry Slama, CPPO, CPPB |
| Brian Walsh, MPA, CPPO, CPPB | Brian Garcia, CPPB |
| Joseph Guy, CPPB | Paul Shamrock, CPPB |
| Irma Guzman, MBA, CPPB | |
| Nicola Perrera, MPA, CPPB | |
| Andrea Stupka, CPPB | |
| Laura Ayala | |
| Simon Alvarez | |
| Pedro Rodriguez | |

For a list of assignments, please visit:

<http://ebcportal.maricopa.gov/procurement/Lists/Buyers/Agency%20Assignments.aspx>

Procurement Code Organization

<http://www.maricopa.gov/procurement/pCode>

ARTICLE 1 - [GENERAL PROVISIONS](#)

ARTICLE 2 - [PROCUREMENT ORGANIZATION](#)

ARTICLE 3 - [SOURCE SELECTIONS AND CONTRACT AWARD](#)

ARTICLE 4 - [SPECIFICATIONS](#)

ARTICLE 5 - [CONSTRUCTION & RELATED ARCHITECT/ ENGINEER / CONSULTANT SVCS.](#)

ARTICLE 6 - [CONTRACT CLAUSES](#)

ARTICLE 7 - INTENTIONALLY LEFT BLANK

ARTICLE 8 - [MATERIALS MANAGEMENT](#)

ARTICLE 9 - [LEGAL AND CONTRACTUAL REMEDIES](#)

ARTICLE 10 - [INTERGOVERNMENTAL PROCUREMENT](#)

ARTICLE 11 - INTENTIONALLY LEFT BLANK

ARTICLE 12 - [ETHICS IN PUBLIC CONTRACTING](#)



ARTICLE 3

Governs procurement of non-construction supplies, services and commodities.

- Responsible individual - **Chief Procurement Officer**

ARTICLE 5

Governs the procurement of construction activities and related professional services.

- Responsible individual - **Chief Procurement Officer**

ARTICLE 10

Governs cooperative procurement and procurement through inter-governmental agreements.

- **Must be approved through OPS before use**

Policies and Procedures That Affect Purchasing Activities

There are a few items that require special attention, and should be reviewed by CAPA's because of their relationship to other County policies and procedures.

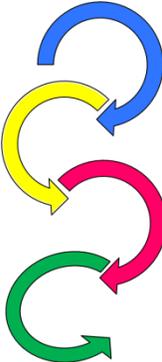
- TRAVEL MCI-376 & A2313
- TECHNOLOGY A2604 & A1601
- BOTTLED WATER DELIVERY A1504
- FOOD/CATERING MCI-379 & A1508
- PRE-PAID EXPENSES A2511
- BREAK ROOM APPLIANCE PURCHASES A2502
- GRAPHICS/PRINT SERVICES MCI-201



HOW WE BUY

Procurement Core Process

There is no “right” way to purchase in every situation. Various procurements will require different practices, processes, and strategies. The contents of this guide may not be appropriate in every possible scenario. Procurement is the coordination and management of four related processes:

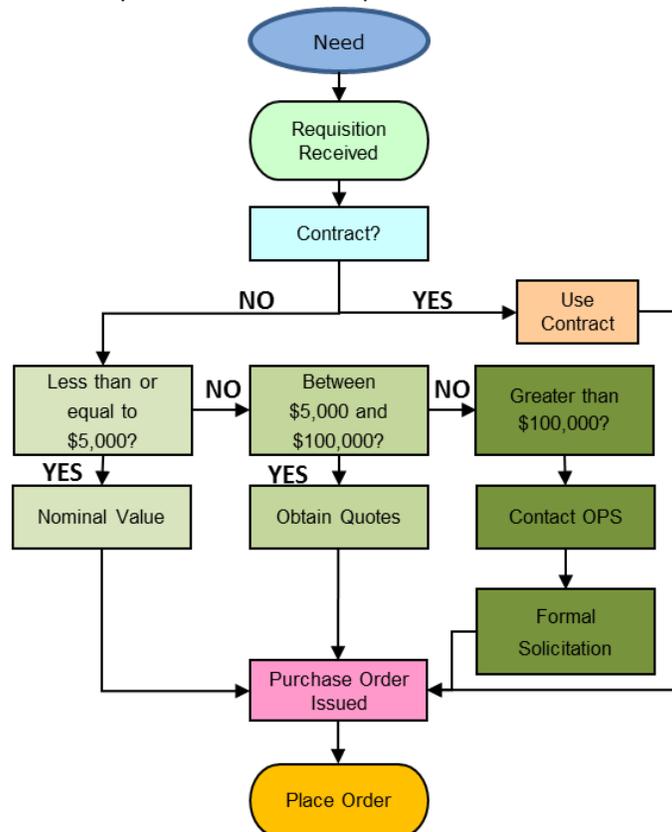
- 
- 1. Planning** – includes defining the need, developing the means and methods to meet the need, assessing risks, and allocating resources.
 - 2. Formation** – includes specification development, establishing performance measures, initial drafting and revisions.
 - 3. Purchasing** – is a two-stage process:
 - a. Evaluation of the bid responses includes determining responsibility and responsiveness of vendors, performing pricing analysis and final negotiations.
 - b. Award includes notifying vendors of award and non-awarded bidders of final results.
 - 4. Administration** – includes post-award meetings with awarded bidders, communicating vendor performance concerns, monitoring County/Vendor performance within agreed terms, and documentation.

Steps to Procure

The first step in any procurement begins by identifying a need. The identification of a need can come in many forms:

- The copier is out of paper - we need paper
- We are required to provide immunizations for school age children - we need immunizations
- There is not enough space for filing all this paper - we need a records management solution

Needs will be communicated via the specifications and probably routed through the agency for varying levels of approval. **If an item or service is on contract already, the agency may purchase up-to the limits of the contract.** If not, it is the responsibility of the agency to develop the specification and the CAPA will play a significant role in ensuring timely and quality specifications are ready for the solicitation process.



Specifications

A good specification clearly, accurately and completely describes in detail what the end user needs to purchase. The foundation of any purchase of goods, services or construction projects starts with a solid specification. Specifications define user requirements, guide the supplier, and enable us to evaluate performance while serving as the basis for corrective action when necessary. A specification should be sufficiently detailed so that the product or service will fit the user's requirements. It should not be so explicit that it prevents submission of alternate solutions.

Design Specifications set forth the *physical characteristics* in definitive terms and should be clear, consistent and precise. Reasonable tolerances should be included and should be non-restrictive to encourage competition. This type of specification provides explicit information about the requirements for a product and how the product is to be assembled. Design specifications should list minimum requirements and detail test, sampling and inspection methods that will be used to ensure compliance with the specification. Design specifications may have to comply with industry standards. A design specification must include all necessary drawings, dimensions, terms, and definitions of non-standard terms, and the materials used must be described in a manner so that bidders will be able to logically discern cost, process of construction, delivery and implementation of the requirements. These specifications carry a high degree of risk for the buying agency as the County will be held responsible for design omissions and related errors in the specifications.

Functional Specifications sets forth the *specific purpose or application* for which the commodity or service is to be used but not the method to achieve them. Output measures should provide for a series of outputs that deliver a desired outcome. Outcomes should be measurable and define benefits delivered so that corrective deductions may be applied as applicable, if service levels are not achieved.

Brand Name or Equal Specifications are not normally permitted and include identifying commodities by copyright, trademark, patent type, or specific means of production, when writing product specifications. This specification should only be used when the goods and services cannot otherwise be substituted.

In these cases, the brand names etc. must be accompanied by the words "or equivalent".

Solicitations

Solicitations contain the specification, and the requirements (Terms and Conditions) to which a bidder must respond in order to be considered for award of a contract.

