

***SOUTHEASTERN ARIZONA
COMMUNITY ACTION PROGRAM, INC.
Procurement / Purchasing Policy***

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All procurements / purchases made by Southeastern Arizona Community Action Program, Inc. (SEACAP) involving the expenditure of all funds will be made in accordance with the following procurement standards.

Procurement transactions, regardless of method or dollar value, will maximize open and free competition consistent with the standards of 24 CFR Sections 84.41 through 84.48. SEACAP shall not engage in procurement practices which may be considered arbitrary or restrictive.

Purchases will be reviewed by the Executive Director to prevent duplication and to ensure that costs are reasonable.

I. METHODS FOR PROCUREMENT

Procurements shall be made using one of the following methods: (a) small purchase procedures, (b) competitive sealed bids, (c) competitive negotiations, (d) non-competitive negotiation and shall be made in accordance with procedures set forth at 24 CFR § 84.44 (a)(1) through (a)(3) at a minimum.

A. Small Purchases

Purchases which cost between \$500 and \$1,000 will require three over-the-telephone quotations of rate, price, etc. A memorandum will be prepared setting forth the date calls were made, parties contacted and prices obtained. For purchases of less than \$500, efforts will be made to get the lowest and best price, but written records of such efforts are not necessary.

Purchases of supplies, equipment and services which cost between \$1,000 and \$10,000 will require written estimates but no legal advertisement is required. SEACAP will solicit written responses from at least three vendors, and if no such responses are available, a statement explaining the procurement will be prepared and filed.

B. Competitive Sealed Bids

Bidding will be employed when detailed specifications for the goods or services to be procured can be prepared and the primary basis for award is cost. When the cost of a contract, lease or other agreement for materials, supplies, equipment or contractual services, other than those personal or professional, exceeds \$10,000, an Invitation for Bids (IFB) notice will generally be prepared. This notice will be published at least once in the official newspapers of general circulation in Graham, Greenlee, Santa Cruz and Cochise Counties. This newspaper notice will appear not less than seven (7) days and not more than twenty-one (21) days before the due date for bid proposals. SEACAP may also solicit sealed bids from responsible prospective suppliers by sending them a copy of such notice.

The IFB will include a complete, accurate and realistic specification and description of the goods or services to be procured, payment and performance required, the location where bid forms and specifications may be secured, the time and place for opening bids, and whether the bid award will be made on the basis of the lowest price or the lowest evaluated price. If the lowest evaluated price is used, the measurable criteria to be used must be stated in the IFB. The newspaper notice must also contain language which calls to the attention of bidders all applicable requirements which must be complied with.

Sealed bids will be opened in public at the time and place stated in the IFBs. The bids will be tabulated by the Contract Manager at the time of bid opening. The results of the tabulation and the bid procurements will be examined for accuracy and completeness by the Executive Director who will make recommendations to the SEACAP Board of Directors. In addition, the Executive Director shall determine that all firms are responsive and responsible. The SEACAP Board of Directors will make the decision as to whom the contract shall be awarded. After the bid award is made by the SEACAP Board of Directors, a contract will be prepared for execution by the successful bidder. After the contract is signed, all remaining bids will be returned to all unsuccessful bidders.

SEACAP may cancel an Invitation for Bid or reject all bids if it is determined that such is in the best interests of SEACAP. Bidders will be notified in writing of such cancellation or rejection. SEACAP may allow a vendor to withdraw a bid if requested at any time prior to the bid opening. Bids received after the time set for bid opening shall be returned to the vendor unopened.

C. Competitive Negotiations

SEACAP will use competitive negotiations, regardless of contract amount, upon a written determination that:

1. Specifications cannot be made specific enough to permit the award of a bid on the basis of either the lowest bid or the lowest evaluated bid price (in other words, bidding is not feasible).
2. The services to be procured are professional in nature.

With the exception of certain professional services (principally audit services), competitive negotiations will proceed as follows:

- a. Proposals will be solicited through newspaper advertisement; additionally, a Request for Proposal (RFP) may be prepared and mailed to qualified vendors. The newspaper advertisement must be published at least seven (7) days and not more than twenty-one (21) days before the date for receipt of the proposals. The RFP will describe services needed and identify the factors to be considered in the evaluation of proposals and the relative weights assigned to each selection factor. The RFP will also state where further details regarding the RFP may be obtained. The RFP will call attention to the same regulations discussed in the bidding process. Requests for proposals will always include cost as a selection factor.

- b. Award must be made to the offeror whose proposal is determined in writing by the SEACAP to be the most advantageous to SEACAP. Evaluations must be based on the factors set forth in the Request for Proposal and a written evaluation of each response prepared. The SEACAP Board of Directors may contact the firms regarding their proposals for the purpose of clarification and record in writing the nature of the clarification. If it is determined that no acceptable proposal has been submitted, all proposals may be rejected. New proposals may be solicited on the same or revised terms or the procurement may be abandoned.

