



PROCUREMENT POLICY

PIMA ASSOCIATION OF GOVERNMENTS

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Document Change Control Page

Status	Highlights	Date
Adopted		November 16, 2000
Amended		April 2007
Amended		June 2012
Amended	Introduced signature authorities, streamlined procurement levels, added asset disposition	March 2016

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Section 1 - Definitions

1. **“Bidder”** means a person who desires to make a proposal on procurement. (See “Qualified Bidder” and “Responsive Bidder”)
2. **“Change Order”** means a written order signed by the Executive Director or Designee that authorizes and directs a contractor or vendor to make changes to an original scope of work.
3. **“Chief Procurement Officer”** means the Executive Director or the person designated by the Executive Director to perform the duties of conducting procurements as specified herein in the capacity of Chief Procurement Officer. The Chief Procurement Officer serves as the lead administrative staff person in conducting procurements on behalf of PAG and may be assisted by designated Program Managers.
4. **“Construction”** means all work subject to the requirements of Arizona Revised Statutes, Title 34, including building, improving, altering, repairing, maintaining or demolishing any public building, highway, bridge or other real property structure.
5. **“Contract”** means all types of signed agreements regardless of what they may be called (e.g. IGA, MOU, MOA, etc.), for the procurement of materials, services, or construction.
6. **“Contractor”** is a vendor under contract to perform a specific service or acquisition.
7. **“Contract Amendment”** means any written alteration in the terms and conditions of any contract accomplished by mutual action of the parties to the contract.
8. **“Day”** means calendar workdays excluding holidays as provided by law.
9. **“DBE”** means a certified disadvantaged business enterprise as defined by the United States Government.
10. **“Deputy Director”** means a director who oversees PAG or RTA areas and reports directly to the Executive Director.
11. **“Direct Grant”** means a grant received directly by PAG from a primary grantor.
12. **“Director”** means a senior manager who oversees a division of PAG and reports to the Executive Director or Deputy Director
13. **“Executive Director”** means the Executive Director of PAG and the RTA and associated entities.
14. **“Federal Cost Principles”** means the applicable federal cost principles for PAG as contained in the US Office of Management and Budget 2 CFR, Part 225 (Cost Principles for State, Local and Indian Tribal Governments).
15. **“FHWA”** means the Federal Highway Administration of the United States Department of Transportation.

16. **“FTA”** means the Federal Transit Administration of the United States Department of Transportation.
17. **“FAA”** means the Federal Aviation Administration of the United States Department of Transportation.
18. **“Grant”** means any contributions or gifts of cash or other assets from a Federal, State of Arizona, or local government agency or a private corporation or individual to be used or expended for a specific purpose, program, activity, task, or facility. Grant funding may be considered either direct or pass-through.
19. **“Grantee”** means a recipient of a grant received directly from a grantor.
20. **“Grantor”** means the issuer of a grant.
21. **“IGA”** means Intergovernmental Agreement, a type of contract between two or more governments or governmental agencies.
22. **“Materials”** means all property, including equipment, supplies, printing, and leases of property, but does not include land, a permanent interest in land or real property or leasing space.
23. **“MOA”** means memorandum of agreement, a type of contract between two or more non-governmental agencies or between a government(s) and non-governmental agency.
24. **“MOU”** means memorandum of understanding, a type of contract similar to a MOA.
25. **“PAG”** means the Pima Association of Governments. For the purposes of this manual, PAG includes all associated entities overseen by the Regional Council or RTA Board, except where excluded by law.
26. **“Pass-through Grant”** means a grant not received directly by PAG from the primary grantor but from a grant recipient serving in a fiduciary capacity for the primary grantor.
27. **“Person”** means any corporation, business, individual, union, committee, club, other organization, or group of individuals.
28. **“Procurement”** means buying, purchasing, renting, leasing or otherwise acquiring any materials, services or construction. Procurement also includes all functions that pertain to the obtaining of any material, service or construction, including description of requirements, selection and solicitation or sources, preparation and award of a contract, and all phases of contract administration.
29. **“Professional Services”** are services involving specialized knowledge, skill, and expertise provided by persons with advanced training and experience in a field that requires an extended course of specialized instruction and study. (For Technical Professionals, see definition #47.)
30. **“Program Manager”** means the person authorized by the Executive Director or Chief Procurement Officer to perform certain duties in conducting procurements related to their program. Program Managers assist the Chief Procurement Officer and serve as the lead program staff person in specific procurement actions.