Pre-Solicitation/Proposal Conferences - Solicitations may include a pre-solicitation conference. In some instances these conferences are mandatory and require supplier attendance if they wish to respond to the solicitation. If a pre-solicitation conference is mandatory, it will be clearly identified as mandatory in the solicitation document. The purpose of these conferences is to provide interested vendors an opportunity to discuss the specifications, terms and conditions, and other information pertinent to the solicitation. It also provides vendors an opportunity to meet the procurement staff responsible for the procurement.

Addendums and Changes to Solicitations - When a change is required on a solicitation for the purpose of providing additional information or clarification, an addendum will be issued and posted online. It is the vendor's responsibility to be aware of addendums specific to any solicitation of interest to them. The addendum becomes part of the solicitation document and by submitting a response to a solicitation, vendors acknowledge the contents of the addendum and agree to be contractually bound by any requirements it may contain. Vendors need to check periodically to assure that an addendum has not been issued on a solicitation if they intend to respond. All addenda and other information will be posted on our current E-Procurement system or on the Office of Procurement Services web site.

Formal Solicitation - Contracts

\$100,000 and Greater — Purchases should be made from an authorized County contract, if one exists, for any particular commodity or service required. Unless a specific exception exists, and in accordance with MC1-346, The Chief Procurement Officer is given authority from the Board of Supervisors to legally bind the County and authorize purchases for items or services exceeding \$100,000 which are not already on a County contract. Formal Solicitations must meet specific regulatory compliance measures defined in the Procurement Code. **This threshold applies to cumulative purchases of like items or services County wide during a rolling 12 month year.**

Types of Contract Solicitations

The primary procurement methods defined by the MCPC and approved for use by Maricopa County are listed below. Procurement Officers will select the appropriate method after consulting with the requesting department.

Request for Proposals (RFP) (MC1-330) – A **formal solicitation** method where price **IS NOT** the primary consideration in determining award. RFP’s are used when it is advantageous to Maricopa County to seek best value and conduct oral or written negotiations with vendors or to permit vendors to modify or revise their offers.

Invitation for Bids (IFB) (MC1-316) – A **formal solicitation** method where price **IS** the determining factor after it has been determined the bidder offer meets the minimum specifications of the solicitation and the bid is both responsive and responsible.

Invitation to Negotiate (ITN) (MC1-345) – A **formal solicitation** method used when it is determined it is advantageous to Maricopa County to conduct oral or written negotiations with vendors to obtain “best value.” This is a procurement method similar to the RFP process.

Review of Qualifications (ROQ) (MC1-355) – A **formal solicitation** method which is limited for use of professional services as defined in section MC1-203.C. of the Maricopa County Procurement Code. The ROQ process uses the qualifications of the vendor as the primary selection criteria and price is negotiated on maximum allowable limits established by the County.

Professional Services are specifically limited to those services approved by the Board of Supervisors. Following is a list of professional services recognized by Maricopa County.

| Authorized Professional Services | | |
|--|---------------------|------------------------------|
| Appraisers | Archaeologists | Lobbyists |
| Naturopathy | Hydrologist | Clergy |
| Landscape Architects | Optometrists | Chiropractors |
| Dispensing Opticians | Physical Therapists | Physician’s assistants |
| Podiatrists | Pharmacist | Dentist |
| Respiratory Therapists | Architects | Attorneys |
| Teachers | Engineers | Veterinarians |
| Psychologist | Nurses | Assayers |
| Occupational Therapists | Geologists | Mediators |
| Arbitrators | Certified Public | Land Surveyors |
| Accounts | Physicians | Construction Manager At Risk |
| Any Health Care facilities providing professional and/or para-professional Services | | |

Contractual Services: The County contracts for other services that are not defined as professional services. These include; equipment maintenance, janitorial, computer programming, landscaping, and others. Invitations for Bids and Requests for Proposals are the solicitation methods used for these contracts.

Informal Solicitation - Quote

Request for Quote (RFQ) or Quick Quote (BidSync) – If a commodity or service required is not on an established contract, and the value is between \$5,000 - \$100,000, the CAPA will quote the requirement in accordance with the below procedures.

\$5,000 - \$25,000 – Purchases may be made by soliciting verbal, written, or electronic quotations through BidSync from a **minimum of three (3)** vendors, if possible, identified as being capable of providing the commodity or service required.

\$25,000 - \$50,000 – Purchases shall be made by soliciting electronic quotations through BidSync from a **minimum of three (3)** vendors, if possible, identified as being capable of providing the commodity or service required.

\$50,000 - \$100,000 – Purchases shall be made by soliciting electronic quotations through BidSync from a **minimum of five (5)** vendors, if possible, identified as being capable of providing the commodity or service required.

Bidsync Use – E-Procurement is performed through a third party online system, BidSync. This system allows the CAPA to obtain non-binding competitive quotes from multiple sources and establish that vendor(s) were selected by a fair process without favoritism while also demonstrating that taxpayer dollars are being used to obtain best value. The CAPA will need to prepare a complete specification to be entered into the E-Procurement system specifying the requirements of the department. Once bidding has closed and bids are reviewed by the agency, an award to the lowest responsive and responsible bidder is made. CAPAs may consult with their agency or Procurement Officer to make the award determination. **Note: Agencies may award up to \$100,000 when using BidSync if the appropriate delegation authorization has been received by the department.**

Solicitation Terms and Conditions should be obtained from OPS. Terms will state that the County reserves the right to award commodities contained in the quote by commodity, commodity group, or in the aggregate. This determination is part of the CAPA responsibility. When determining how the multiple commodity quotes should be awarded, the CAPA should consider whether significant savings are available to justify the decision.

- **Verbal quotations will only be obtained from vendors in response to solicitations under \$25,000, and written quotes are required for any amount over \$25,000.**
- **Any quotation obtained from a vendor in response to a solicitation outside of BidSync will be the sole responsibility of the agency to maintain in the procurement file for record keeping and audit purposes.**
- **All responses to solicitations over \$25,000 will be obtained through BidSync only.**
- **Pricing on verbal, written, or electronic quotations is to remain confidential until the transaction is complete, i.e., the purchase order is issued.**
- **CAPAs must be mindful of the cumulative value of all purchases made to remain in compliance with the Procurement Code.**
- **CAPAs do not have the authority to purchase outside of the established guidelines for goods and services. If CAPAs exceed the \$5,000 threshold for non-contract or quoted commodities or services, CAPAs may be found in violation of the Procurement Code and may be subject to disciplinary and criminal actions.**
- **Purchases should never be divided as a means of avoiding the established transaction dollar limits. Instances where this is discovered may result in the immediate revocation of procurement authority and notification to the County Attorney's Office for investigation in accordance with the MCPC, Section MC1-904.**

Nominal Value Purchases

\$5,000 or less (Nominal Value) – When the total purchase price of a commodity not on contract is below \$5,000, assigned agency personnel and CAPAS's are permitted to use their judgment to determine the best value of these procurements.

- No quote is required; however, it may be in the best interest of the department to obtain quotes.
- Purchases cannot be split or divided to stay under \$5,000
- Purchases of like items or service in 12 month rolling calendar greater than \$5,000 will require a quote.

Emergency Procurement

An emergency is defined as a situation where there exists a threat to public health, welfare, property or safety or if a situation exists which makes compliance with sections MC1-316 (Invitations for Bids) or MC1-330 (Request for Proposals) impracticable, unnecessary or contrary to the public interest. Following MC1-353-354 is vital.



Examples of emergency situations include but are not limited to:

- **Floods**
- **Epidemics**
- **Riots**
- **Equipment failure**
- **Serious threat to the functioning of Maricopa County government**
- **Public health or safety**

ABOVE ALL - a true emergency may require County employees to take reasonable and prudent action to protect the public health, welfare and property and mitigate potential or actual injury or damage.

In an emergency situation, CAPAs do not need to wait to contact OPS before taking action. OPS will work with agencies after the emergency has been addressed to justify the actions.