D. Noncompetitive Negotiations

Noncompetitive negotiations may be used for procurements in excess of \$10,000 when bidding or competitive negotiations are not feasible. SEACAP may purchase goods and services through non-competitive negotiations when it is determined in writing by the Executive Director that competitive negotiation or bidding is not feasible and that:

1. An emergency exists which will cause public harm as a result of the delay caused by following competitive purchasing procedures, or
2. The product or service can be obtained only from one source, or
3. Only one satisfactory proposal is received through RFP or RFQ, or
4. The state has authorized the particular type of noncompetitive negotiation

Procurement by noncompetitive negotiation requires the strictest attention to the observation of impartiality toward all suppliers. SEACAP must approve all procurements by non-competitive negotiation when only one supplier is involved or only one bid or response to an RFP/RFQ is received.

- E.** Bids will be accepted only from those contractors who have a proven record of ability to successfully complete the scope of work being bid. References will be requested along with the contractor's bid proposal. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources in awarding contracts.

II. CONTRACTS

Generally, all procurement in excess of \$200 will be memorialized and supported by a written contract. Where it is not feasible or is impractical to prepare a contract, a written finding to this effect will be prepared and some form of documentation regarding the transaction will also be prepared. The contractual provisions required by the "Common Rule," 24 CFR Part 84 Sections 47 and 48 and 24 CFR

Part 92 Sections 504, 505 and all others as applicable will be included in all contracts. All contracts will contain language which allows SEACAP the opportunity to cancel any contract for cause. Said cause shall include (but not be limited to) demonstrated lack of ability to perform the work specified, unwillingness to complete the work in a timely fashion, failure to keep accurate and timely records of the job, or failure to make those records available to SEACAP (on request) or any other documented matter which could cause a hardship for SEACAP if a claim should arise or the work not be completed on schedule at the specified cost.

III. DOCUMENTATION

All source documents supporting any given transaction (receipts, purchase orders, invoices, RFP/RFQ data and bid materials) will be retained and filed in an appropriate manner. Where feasible, source documents pertinent to each individual procurement shall be separately filed and maintained. Where it is not feasible to maintain individual procurement files, source documents will be filed and maintained in a reasonable manner (examples include chronologically, by vendor, by type of procurement, etc.). Whatever form of documentation and filing is employed, the purpose of this section is to ensure that a clear and consistent audit trail is established. At a minimum, source document data must be sufficient to establish the basis for selection, basis for cost, (including the issue of reasonableness of cost), rationale for method of procurement and selection of contract type, and basis for payment.

IV. LOCALLY OWNED, MINORITY-OWNED, FEMALE-OWNED AND SMALL BUSINESSES

All necessary affirmative steps will be taken and documented to solicit participation of locally owned, minority-owned, female-owned and small businesses. SEACAP will solicit proposals from minority- or women-owned businesses that provide the goods or services that are being sought. Where possible and feasible, delivery schedules will be established and work will be subdivided to maximize participation by small businesses or minority- or women-owned businesses. Subdivided components will be bid as a separate contract. Where feasible, evaluation criteria will include a factor with an appropriate weight for these firms. A list of locally owned, minority-owned, female-owned and small businesses and also minority businesses located within the trade region shall be maintained and used when issuing IFBs, RFPs and RFQs. This list shall also be consulted when making small purchases. SEACAP will use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce. The successful bidder will be required to use this same criteria in selection of suppliers and subcontractors whenever possible.

V. CODE OF CONDUCT

A. Conflict Of Interest

No Southeastern Arizona Community Action Program, Inc. member, employee, consultant, elected official, appointed official or designated agent of SEACAP will take part or have an interest in the award of any procurement transaction if a conflict of interest, real or apparent, exists. A conflict of interest occurs when the official, employee or designated agent of SEACAP,

partners of such individuals, immediate family members, or an organization which employs or intends to employ any of the above has a financial or other interest in any of the competing firms.

No Southeastern Arizona Community Action Program, Inc. member, employee or designated agent of SEACAP may acquire a financial interest in or benefit in any way from any activity which uses any portion of any funding, nor shall they have any interest in any contract, subcontract or agreement for themselves or any family members.

NOTE: These rules apply to all named parties and shall be effective for the period of service and for one year after leaving said position (or office, in the case of elected officials).

B. Acceptance of Gratuities

No Southeastern Arizona Community Action Program, Inc. member, employee or designated agent of SEACAP shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, subcontractors or potential subcontractors.

C. Penalties

Any Southeastern Arizona Community Action Program, Inc. member, employee or designated agent of SEACAP who knowingly and deliberately violates the provisions of this code will be open to civil suit by SEACAP Board of Directors without the legal protection of SEACAP. Furthermore, such a violation of these procurement standards is grounds for dismissal by SEACAP (if an employee) or such sanctions as available under the law (if an elected official).

Any contractor or potential contractor who knowingly and deliberately violates the provisions of these procurement standards will be barred from future transactions with SEACAP.

Adopted by the Southeastern Arizona Community Action Program, Inc. Board of Directors

this ____ day of _____, 2016.

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President, SEACAP Board of Directors