- 31. **“Purchase Order” or “PO”** means a written contract for external distribution, signed by the Executive Director, Director of Finance, or designated assignee, to procure a given quantity of materials, or services at a given unit price from a vendor.
- 32. **“Purchase Requisition” or “PR”** means the internal form created by PAG for permission to procure or purchase. It is for internal use only.
- 33. **“Real Property”** means property in leasehold improvements, buildings, and land.
- 34. **“Regional Council”** means the governing board of the Pima Association of Governments.
- 35. **“RTA”** means the Regional Transportation Authority as designated in ARS Title 48, Chapter 30.
- 36. **“RTA Board”** means the governing board of the Regional Transportation Authority of Pima County.
- 37. **“Request for Proposals (RFP)”** means all documents whether attached or incorporated by reference, used for soliciting proposals through the competitive sealed proposals process.
- 38. **“Requests for Quotes (RFQ)”** means all documents whether attached or incorporated by reference, used for soliciting quotes through a competitive sealed quote process.
- 39. **“Qualified Bidder”** means a person who has the capability to perform the contract requirements and the reliability and integrity that will assure good faith performance.
- 40. **“Responsive Bidder”** means a person who has submitted a bid or proposal that conforms with all material respects to the solicitation.
- 41. **“Services”** means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports, plans, or documents and performance. The term includes professional services.
- 42. **“Signature Authorization”** means the dollar limits a particular classification or level employee may sign for on behalf of the organization.
- 43. **“Specification”** means any description of physical or functional characteristics, or of the nature of a material, service or construction item. Specification may include a description of any requirement for inspecting, testing, or preparing a material, service, or construction item for delivery. It includes statements or scopes of work often used in solicitations for professional services.
- 44. **“Subcontractor or sub-consultant”** means a company or person who contracts to perform work or render service to a contractor or as a sub-contractor as a part of a contract with PAG.
- 45. **“Sub-grantee”** means a recipient of a grant not directly received from a grantor, but as a pass-through grant.
- 46. **“Technical Service”** refers to an agreement by a Technical Professional, Technical Professional Company, or its employees or sub-contractors for services related to a proposed or actual construction related improvement.

Section 1 – Definitions

- 47. “Technical Professional”** includes architects, engineers, designers, landscape architects, surveyors, assayers, geologists, and other professions that are registered with the state board of technical registration (ARS Title 32, Article 1).
- 48. “Title VI”** means Title 6 (six) of the Civil Rights Act of 1964 and subsequent approved revisions.

Section 2 - General Provisions

2.1 Applicability and types of funds

Except as provided in Section 2.2, these policies apply to the expenditure of funds, including federal grant funds, by PAG. To the extent that the requirements of any non-federal grant or gift mandate procurement procedures that conflict with those set forth in these policies, the requirements of the non-federal grant or gift shall prevail.

2.2 Purchase Approval

All procurements require a signed Contract, Purchase Order (“PO”), Purchase Requisition (“PR”), Travel Requisition (“TR”), and/or Petty Cash form by authorized personnel. A Contract, in all its forms, and a Purchase Order are legally binding documents whereas Purchase Requisitions, Travel Requisitions, and Petty Cash forms are internal documents.