Emergency purchase authority is limited to the time and scope of procurement necessary to satisfy the emergency only and these procurements should maintain as much competition as practical for the circumstances. Once the emergency is over, documentation explaining the emergency situation must accompany emergency approval requests. The CPO may approve purchases up to \$100,000; the County Manager must approve all purchases over \$100,000.

Intergovernmental Agreements (IGA) (Piggybacking)

When two or more entities combine their procurement requirements to obtain advantages of volume purchases including administrative savings and other benefits, they are entering a cooperative purchase. These agencies are purchasing from the same supplier or multiple suppliers using a single IFB or RFP. Cooperative procurements may result in contracts that other entities may "piggyback".

If a contract does not already exist for a good or service and agencies become aware of an available Intergovernmental Agreement (IGA) or contract they would like to use:

- Contact Procurement Officer so that they may evaluate the IGA and verify it's availability to Maricopa County.
- Maricopa County Procurement Officers will perform market analysis to determine if that contract represents best value for the County.
- **ONLY once these agreements are loaded into the Advantage system, do they become available for use.**

Non-Competed Purchases

Non-Competed purchases should be avoided and used only when no alternative source will meet the County's needs.

Sole Source procurements may be completed as a one-time purchase or through contract for goods or services without competition in situations where compatibility of equipment, accessories, systems, and technology or replacement parts is of paramount consideration.

Examples: Parking Services, Equipment Maintenance, Microsoft Software

Competition Impracticable procurements may be completed as a one-time purchase or through contract for goods or services because of standardization, warranty, or other factors, even though other sources may be available.

Examples: Warranty Service or Repair, Consulting Services

Required Approvals for Sole Source or Competition Impracticable

- The Chief Procurement Officer may approve Sole Source/Competition Impracticable purchases up to \$100,000. Board approval is required for all awards over \$100,000.
- A completed Sole Source/Competition Impracticable Justification Form must be submitted to OPS by the using agency and be retained as part of the procurement file.
- OPS must review and approve those under \$100K or recommend to the BOS those over \$100K. Agencies are responsible for submitting an agenda item to the BOS for all SS/CI requests over \$100K.
- OPS approvals are valid for 1 year from date of approval and must be re-submitted for approval if use will be continued.



Evaluation of Solicitation Responses (Bids) and Award

Solicitation Responses - All responses received from vendors must be submitted electronically through the current E-procurement system or delivered according to the guidelines specified in the solicitation document. When submitting a response all required information must be provided such as surety, pricing sheets, signature page, applicable addendums, samples, and any additional information the vendor wishes to include. All responses received after the opening date and time, will be rejected.

Responses are evaluated to determine which response(s) represent the best value. This determination combines good judgment and analysis of responses to determine which response is the **lowest responsive and responsible** offer as they comply with the following factors:

Solicitation Response Validity - Unless otherwise stated in the solicitation document, all vendor responses to quotes, once opened are considered to be valid for a minimum of 90 days. Formal solicitation responses are valid for a minimum of 150 days. If the vendor is not notified of an award prior to these periods or the stated period in the response, the vendor is not obligated to honor the response submitted and may withdraw from consideration.

Vendor Samples - All samples required by a solicitation must be provided as instructed by the solicitation document. Failure to provide required samples or failure to provide them in accordance with the solicitation requirements may result in the rejection of a vendor's solicitation response.

Solicitation Response Rejection/Cancellation - Maricopa County reserves the unilateral right to reject any and all responses received, and to cancel solicitations when any offer is not **in the best interest of the County**.

Responsive - A vendor, business entity or individual who has submitted a bid or request for proposal that fully conforms in all material respects to the solicitation and all of its requirements, including all form and substance. It is the responsibility of the County to determine if a vendor is responsive to a solicitation.

Responsible - A vendor, business entity or individual who is fully capable to meet all of the requirements of the solicitation and subsequent contract. Must possess the full capability, including financial and technical, to perform as contractually required. Must be able to fully document the ability to provide good faith performance. It is the responsibility of the County to determine if a vendor is responsible. The CAPA or Procurement will perform due diligence to ensure that vendors can meet all requirements of the agreement which may include: evaluating samples, site visits, background checks, reference checks, or reviewing company financials.

Price Analysis - can be performed by comparing a quote with other pricing recently obtained. Comparisons can be made with like purchases, an advertised price, a standard published price, or any other method that proves that the price given by the vendor is fair and reasonable, and that a substantial reduction of price would probably not be obtained by further quoting. This price analysis must be in writing and must be made part of the permanent agency procurement file. **Price is determined by comparing quotes, all discounts, shipping/freight, installation charges, and additional charges (excluding tax).**

Tie Quotes - should be resolved in accordance with the MCPC, MC1-323 paragraphs E and F.

Discounts - At any point during solicitation or after award is made, the County may take advantage of savings opportunities in the form of discounts offered by a vendor. When a CAPA believes there are further opportunities for savings, they should discuss these with their Procurement Officer so the County can secure the best terms through amended agreement language. Discounts (excluding tax) are to be considered in determining the best value during award.

There are several types of discounts which vendors may offer. The three most common are:

- 1. Prompt Payment Discount (Cash Discount)** - offered to induce prompt payment from the County to a vendor and are expressed as a flat percentage discount (e.g. 2%) or as discount terms (e.g., 2%/10, Net 30) on the pricing page of the Quote or Contract. When a vendor offers a prompt payment discount, this information must be included on the Purchase Order issued and in the case of a P-card transaction; the discount should be taken immediately at the time of purchase. Every effort should be made to ensure that correct invoices are paid on time to take advantage of this discount.
- 2. Trade Discounts** – typically apply to a particular customer group such as educational, health, or government entities. Some vendors may offer government rates so ensure they are aware that the solicitation is for Maricopa County.
- 3. Quantity Discounts** – based on larger purchase quantities of a commodity. Full case lots are generally priced lower than individual or broken case quantities. Always identify yourself as Maricopa County!

IN CONCLUSION, THE SUPPLIER WHO CAN REPEAT THIS PHRASE FASTEST WITH LEAST MISTAKES WINS THE CATERING CONTRACT...



FOB Point

The **Free on Board (FOB) point** determines who is responsible for the payment of shipping costs and who is responsible for loss or damage during shipment. An example would be if a vendor submits a quote with shipping terms for FOB Shipping Point, this means that the County is responsible for shipping costs and loss or damages which occur during transit. If the goods were lost or damaged during shipment, the County is still liable for payment to the vendor and the County would be required to process a claim to the freight company, and reorder goods to fulfill its immediate requirements. This assumption of risk may not be in the best interest of the County to assume, and could be justification for rejection of an otherwise low quote, if it were stated in the quotation that the commodities are to be FOB Destination, freight prepaid.

If a CAPA accepts a quote that shipment will be FOB Shipping Point, a condition of the award should be that the vendor adds these freight costs to the invoice. The County does not want to pay the freight company directly. Any time the County must pay freight costs; these costs must be figured into the quotation price to determine the lowest responsive and responsible offer.

| FOB Terms | Who pays freight | Who bears the cost | Who owns Freight in Transit | Who Assumes Transit Risk |
|---|--------------------------------|--------------------|-----------------------------|--------------------------|
| FOB Destination, freight prepaid | Shipper | Shipper | Shipper | Shipper |
| FOB Destination, freight collect | Receiver | Receiver | Shipper | Shipper |
| FOB Destination, freight collect and allowed | Receiver (deduct from invoice) | Shipper | Receiver | Receiver |
| FOB Origin, freight prepaid | Shipper | Shipper | Receiver | Receiver |
| FOB Origin, freight collect | Receiver | Receiver | Receiver | Receiver |
| FOB Origin, freight prepaid and charged back | Shipper (adds fee to invoice) | Receiver | Receiver | Receiver |
| FOB Destination, freight prepaid and charged back | Shipper (adds fee to invoice) | Receiver | Shipper | Shipper |

The preferred shipping method is **FOB Destination, freight prepaid**. Vendor pays freight, arranges shipping, files damages claims and legal ownership transfers to the County once the goods arrive safely and are accepted. All other shipping terms cause the County to incur additional charges or responsibilities not specified in the contract or quote and should be avoided in every case.

Delivery Time - Requests for quotations should contain the approximate delivery time in which commodities are required. If a specific delivery time is required, these become part of the specifications. If a vendor cannot perform in the time required, that vendor may be deemed non-responsive to the quotation and can be rejected without regard to the price offered. If a specific delivery time is required, it must be fair and reasonable. Delivery requirements should not be used as a method to eliminate or restrict competition. Once a vendor is considered non-responsive, the basis for that determination should be made part of the permanent procurement file.



CONTRACT ADMINISTRATION

Contract Administration technically begins after award of the contract but is heavily impacted by the initial procurement steps. **The key to successful contract administration is the contract itself!** To properly administer or utilize a contract, a copy of the contract must be reviewed and referred to often. Planning and proactive management of a contract are crucial to effective contract administration which promotes the contractor's and agency's performance in accordance with the terms and conditions of the final agreement. The integrity of the public purchasing system demands that goods or services be furnished, received, invoiced and paid as specified in the contract. Contract administration includes all actions taken by the County relative to a specific contract after the award is made. Using agencies are responsible for ensuring that the services or goods are provided in accordance with the terms of the contract.

Changes or Modifications in the Contract - Occasionally, after a contract has been awarded, circumstances arise which require the contract to be changed or modified. Changes or modifications are accomplished through a written change order or contract amendment which is signed by both the vendor and the County. The County does not recognize or agree to be bound by changes or modifications which are not in writing and issued by OPS or the BOS.

Contract Administrator - The Administrator may be the end user of the contract or the representative with a vested interest in the procurement, who will be responsible for the proper adherence to all contract specifications by the contractor. The Administrator will be a resource for agencies and vendors to resolve any issues relating to the contract. Therefore, the Contract Monitor's responsibilities can either be simple, or quite complex and time-consuming, depending on the type of contract, contractor performance, and the nature of the work under review.

The Contract Administrator may also coordinate requests for changes to the contract on behalf of Procurement Services, however he/she does not have the authority to approve or make any changes themselves. Contract Administrators should be very familiar with the specific terms, conditions and provisions of the contract they are responsible to administer.

Finding Contracts: With the exception of sole source, competition impracticable, and some sensitive contracts/agreements, all contracts may be accessed through the Office of Procurement Service's EBC page: <http://ebcportal.maricopa.gov/procurement>. **Contracts can also be accessed through a Google search!**

Contract Administrator's Role

- Understand the specific contract assigned to him/her thoroughly
- Monitors all aspects of performance by both parties (i.e., Using Agency and Vendor)
- Serves as a business liaison between the supplier and Procurement Services
- Responsible for verifying the completeness of deliverables
- Responsible for reconciling all billing in accordance with contract pricing

Challenges facing contract administration

- Inadequate statement/scope of work
- Lack of measurable deliverables
- Missing or unreasonable timelines and milestones
- Payments made w/o checking billing
- Not requesting quotes as required on contracts with multiple vendors

Invoicing and Receipts

An important part of contract administration is the review of payment documentation prior to issuing any type of payment. The following is a list of items that are frequently overlooked when reviewing payment documents:

- **Payment Terms** – Are the same terms being referenced as on the contract pricing page?(i.e. 2% 10 NET 30)
- **Billables** – the contract defines how the vendor is to bill:
 - **Time:** did the vendor bill in correct increments? 15 minutes, hourly, daily, weekly, etc.
 - **Mileage:** is the vendor authorized to bill mileage or a trip charge? (i.e. door to door mileage, mileage reimbursable only when outside city limits, etc.)
 - **Units of Measure:** contracts may specify the billable units (i.e. each, dozen, case)
- **Documentation** – review the invoice and work order... is the information complete and legible? Does the invoicing state the contract number (if applicable) or Purchase Order number?
- **Unauthorized Charges** – disallowed charges are identified in the contract and may include freight, trip charges, or any other miscellaneous fees. If the contract does not identify a specific fee as reimbursable, it should be considered a disallowed fee.
- Any other requirements specifically listed in the contract

Conduct with Vendors

Vendors are a great source of information on commodities and services and they may be useful to an agency. Please follow a few simple rules when talking to vendors.

- ✓ Ask questions about a commodity or service but do not enter into any type of contract negotiations on such things as terms, conditions or prices. Make it clear that any purchases will be conducted in full compliance with the Procurement Code.
- ✓ Do not discuss dissatisfaction with another vendor's product or service. The purpose of talking to potential vendors is to obtain information on their commodity or service, not discuss problems with their competitor.
- ✓ Do not favor one vendor over others. Your time is valuable as is the access it represents. Providing access to one or two vendors over all others can be perceived as favoritism which taints the entire procurement process.
- ✓ Meet in an office, not at lunch, on the golf course, or other offsite locations.
- ✓ No gifts or favors from vendors are acceptable, for any reason. When a vendor provides something for free, there is sometimes an expectation they will receive something in return which should be avoided.
- ✓ Vendors are explicitly prohibited from writing or participating in the writing of specification for requirements on which they will be competing.
- ✓ If you don't want to speak to vendors, simply tell them "no thank you" and refer them to OPS.

Vendor Gifts - Maricopa County's policy states that employees may not accept any gifts or favors that would lead toward favoritism or the appearance of favoritism (See Maricopa County Employee Merit System Rule 11). Similarly, Arizona law prohibits County employees and members of boards, committees, and commissions from receiving anything of value or any compensation other than their normal salary for any service rendered in connection with that person's duties with Maricopa County. (See **A.R.S 38-505**)

Vendor Calls - There is no requirement that County employees talk to vendors if they do not wish to. Vendors may be referred to the Office of Procurement Services. For the purposes of this discussion, a distinction should be made between a vendor (a person or company that wishes to do business with the County) verses a contractor (a person or company that holds a contract to provide a commodity or service to the County). If a contractor who is providing commodities or services to an agency, requests a meeting, the agency may want to give their request additional consideration. During any negotiations, all vendors should be given equal access. Restricting access can and often is perceived as demonstrating favoritism for one vendor over another.

Contractor Performance

Once a vendor becomes a contractor of goods or services to the County, there exists a relationship which hopefully results in a beneficial partnership. If or when issues arise, contact the vendor first and then bring problems and issues to the attention of CAPAs, Contract Administrators or OPS at the earliest opportunity for resolution. **All vendor noncompliance shall be reported on a Vendor Complaint Form and, when warranted, immediately contact an OPS Procurement Officer.** Procurement Officers will follow-up on all vendor complaints within one week. **Many vendor performance issues can be prevented by including solid performance requirements in specifications.** However, when issues appear such as mistakes on an invoice, a task not completed, or the vendor is not performing properly:



1. **Meet with the contractor** to discuss the contractor's specific responsibilities as defined in the contract. As part of this discussion, provide a list of issues and concerns to the contractor in writing.
2. Once the issues and concerns have been communicated, the contractor should be given a reasonable period of time to investigate and respond in writing regarding how and when they will make the necessary performance corrections.
3. **If the vendor is notified and issues remain, bring any concerns to the attention of the designated Contract Administrator or OPS, and submit a vendor complaint form found at:**
<http://ebcportal.maricopa.gov/procurement/Pages/FormsLibrary.aspx>.

Agencies should be communicating at least twice annually with OPS on the performance of all vendors or whenever an issue arises. If the contractor is either unwilling or unable to make the required corrections to their performance, the Procurement Officer will gather specific details from CAPAs regarding the issue and actions taken to resolve the issue, and will initiate a Notice to Cure process. If the breach is of such a magnitude that further investigation is required, or if a law has been broken, then the County's Internal Audit Department and the County Attorney's Office will be brought into the matter for review. In specific circumstances, vendors who fail to perform may also be subject to damages, suspension, or debarment. Vendor complaint forms and any other documentation of poor performance is critical to the success of administrative and legal action.