2.3 Exempt procurements

The Arizona Procurement Code and Arizona Revised Statutes specifically exempt professional services from competitive bidding based on price. Likewise, contracts for the items specified below shall be exempt from the formal procurement provisions of this policy:

- Audit services;
- Commercial banking services;
- Investment banking services;
- Risk management services and insurance;
- Legal services;
- Legislative services;
- Arbitrator or mediator services;
- Hearing officer services;
- Settlement of administrative claims, prospective litigation or litigation;
- Services of professional witnesses if the purpose of the contract is to provide for professional service or testimony relating to an existing or probable administrative or judicial proceeding in which PAG is or may become a party;
- Intergovernmental agreements;
- Postage, utilities, office and storage space rent, travel, education and training, fees and dues, and books and subscriptions.

2.4 Authority to Contract

2.4.1 Signature Authority

The authority to conduct procurements and sign contracts and amendments shall reside with the Regional Council, RTA Board, Executive Director or his/her designee. Signature Authority outlined below is for purchases only after a contract is approved in accordance with all procurement policies.

Signature Authorization	Regional Council or RTA Board	Executive Director	Director of Finance	Deputy Director	Director	Manager
Formal Procurements	All	As Delegated				
Informal Procurements	As Required	All	As Delegated	As Delegated		
Purchases	Over \$50K	Up to and including \$50K	Under \$500 or as Delegated	Under \$500 or as Delegated	Under \$500	Under \$50 subject to Petty Cash policy
Contracts	As Required	All	Review all and as Delegated	As Delegated		
Debt (including capital leases)	Over \$50K	Up to and including \$50K	As Delegated			

2.4.2 Purchase Addendums

A purchase is the cumulative total of the initial purchase plus anticipated additions, addendums, less subtractions, deletions, etc. irrespective of the contract length or fiscal year(s). For example, if an initial procurement is \$45,000 but its three expected annual addendums are \$5,000 each, it should be treated as a \$60,000 purchase and formal procurement.

Unanticipated additions, addendums, change orders, etc. that cause a purchase to exceed its initial purchase amount by more than 20% or \$50,000 whichever is greater must be approved by the Regional Council or RTA Board.

2.4.3 Purchase Commitment

The appropriate approvals must be obtained BEFORE signing contracts, purchase orders, addendums, change orders, or other procurement commitments.

2.5 Insurance

PAG will maintain General Liability, Property, Workers Compensation, and other insurances to protect the organization. Insurance does not obviate the requirement for good procurement practices, strong controls, and excellent business practices. Insurance may not cover gross malfeasance or other illegal transactions.

Section 3 - Ethical Standards

3.1 General Standards

3.1.1 Definitions

The meaning of the terms used in Section 3.1 shall be those definitions set forth in Arizona Revised Statutes §38-502.

3.1.2 Business Ethics Policy:

PAG desires to conduct its business affairs in a professional manner consistent with its public service roles and responsibilities. PAG wishes to ensure that all PAG business is conducted in strict accordance with applicable laws, regulations, codes of conduct, and in keeping with the highest level of ethics. In all matters pertaining to the operation of PAG, employees must avoid any undisclosed, unapproved relationship or engage in any activity that might:

- Involve or lead to a personal obligation which could impair the objectivity of such employee's judgment; or
- Imply to others that favoritism or obligations exist between PAG or its employees and any other party.

The proper operation of PAG requires:

- That decisions and policy be made and passed through proper supervisory channels;
- That PAG's offices and positions not be used for private gain; and
- That the public has confidence in the integrity of PAG.

Even though the provisions of the Arizona Revised Statutes dealing with conflicts of interest do not strictly bind PAG, it is PAG's intent that they guide PAG employees in determining what is and what is not a conflict of interest. The RTA and other PAG affiliated entities may be subject to Arizona Revised Statutes either as a sub-division of the state, not-for-profit organization, or corporation/company. Furthermore, all PAG employees are subject to PAG's Code of Ethics as defined in the PAG Employee Handbook.

PAG employees should insulate themselves from the creation of conflicts by being continually alert as to the possibility of a conflict and, when in doubt, seek an appropriate review of the situation.