Using agencies are sometimes upset that a contractor they have had previous problems with is awarded a new contract for the same commodity or service. Unfortunately, if these problems are never documented or corrective actions have never been taken, it is virtually impossible to eliminate the vendor from consideration. The County wants to establish good business relationships with vendors who perform, and contribute to the success of Maricopa County.

Protests - All protests should be handled in accordance with the MCPC, Section MC1-905. If a vendor wants to protest a procurement authorized by a CAPA, the CAPA should immediately inform their Procurement Officer of the situation.

Contract Compliance Reviews

Contract Compliance Reviews are an oversight activity conducted by the Office of Procurement Services to verify that the Using Agency and the Vendor are in compliance with the Procurement Code, and all terms and conditions of the individual contract.

While the County depends on those who have been designated as Contract Administrators and Contract Monitors (or CAPA's) to provide the primary line of defense in reconciling all procurement transactions they initiate on behalf of the County, the County depends on OPS Contract Compliance to verify that taxpayer dollars are being expended in accordance with the Procurement Code and the intentions of the individual contract. **Contracts are selected for a compliance review in two ways:**

1. **Routine Review**- the Contract Compliance Officer will select a variety of Contracts for routine review based on a risk assessment which factors-in criteria such as:
 - Total Contract expenditures, to-date
 - Past performance of vendor and/or Using Agency
 - Complexity of Contract
 - Contract's renewal or term date

2. **Focused Review**- the Contract Compliance Officer conducts focused Compliance Reviews to address a specific or perceived procurement issue, which can be related to Contract Administration or Contractor performance. Focused reviews are conducted at the request of a:
 - Using Agency
 - Hotline tip
 - Procurement Officer
 - Known dispute or complaint
 - Internal Audit finding

What does a Contract Compliance Review Include?

A Contract Compliance Review begins with a review of all documents located in the original contract file and familiarization with the Contract's stated Intent, Scope, Terms, and Conditions.

Next, a Business Objects report is used to identify all payments made to each vendor under contract is analyzed for trends in usage. Based on these findings, a sample of invoicing from a variety of using agencies is obtained through the OnBase system and reconciled against the Contract. Site visits are then scheduled at the various using agency's to discuss any preliminary finding and to gather any additional documentation needed. Finally, a written report is issued to the attention of the Chief Procurement Officer which provides:

- Assessment of OPS procurement procedures
- Overview of all purchasing activity conducted within the contract's term to-date
- Verification that purchases are in accordance with Contract's Intent and Scope
- Identification of any internal control weaknesses review of primary Using Agency transactions and any findings
- Statement regarding accuracy in payments or need for adjustment
- Identification of any areas requiring correction
- Plan for corrective actions required going forward

The best way to prepare for a contract compliance review is to keep good procurement files! As a steward and guardian of taxpayer dollars we are responsible for conducting all procurement processes with the upmost due diligence, which covers everything from getting the prescribed number of quotes, to maintaining professional relationships with vendors, reconciling invoices against contract pricing and collecting any adjustments due to Maricopa County.

In addition, while all County employees must maintain unquestionable standards of integrity, truthfulness, honesty, fairness, and personal responsibility in the performance of our public functions, those who have been tasked with delegated procurement authority serve an additional role in the public's eye as representatives of the County. Therefore, it is critical to be aware of all the ethical issues that may be encountered and maintain the County's reputation for integrity and maintaining the public's trust (as illustrated in the County's Ethics Handbook):

http://www.maricopa.gov/procurement/PubDocuments/ethics_handbook.pdf

ANONYMOUS CONTRACT COMPLIANCE HOTLINE - 602-506-5257

The Contract Compliance Hotline is a reporting feature which enables callers to anonymously report any procurement issue or concern which they are not comfortable with. If any employee suspects or is aware of potentially illegal procurement activities or unethical situations that may compromise the integrity of Maricopa County, bring these issues directly to our attention so that they may be addressed. These activities could include:

- asset misappropriation
- theft
- duplicate invoicing
- over billing

- kickbacks
- collusion
- bribery
- conflicts of interest, etc...

Employees can also email issues to contractcompliance@mail.maricopa.gov.

Corrective Action - any breach of the Procurement Code or procurement procedures, upon determination that a breach has taken place, will result in the Chief Procurement Officer (CPO) contacting the Agency Appointing Authority concerning the matter. This official will be informed of the circumstances and asked to investigate the matter. After a review of the facts, a determination regarding further actions will be made.

HOW TO

E-Procurement

The term E-Procurement refers to the use of electronic systems in conducting a procurement procedure for the purchase of goods, works or services.

OPS is responsible for implementing and maintaining an enterprise-wide E-Procurement application that is used to transact all Article 3 solicitation and quotation procurement activity in order to:

- Provide standard procurement procedures based on the systematic application of business rules.
- Respond to increasing demands for accountability and transparency.
- Ensure all businesses have the opportunity to participate in an open, competitive market
- Empower agencies with increased delegated authority while increasing compliance and control and providing access to relevant business intelligence.
- Reduce overall expenditure using best practices in strategic sourcing, contract management, and spend analysis.
- Eliminate processes which provide little or no value.
- Produce savings from better managed spend
- Contractual control
- Overall spend
- Automated business processes

Studies have shown that E-Procurement consistently results in both one time and long-term savings through reduced maverick or off contract spending leading to an increase in spend management by the core procurement group, reduced cycle times and transactional costs.

Supplier Sourcing and BidSync



Supplier sourcing is managed through the BidSync application. BidSync was specifically designed to save time and money in locating qualified vendors who sell the products and services an agency needs. Each day the system helps hundreds of procurement customers connect with thousands of vendors across the Country. Vendors who hope to do business with the County are required to complete a free registration at www.bidsync.com. During the registration process, the supplier has the opportunity to select commodity codes, which will identify the types of goods or services they are able to provide. Vendors will also provide contact information and are responsible for keeping this current.

National Institute of Government Purchasing (NIGP) provides a standardized code system to indicate the item or service a vendor provides. At registration, suppliers are asked to select applicable codes. When County staff has communicated a need for an item or service to procurement personnel, the correct code is used to determine if a contract exists already and if not, to source suppliers who may be able to provide the needed item or service.

NIGP codes are broken down as follows:

| Class | Description | Sub-Class | Description |
|-------|-------------|-----------|-------------|
| 445 | Hand Tools | 02 | Air Pumps |
| | | 03 | Axes |
| | | 05 | Balancers |

To determine if a current contract exists for a desired commodity code, please refer to the Advantage SHOP Page.

When no contract exists and the dollar value is below \$100,000, departments can log in to BidSync using a secure log-on and solicit and award quotes under \$100,000 using the Quick Quote process.

BidSync Procedures

The following are general steps for a BidSync procurement. For specific steps, reference the BidSync website for free tutorials or find the BidSync guide on the OPS EBC. If at any time agencies have questions, contact BidSync Agency Support at **801.765.9245 ext. 2**. For further information BidSync, please visit www.bidsync.com.

Agencies will perform the following steps when considering a non-contract procurement under \$100,000.

1. Research similar commodities in Advantage on current contracts
2. Prepare specification in BidSync
3. Use BidSync to obtain quotes for purchases up to \$100,000
(\$5k - \$50k: 3 Quotes, \$50,000 - \$100,000: 5 Quotes)
4. Evaluate and Award Quick Quotes up to \$100,000 in BidSync
5. Issue a Purchase Order in Advantage with the BidSync bid tabulation .PDF packet attached to the Header section
6. Review and pay invoices according to terms

Contacts

BidSync Customer Support – 800-990-9339 ext. 2

Office of Procurement Services – Lisa Nash – 602-506-8019



Advantage

Advantage... Also known as AMS is the financial system used by Maricopa County and the State of Arizona. While most finance people are master users of the system, CAPA's will need to enter information as well as research many data sets found in AMS. This program keeps financial logs, vendor information, and much more.

Please visit Pathlore to register for upcoming Advantage classes. Helpful courses will be:

CIS207-3: ERP - CAPA PROCUREMENT TRAINING

CIS201-2: ERP - ACCOUNTS PAYABLE: PAYMENT REQUEST

CIS203-1: ERP - GENERAL ACCOUNTING: JOURNAL VOUCHER PROCESSING

CIS203-2: ERP - GENERAL ACCOUNTING: INTERNAL EXCHANGE TRANSACTIONS

PURCHASE ORDER TYPES IN NEW ADVANTAGE

PC (old) > PDI3 (new) – Less than \$100,000, non-contract

- Department creates Purchase Order (PO) in Advantage– 2 levels of approval at dept.

PG (old) > DO (new) – Contract Only

- PO's are created and scheduled by department in Advantage

PD (old) > PN3 (new) – up to \$5000, non-contract

- PO's are created and scheduled by department in Advantage

MORE TO COME SOON!

OnBase

OnBase is a **content management with workflow process automation**, used to **manage purchase orders, contracts and the invoice payment process**. These documents can be **cross referenced** to each other and accessed by double-clicking on any of the documents. Purchase Orders are uploaded into the OnBase system each day and are available for using agencies to distribute to vendors via email. Additional features include the ability to jump from the PASM screen in AMS directly to the contract document in OnBase.



All invoices are paid through the OnBase workflow. Invoices received are printed directly into OnBase and then routed for approval as appropriate. Accounts payable processors can now verify invoice pricing to contract pricing by toggling back and forth between the OnBase document types.

<http://obprod.maricopa.gov/obweb>

Business Objects



Business Objects is used to report data from Advantage. It allows users to access predefined reports or to create ad-hoc reports. Some of the reports available include PO Open Balance, Contract Expenditure by Agency, and Commodity Spend by Agency. These

reports are useful for OPS to identify Procurement limits for formal solicitations and to identify using agencies for a particular commodity or contract. To access Business Objects, please complete a user request form and submit it to the Department of Finance on their EBC page.

[Business Objects InfoView](#)

[Business Objects User Access Request Form \(Word Document\)](#)

Search Office of Procurement Services

Mission Statement: The mission of Procurement Services is to provide, innovative, cost effective and quality services to County Agencies through a strategic and systematic approach to procurement.
Vision: Working together to deliver value
Value Statement: Best Product, Best Service, Best Value, Best Practices

The objective of the organization is to make sure county agencies needs are met in a manner that supports a fair and open process and achieves value for money.

Main Menu

- Doing Business
- Vendor Registration
- Open Solicitations
- County Contracts
- Ethics in Procurement
- Construction
- Procurement Code
- Cooperative Purchasing
- Public Records
- FAQs
- Helpful Links
- Employment
- Contact Us
- OPS Home



vendor registration

In order to do business with Maricopa County, vendors must register at www.BidSync.com. Upon award, first time payees will be required to complete Payee Registration using your TIN and BidSync Supplier Number.

- Payee Registration
- Vendor Registration



county contracts

The Office of Procurement Services facilitates contracts for the purchase of goods and services used by all county agencies.

- County Contracts
- Open Solicitations



general procurement

- FAQs
- Cooperative Purchasing
- Maricopa County Procurement Code
- Standard Terms & Conditions
- Procurement 101



public records

- Public Records
- Commercial Request Form
- Non-Commercial Request Form

www.maricopa.gov/procurement

EBC Portal

Search: [WWW](#) [Portals](#) [Index](#)

Search:

EBC Portal > Office Of Procurement Services

Office Of Procurement Services

- Procurement
- Contracts
- Records Management
- Reprographics
- Technology
- OPS Calendar
- Buyer Assignments
- CAPA Roster
- Year End
- Forms Library



Office of Procurement Services



Procurement



Contracts



Records Management



Reprographics

Office of Procurement Services
 OPS is the central purchasing agency for all county departments. We maintain control over all contracting activity for goods/services and construction. We are also responsible for County Records Management and Reprographics.

Procurement
 Find policies, procedures, forms, commodity codes, and general information to get the goods and services you need.

Contracts
 Looking for a contract?

Records Management
 Everything you need for the efficient management of department records.

Reprographics
 Get access and information to County Print Services.

<http://ebcportal.maricopa.gov/procurement>

Records Retention

Record - A record as defined by **A.R.S. §41-151.18** includes evidence of the organization, functions, policies, decisions, procedures, operations, or other activities. Records include anything that supports financial obligations or legal claims (grants, contracts, litigation case files, purchase orders) of the County.

Retention – ***retention and destruction timelines are based on individual record types and those mentioned below are not inclusive of all records a CAPA will handle.*** Employees are responsible for determining which record series records should fall under prior to destruction. Department records managers and the County Records Manager can help determine proper retention if needed.

For a complete listing of all retention schedules, visit <http://www.azlibrary.gov/arm/retention-schedules> or visit <http://ebcportal.maricopa.gov/PROCUREMENT/RECORDSMGMT/Pages/default.aspx> for more information.

Keep in mind that most records requiring retention may be retained by a different agency. For example, Contracts are maintained by OPS, and by the Clerk of the Board. Therefore, agencies are only required to keep additional contract records if they have information that OPS or COB does not possess. To avoid a silo of inaccessible information, all related documents should be scanned to OnBase and labeled in a way that will provide traceability and transparency.

CONTRACT RELATED RECORDS – Both the contractor and the County are required to maintain all documentation related to a contract for a period of **six (6) years** after fulfilled, cancelled, or revoked. After the expiration of this time period, these files may be destroyed in accordance with established County/State policy.

ORAL AND WRITTEN QUOTATION RECORDS – will be kept for **five (5) years** after fiscal year created or received.

FINANCIAL RECORDS– will be kept for **three (3) years** after fiscal year created or received however, **financial records associated with quotes, contracts, or grants will have retention matching those procurement types, so always refer to the retention schedule.**

PUBLIC ACCESS - After award, bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law or is determined to be confidential pursuant to **MC1-104**.



PURCHASE CARD PROCEDURES

Purchase Cards (P-Cards) provide an efficient and convenient payment vehicle for designated individuals to make timely transactions with authorized vendors. P-Cards significantly reduce the cost of processing a transaction by as much as \$60 and **are the County's preferred payment method**. This is especially critical given the substantial number of low-dollar purchases - **approximately 80% of County transactions account for only 20% of the total purchasing dollars spent**.



Responsibilities

Cardholder

- Individuals who have been issued Purchase, Travel, Fuel or Ghost Cards
- Responsible for maintaining Reconciliation Reports, documenting purchases with supporting receipts and reconciling all transactions against receipts
- Responsible for compliance with the P-Card Policy, the Procurement Code and all other applicable County Policies
- Cardholders who are CAPA Certified may be issued P-Cards or Travel/Training cards with monthly purchase limits over \$5,000 and single purchase limits over \$1,000.

Appointing Authority, Elected Official, Department Director, Supervisor

- Individuals responsible for ensuring department Cardholder's comply with the P-Card Policy, the Procurement Code and all other applicable County Policies
- Designate cardholders within respective agency
- Recommend to OPS, the cardholder privileges, controls and spending limits
- Assign a supervisor for each cardholder who is responsible for verifying and approving Reconciliation Reports.
- Suspend or cancel P-Cards issued to employees who leave employment with the agency or who are on extended leave

P-Card Program Administrator(s)

- Responsible for overall P-Card Program development and administration
- Assist departments with new card creation and setup
- Provides ongoing cardholder maintenance, support and training including limit changes and failed transaction processes
- Works with Cardholders to replace lost/stolen cards; correctly report fraud, and resolve billing disputes
- Works with Cardholders to maintain P-Card records
- Coordinates a single monthly payment to US Bank after each cycle closes

Contract Compliance Officer(s)

- Reviews Cardholder compliance with the P-Card Policy, the Procurement Code and all other applicable County Policies
- Issues reports documenting all policy exceptions and internal control issues
- Performs audits of cardholders Reconciliation Reports
- Provides requirements and recommendations for correcting deficiencies identified

Types of Cards

Purchase Cards (P-Card) - May be used for any purchases of goods or services (except when using Fuel card or Ghost card). Individual agencies may further restrict use of any card as appropriate, barring any conflicts with the Procurement Card Policy, The Procurement Code and all other applicable County policies.