PAG employees must not participate in the selection, award, or administration of a contract if a conflict of interest, real or perceived, would be involved, unless such participation was first disclosed and approved by the Executive Director, Regional Council, or RTA Board. Such a conflict would arise when any of the parties set forth below has a financial or other interest in the individual or firm selected for award:

- The employee or agent;
- Any member of the immediate family of any employee or agent;
- The partner of any employee or agent; or,
- An organization which employs, or is about to employ, any of the above.

Any ownership interest of two (2) percent or less as an owner, partner, joint venture partner, or stockholder in any such organization is not deemed a prohibited financial interest.

3.1.3 Gifts and Gratuities

All gifts or other gratuities from any party having or seeking to establish a relationship with PAG are discouraged and contrary to this declared policy. This policy is not intended to prohibit ordinary and accepted courtesies that would be normally and regularly received, but it is intended to prohibit receipt of compensation or anything of value for the performance of employment duties. Proper personal conduct requires that:

- Gifts or other gratuities that might adversely affect the exercise of an employee's judgment in matters pertaining to PAG or might impair public confidence in PAG must not be solicited or accepted;
- Entertainment in any form must not be accepted if either party might feel an obligation or if a third party might infer that an obligation exists;
- If luncheon or dinner meetings occasionally are desirable for the conduct of business, PAG should pay the expenses of an appropriate share of such meetings; and,
- PAG employees should neither solicit nor accept gratuities, discounts, favors, hospitality or anything of monetary value from contractors or potential contractors.

3.1.4 Confidential Information

It is improper for PAG employees to use confidential information acquired in the course of their employment for any personal gain.

3.1.5 Consequences

It is not PAG's desire to discourage or limit the freedom of PAG employees to engage in and maintain outside activities and interests that do not interfere with the performance of their duties. It is only when there is a possible conflict of interest that PAG is concerned. Where a conflict or potential conflict does develop, the employee should disclose promptly and fully to the Executive Director any and all pertinent facts – the questionable as well as the obviously objectionable. In many instances, the only action may be for the employee to recuse him/herself from participating in a particular transaction. In other cases, it may prove advisable for the employee to dispose of the outside interest or take other measures.

Violation of this policy by a PAG employee shall be cause for disciplinary action.

3.2 Cancellation for conflict of interest

The Executive Director, Regional Council, or RTA Board may cancel a contract under the provisions of Arizona Revised Statutes §38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating a contract on PAG's behalf is, during the contract duration including extensions:

- An employee or agent of any other party to the contract in any capacity; or,
- A consultant to any other party to the contract concerning the contract's subject matter.

3.3 Conflict of interest/nondisclosure statements

The Chief Procurement Officer shall require any person who serves on any advisory committee established to assist in evaluating competing bids or proposals to sign a statement before receiving bids or proposals certifying that he or she:

- Does not have a conflict of interest concerning the procurement;
- Shall not discuss the procurement with any competing vendor except as permitted in discussions that these policies permit; and,
- Shall not disclose information contained in the bids or proposals to any person other than the Executive Director, Chief Procurement Officer, Program Manager, or other members of the advisory evaluation committee during the procurement process.

Section 4 - The Procurement Process

4.1 Goals

The overall goal of the procurement process is to foster the most competitive process practicable under the circumstances. The purpose of this goal is to increase the likelihood that PAG will acquire the specified quality and quantity of goods and services for the best value under the prevailing conditions at the time of purchase and to comply with all applicable federal, state, and local laws and regulations. All procurement transactions are to be conducted in a manner that provides for full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to the following:

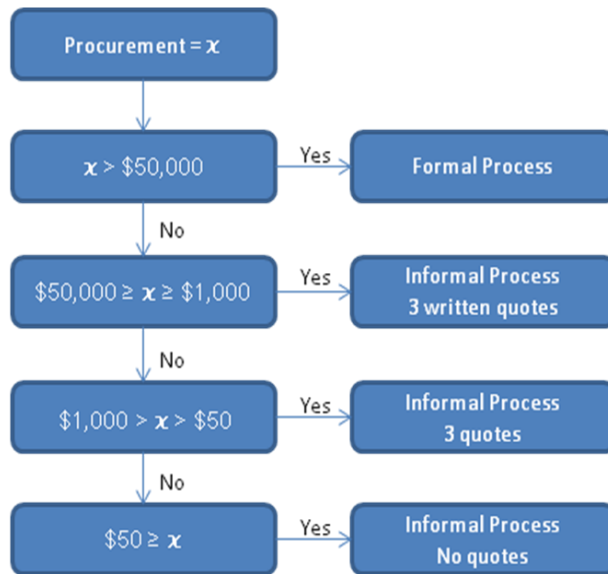
- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excess bonding;
- Non-competitive pricing practices between firms and between affiliated companies;
- Non-competitive awards to consultants that are on retainer contracts; and,
- Organizational conflicts of interest.

Additional goals of the procurement process are to avoid the purchase of unnecessary or duplicative items, to foster economy and efficiency by encouraging the use of State and local intergovernmental agreements for the procurement or use of common goods and services, and encourage the use of government excess and surplus property in lieu of purchasing new equipment whenever such use is feasible and reduces project costs.

All purchases regardless of amount, at the minimum, will require approval of a director and/or manager. Purchases more than or equal to \$500.00 will require the approval of the Executive Director (see Section 2.4.1). Purchases made using a PAG credit card will require the additional approval of the responsible card holder.

4.2 Dollar limits for procurements

There are four break points for procurements. For purchases of more than \$50,000, the procurement must go through a formal process. For all other purchases, procurements may follow an informal process. The four break points are shown below:



4.3 Formal procurements (expected to exceed \$50,000)

By virtue of the Regional Council's approval of the annual budget and OWP, the authority to conduct formal procurements expected to exceed \$50,000 is delegated to the Executive Director or the Chief Procurement Officer. The authority to sign contracts and purchase orders resulting from those procurements, contract amendments, and change orders shall remain with the Regional Council and may be delegated to the Executive Director with the approval of each contract.

The Regional Council or RTA Board shall approve procurements that are expected to exceed \$50,000. The Regional Council or RTA Board shall also approve monetary change orders or amendments to existing contracts that increase the contract price by 20 percent or \$50,000, whichever is greater, before the Executive Director or Chief Procurement Officer proceeds with the change order or amendment. Annual renewal of multi-year contracts is delegated to the Executive Director upon Regional Council's approval of the initial contract.

The procedures set forth in Section 4.4, Informal Procurement procedures shall not be used in procurements expected to exceed \$50,000.

4.3.1 Competitive sealed proposal or quote

The Formal procurement process is required for procurements more than \$50,000 unless waived under the conditions set forth in section 5.2. The process for each sealed process is essentially the same; it is the underlining purpose for the Request that is different. A RFP may be issued for amounts less than or equal to \$50,000 if the service or project needs a formal sealed process. RFPs or RFQs more than

\$50,000 and funded by the FTA, FHWA, FAA, or other Federal agencies are subject to DBE guidelines as specified by the federal funding agency.

There are two types of competitive sealed procurement by PAG, they are:

1) Request for Proposal (RFP)

An RFP is generally issued to obtain services, item or items for a specific program or project of the agencies, such as, construction, planning, traffic counts, conduct studies, or transit services. The RFP is specific as to the type of service or item to be procured and is published in the RFP. The process for competitive sealed proposals usual results in more than one vendor submitting proposals; however, one proposal can be accepted under the conditions listed in section 4.3.13. The required elements of the proposal are listed in 4.3.2.

For Technical Services, the RFP follows a Multi-step sealed bidding (see 4.3.15) process. It is a form of solicitation issued by PAG/RTA that describes the procurement in sufficient detail to allow Technical Professionals to compete in a qualifications-based multi-step sealed bid process.

2) Request for Quote (RFQ)

An RFQ can be issued for services or items; however, in the case of an RFQ, the agencies may not have strict specifications for the item or services, to be procured, such as office furniture, copier service, or Internet service. The RFQ is a process whereby, a broadly defined service or item can become specified by the proposers. The RFQ allows for more guidance from the selected proposer as to the service or items to be procured. The amount to be paid may not be published in the RFQ. The process for competitive sealed quotes usual results in more than one vendor submitting quotes; however, one quote can be accepted under the conditions listed in section 4.3.13. The required elements of the quote are listed in 4.3.2.

For Technical Services, a Statement of Qualifications identifies the bidder's experience, key personnel, work capacity, qualifications, and other information pertinent to a procurement. A Statement of Qualifications may be used to seek Technical Services for on-call (as needed) services.

4.3.2 Contents for Proposals or Quotes

The Chief Procurement Officer shall prepare and issue a Request for Proposal (RFP) or Request for Quote (RFQ) for procurements conducted through competitive sealed bidding. For procurements for construction, the Chief Procurement Officer shall comply with the requirements of Arizona Revised Statutes, Chapter 34, Chapter 2, Public Buildings and Improvements. For competitive bids exceeding \$50,000 that contain any federal funds as part of the project budget, PAG is required to consult with the ADOT Business Engagement and Compliance Office (BECO) for setting a DBE goal for the contract. The PAG Procurement Office, in conjunction with the PAG Program Manager, shall fill out and submit to the ADOT BECO the "Professional Services Goal Setting Worksheet." If ADOT or other agency sets a DBE goal for the project, that information shall be included in the RFP.

The Request for Proposals (RFP) and Request for Quotes (RFQ) shall include the following:

- 1) The title and summary description of the work or materials;
- 2) A detailed scope of work describing the services or material specifications required and a description of the work involved, including specific tasks, milestones, deliverables, or performance schedule ,plans, drawings, inspections and acceptance requirements;
- 3) The manner in which proposals shall be evaluated, including evaluation factors and their relative importance;
- 4) Notice of the location for delivery and closing date and time for receipt of proposals;
- 5) The type of contract to be used, if awarded;
- 6) An estimated duration that the service or deadline for materials will be required;
- 7) Whether cost or pricing data is required;
- 8) The manner in which information identified as confidential will be handled during the procurement process and notice that all proposals become the property of PAG upon submittal and a matter of public record subsequent to award of a contract, including any confidential information;
- 9) Notice of the time, date and location for any pre-proposal conference, if desired by PAG;
- 10) That discussions may be conducted with bidders who submit proposals determined to be reasonably considered of being selected for award;
- 11) A statement advising that PAG reserves the right to cancel the solicitation in part or in whole at any time, and to reject all bids;
- 12) A form or other space for the bidder's initial price, and for prices, percentages or rates for any periods of contract extension or renewal;
- 13) The minimum information that the proposal is required to contain, including the approach that will be used to complete tasks, use of sub-consultants or suppliers, description of the bidder's key personnel, qualifications, related experience, and facilities, and references;
- 14) A letter of transmittal that shall bear an original signature of the person authorized to sign the proposal on behalf of the bidder;
- 15) Instruction and information concerning the bid submission requirements, including the time and date set for bid opening, the address of the office where the bids are to be received, the period of time that the bid shall remain open, the location and the date and time of any pre-bid meeting or site visit, and any other special information;
- 16) The purchase description, specifications, evaluation criteria, delivery or performance schedule, plans and drawings, and inspection and acceptance requirements;
- 17) A statement that a firm fixed-price or on-call contract shall be used, if awarded;
- 18) The contract terms and conditions, warranty (if available), contract duration, and periods of extension or renewal, and bonding or other security requirements, as applicable;
- 19) The minimum time period the proposal or quote is to remain valid and irrevocable after the closing date and time for receipt of proposals;
- 20) Notice of the location, date and time for opening of proposals or quotes;

- 21) Instructions regarding the delivery of the proposal or quote in a sealed envelope with only the words “SEALED PROPOSAL” or “SEALED QUOTE”, title, and date and time of proposal clearly written on the envelope;
- 22) The anticipated contract terms and conditions, including those enumerated in Section 6.2;
- 23) The name of the Chief Procurement Officer and Program Manager with instructions regarding inquiries about the Request for Proposals or Quotes; and,
- 24) DBE goal, if any, as set by ADOT, FTA, FAA or other agency, for the project.