Agencies may request restricted cards as outlined below:

Travel/Training Cards - This account is requested on a P-Card application. This card may be used for the following, and in accordance with **TRAVEL POLICY MCI-376 and A2313**:

- Public transportation, including airline, rail, or mass transit
- Hotel accommodations & expenses including:
 - Business-related phone calls, facsimile charges or copying
 - Training conferences/classes/seminars & related materials
 - Car rental
- Professional Association fees
- If the hotel stay is paid on the P-card, a copy of the Hotel Authorization Form <http://ebcportal.maricopa.gov/procurement/Pages/FormsLibrary.aspx> must be presented to the Hotel during check-in (this form will be given to traveler(s) by the agency Travel Coordinator)
- Room charges, room tax, and occupancy tax are authorized expenses
- Official County business related telephone calls are authorized expenses
- Food is not an authorized purchase on the P-Card during travel (per diem will apply)
- All unauthorized charges at a hotel must be cleared before the final bill is issued.
- The traveler must request a copy of the itemized bill showing a zero balance at checkout and pay for all personal expenses incurred during the stay
- An itemized copy of the final bill, containing only authorized charges, must be submitted by the traveler, to the Travel Coordinator upon return
- All issues relative to the Travel Policy should be referred to the Department of Finance
- **Cash advances are not possible or authorized on Travel or any P-Card**

Fuel Cards - issued to employees who operate a County vehicle to carry out official County business. May be used for fueling rental vehicles. Fuel cards are strictly monitored for fuel and authorized vehicle expenses for County vehicles **ONLY**.

Ghost Card Accounts - while still in use, are no longer issued as “nameless” cards. New requests for Ghost cards will be handled by opening a P-Card without a plastic card. Upon creation, OPS will immediately open an online contract vendor user account which is assigned to the employee to make contract purchases through, **ONLY**.

Conditions for Use

Application and Issue: Each new card and employee agency changes will require a new P-Card application found here: <http://ebcportal.maricopa.gov/procurement/Pages/FormsLibrary.aspx>.

- P-Cards will be issued to designated individuals. The Cardholder’s name, account number and expiration date will be embossed on each card. The issuer will have no individual information other than the Cardholder’s work address. No credit records, full social security numbers, etc., will be created or maintained.
- All applications will be signed by the Cardholder, their Supervisor, their Appointing Authority and the Chief Procurement Officer.
- The P-Card may only be used by the Cardholder named on the card.

Accounting Strings: Initial card applications will designate a default accounting string. Changes/updates to the accounting string may be requested in writing/email and are the responsibility of the using Agency.

Aggregate Purchases: A single purchase may be comprised of multiple items but cannot exceed the authorized single purchase limit set by each agency. Cardholders cannot artificially or intentionally split purchases to stay within any transaction limits.

Capital/Fixed Assets: The Department of Finance will have final approval of Capital/Fixed Asset purchases. When completing the Fixed Asset Acquisition (FA) Form, insert the P-Card transaction ID# into the PO# field. Note the fixed asset # on the Reconciliation Report and attach the # to the fixed asset. (For more information regarding fixed assets see the **Capital Assets Manual:** http://ebc.maricopa.gov/finance/capital_assets.aspx or contact the Department of Finance).

Card Security: P-Cards and card information should be guarded carefully. Identifying information should never be posted in a conspicuous place. Cards should be kept in an accessible, but secure location only accessible to the Cardholder.

Cash Advance and PIN information: Cash advances are not possible or authorized on any P-Card. Physical cards are issued with a four digit PIN as an added security measure for transactions outside the United States and in conjunction with the Smart Chip embedded in all new cards. The PIN should be secured the same as the card information or destroyed. In the event of upcoming international travel, contact the bank to have the PIN re-sent and notify them of the travel itinerary.

Discounts: The Cardholder must reference the contract before placing any orders with contracted vendors to determine the availability of possible discounts. The Cardholder is responsible for verifying the invoice against the terms of the contract. TAXES AND DISCOUNTS MUST BE DISCUSSED WITH THE VENDOR BEFORE PURCHASE.

Official Use: The P-Card is to be used for goods and approved services used for the sole purpose of conducting County business.

Policy Compliance: Compliance with the P-Card Policy, the Procurement Code and all other applicable County Policies is mandatory. It is the responsibility of the Cardholder to know which policies apply and when. The following polices may be relevant:

[OPS EBC→CAPA→Policies and Procedures:](#)

- TRAVEL MCI-376 & A2313
- TECHNOLOGY A2604 & A1601
- BOTTLED WATER DELIVERY A1504
- FOOD/CATERING MCI-379 & A1508
- PRE-PAID EXPENSES A2511
- BREAK ROOM APPLIANCE PURCHASES A2502
- GRAPHICS/PRINT SERVICES MCI-201

This list is not inclusive. For a complete list see the [County Policy Library](#).

Receipts: Cardholders are responsible for obtaining receipts for each transaction. The receipt will show itemized totals, taxes, shipping charges (if applicable). When making purchases by telephone, cardholders must document the transaction as they would a receipt and attach any documents that reference the order until a receipt is received from the vendor.

- **Missing Receipts:** Cardholders missing documentation for transactions must first contact the vendor. If unsuccessful, a memo including a description of the item, date of purchase, vendor's name and circumstances, must be attached. The Cardholder and their Supervisor will sign the memo. Electronic signatures are acceptable.

Signatures: Electronic and handwritten signatures are acceptable on all documents.

Procurement Thresholds: Non-contract “like” commodity purchases totaling > \$5,000 will require Quotes, >\$100,000 will require a Contract.

Transaction Limits: An approved P-Card Request form establishes the maximum dollar amount for each transaction, and a total dollar amount for all transactions made within each transaction cycle. Purchase attempts that exceed these limits will automatically be declined by the bank.

- Card limit changes whether temporary or permanent must be E-mailed to the P-Card Administrator by the Cardholder’s Supervisor, Appointing Authority, or their designee. The P-Card Administrator will increase the Cardholder’s spending limits and notify the requestor. A copy of the e-mail authorizing the exception must be retained in the Cardholder’s monthly reconciliation report in the cycle it was granted.
- Cardholders must be a CAPA to have limits greater than \$1,000 single transaction/\$5,000 monthly transaction.
- Basic limitations exist on all cards preventing transactions with merchants deemed “High Risk” by the bank. Automatic limits are placed on Fuel and Ghost cards preventing purchases from unrelated vendors.

Procurement thresholds for initiating Quotes and Formal Contracts must be observed regardless of Cardholder limits.

Trending: The purchase of a single commodity over multiple transactions may result in a violation of procurement policy if Cardholders don’t remain aware of total spend on non-contracted commodities. Trending should be performed by Cardholders by using a spreadsheet or other method for high volume purchases made in a rolling 12 month period. Trending will be part of the review process to ensure totals are under applicable thresholds. Remember to address the differentiation between similar contracted items versus non-contracted. These purchases can add up very quickly and may justify that the Cardholder request additional assistance from OPS (regarding the need for quotes, a new contract, or the addition of new items to an existing contract, etc.)

Lost or Stolen Cards:

It is the Cardholder’s responsibility to immediately notify the bank and the P-Card Administrator of the loss, as soon as the loss is discovered. The bank customer service representatives are available 24 hours a day.

Call **1-800-344-5696** to report the lost/stolen card.

Fraudulent Transactions

Departments must:

- **First - Notify the Bank’s fraud department at 1-800-523-9078 if it is believed a card has been compromised or used for unauthorized purchases.** Request the card cancelled and report all suspicious transactions. Charges will be reversed and an investigation will be opened by the bank. A formal affidavit will arrive by mail 10-14 days after the report is filed. Cardholders will sign and return the affidavit.
- **Second - Notify the P-Card Administrator.**
- **Third - Document the Reconciliation Report accordingly.** This completes the fraud reporting process

Disputed Transactions and Recording Credits

Cardholders should first address any discrepancies with vendors. Cardholders are responsible for returning damaged or incorrect items to the vendor for replacement and/or credit. Cardholders will request overcharges be corrected. These transactions will be marked “**Disputed**” in **US Bank: Transaction Management** until a refund is processed on the account or the issue is corrected. Cardholders have 60 days to initiate a dispute either online or over the phone. Any questions or problems with the dispute process should be referred to the Card Administrator or Contract Compliance for assistance.

Pending credits should be notated on the reconciliation report and monitored by Cardholders until they appear on the next statement. Following up on all adjustments due to the County is a requirement and responsibility of the Cardholder.

Declined Purchases

Generally, declined purchases are an issue handled between the Cardholder and the bank and can be resolved quickly by calling **US Bank Servicepoint at (877) 846-9302**. If a decline should occur, some possible causes are:

- attempted purchase exceeds Cardholder limits
- transaction was flagged for fraud in the bank system
- bank closed the card for fraudulent transactions already

Cardholders should contact the P-Card Administrator after calling the bank if they experience the following:

- fraudulent attempt(s) caused the bank to close the account
- authorized vendor is blocked for the Cardholder's account type
- increase to limits is required (have Supervisor email authorization)
- other issue that cannot be resolved by the Cardholder

Termination, Transfer and Absence of Employees:

Termination: P-Cards issued to individuals are to be used only by the individual to whom the card is issued and will not be transferred to another employee. The Cardholders Supervisor or Appointing Authority is responsible for collection of P-Cards from terminated or transferred employees. They must provide notice to the P-Card Administrator immediately. In the event that a P-Card cannot be collected, they must notify the Card Administrator immediately. The P-Card Administrator will close the account when notified.

Transfer: Cardholders transferred to another agency within the County will require a new application but may keep their existing card if approved by the new Cardholder's Supervisor.

Employee Leave of Absence or Administrative Leave: It is the Department's responsibility to notify the P-Card Administrator of any Cardholder that will be on leave for more than 30 days. The Cardholder will turn over the P-Card to the Department. These accounts will be suspended.

Billing Cycle

All transactions are managed online and can be allocated or notated as soon as they post. The P-Card Administrator is responsible for processing monthly payment to the bank.

- **6th of each month** - The billing cycle ends
- **7th of each month** - OPS will validate against Advantage and notify cardholders of any invalid accounting strings.
- **13th of each month** - Cardholders make all necessary allocations the default accounting string and fix any errors.
- **14th of each month** - OPS begins processing transactions in Advantage. Department corrections should be forwarded directly to OPS if needed.

OPS will produce an error report for each transaction that fails to process in Advantage and attempt to resolve any errors. Unresolved errors will be reported to departments with:

- The default and alternate accounting code used to process the failed payment
- The reason for failure

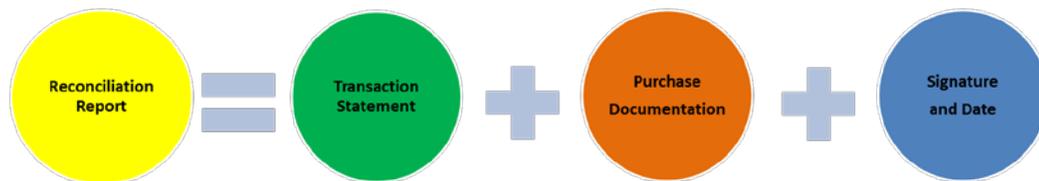
Cardholders will complete journal vouchers if necessary for payments incorrectly reallocated.

Reconciliation

A Reconciliation Report will be kept for each billing cycle and include at a *minimum*:

1. **Transaction Statement:** an acceptable transaction statement downloaded from the bank for each transaction cycle, as defined by the P-Card policy.
2. **Documentation:** including itemized receipts, credits, missing receipt memos, travel vouchers, limit change approvals, and any other documentation for that transaction cycle.
3. **Signature and Date:** from the Cardholder and their Supervisor. (required before next cycle close)

*Visit <https://access.usbank.com/cpsApp1/AxolPreAuthServlet?requestCmdId=login> to create a US Bank online profile if users already have a P-card. OPS will create an account if users don't already have a P-Card.



Reconciliation reports will show matches for transactions that appear on transaction statements downloaded from the bank to documentation which supports those charges. Reconciliation will be completed before the next transaction cycle close. Pending credits should be notated on the reconciliation report and monitored by Cardholders until they appear on the next statement. This enables the Cardholder to follow-up as needed and prevents any oversight from occurring.

When documenting P-Card specific transactions only, purchases will be notated as follows in the MA # field:

- NV - Nominal Value
- LQ - Low Quote
- BidSync ID#
- SS - Sole Source
- CI - Competition Impracticable
- Master Agreement (MA) ID#
- Vendor line number
- Commodity line number

Clearly document all transactions, including the linking of any credits, contract numbers, and the addition of any necessary commentary or details.

Instructional videos on US Bank allocations and report features go to the **OPS EBC → P-Card → Training**.

Records Retention:

1. Records may be retained electronically in the County's approved EDMS (OnBase) or in paper format.
2. Reconciliation Reports shall be maintained for all cycles, even when there is no account activity.
3. All records must be retained by the department for the period defined by State of Arizona General Retention Schedules for Counties.

Review and Approval: Cardholder Supervisors must review and sign the Reconciliation Reports before next cycle close to verify that all transactions were appropriate for their agency's official business and that all supplies were received by the department.

As per the terms of the Cardholder Agreement, both the Cardholder and the Supervisor are equally bound to provide oversight of all taxpayer dollars accessed by means of the P-Card Program. They can be found personal liable for purchases made out of compliance with the Procurement Code, P-Card Policy and all applicable policies and procedures. The Appointing Authority, Cardholder Supervisor, or any Procurement official may revoke the card at any time for misuse.

Compliance Review

The Office of Procurement Services will monitor County departments' compliance with these procedures. What we look for:

- **Disputes**
- **C/F (Carry Forward)**
- **Credits entered on transaction logs**
- **Receipts**
- **Related Documents - File notes:**
- **Supervisor Approvals**

Emergency Procurement

There may be instances where it is appropriate for a Cardholder to exceed their purchase authority in an emergency situation. In accordance with Procurement Code sections MC1-353-354, in a *"situation(s) where there exists a threat to public health, welfare, property or safety, or if a situation exists which makes compliance with normal purchase policies impracticable, unnecessary or contrary to the public interest."*

Examples include but are not limited to:

- **Floods**
- **Epidemics**
- **Riots**
- **Equipment failure**
- **Serious threat to the functioning of Maricopa County government**
- **Public health or safety**



These procurements should maintain as much competition as practical for the circumstances. Emergency purchase authority is limited to the time and quantity of procurement necessary to satisfy the emergency only. Required approvals are based on dollar value of the emergency expenditure. Documentation explaining the emergency situation must accompany emergency approval requests. The CPO may approve purchases up to \$100,000; the County Manager must approve all purchases over \$100,000.

ABOVE ALL - a true emergency may require County employees to take reasonable and prudent action to protect the public health, welfare and property and mitigate potential or actual injury or damage.

In an emergency situation, Cardholders must only contact OPS before taking action if they need an increase to their card transaction limits.