If the RFP or RFQ incorporates documents by reference, it shall specify where those documents may be obtained. In addition, an RFP or RFQ may require the submission of bid samples, descriptive literature, and technical data and may require inspection or testing of a product before award.

A Technical Services Statement of Qualifications may serve as an RFQ for Technical Service procurement. The page count and formatting may be limited in a Statement of Qualifications but it must include:

- 1) A cover letter (limited to 2 pages);
- 2) Qualifications and relevant experience;
- 3) Time commitment of key personnel;
- 4) Extent of principal involvement;
- 5) Organizational chart and/or services matrix;
- 6) Resumes (limited to 2 pages each) of key personnel;
- 7) Examples of similar work;
- 8) Firm’s capabilities;
- 9) Quality and cost control procedures and policies;
- 10) Past performance and clients;
- 11) Other information as determined as relevant by the Program Manager.

4.3.3 Notification of invitation

At a minimum, the Chief Procurement Officer shall advertise the RFP or RFQ in a newspaper of general circulation no later than 21 days before the bid opening date unless a shorter time is determined to be necessary by the Executive Director.

4.3.4 Addendums or amendments

An addendum to a RFP or RFQ shall be used, if necessary, to:

- Make changes in the RFP or RFQ;
- Correct defects or ambiguities;
- Furnish to other bidders information given to one bidder if the information will assist the other bidders in submitting bids or if the lack of information will prejudice the other bidders; or,
- Inform bidders of alternate materials accepted for bid.

The Chief Procurement Officer shall specifically identify the addendum as an addendum to the RFP or RFQ and shall post the addendum on the PAG website.

The Chief Procurement Officer shall issue the addendum within a reasonable time or as specified in the posting before bid opening to allow prospective bidders time to consider it in preparing their bids. If the time and date set for the bid opening does not permit sufficient time for bid preparation, that time and date shall be extended in the addendum. The addendum shall be posted on the PAG website.

4.3.5 Pre-bid conference

Pre-submission conferences may be held to discuss the procurement requirements and solicit comments from prospective bidders. Notice shall be given in the Request for Proposals or Request for Quote and shall be held not later than ten (10) days before the closing date and time for receipt of proposals or quotes unless the Executive Director approves a shorter time. The Chief Procurement Officer, with the assistance of the Program Manager, shall conduct all pre-submission conferences. The Chief Procurement Officer shall establish procedures for conducting any pre-submission conference as noticed in the Request for Proposals, including submittal of written questions by persons unable to attend. Teleconferencing arrangements can be arranged if requested a minimum of 48 hours prior to the conference. The Chief Procurement Officer, with the assistance of the Program Manager, will summarize the pre-submission conference and post it on the RFP or RFQ website so all bidders can access it.

4.3.6 Question time frame

The Chief Procurement Officer, with the assistance of the Program Manager will establish a question time frame for the bidders, during which the bidders can submit questions concerning the RFP or RFQ to the Chief Procurement Officer. The question time frame should be closed not later than ten (10) days before the proposal or quote submission date. Questions shall be submitted in writing, including email, fax, or mail. Proposers unable to submit questions in writing can verbally express their inquiries to the Chief Procurement Officer who will transcribe the question for response. All questions and responses will be posted on the RFP/RFQ website.

4.3.7 Pre-opening modification or proposal withdrawal

A bidder may modify or withdraw its proposal or quote at any time before opening if the Chief Procurement Officer receives the modification or withdrawal request in writing before the time and date set for opening. Any request to withdraw or modify a proposal or quotes bid received before the opening date shall be in writing and signed by an authorized agent of the bidder. All documents concerning a modification or withdrawal of a proposal or quote bid shall be retained in the appropriate procurement file.

4.3.8 Late proposals or quotes, late withdrawals, and late modifications

A proposal or quote, modification, or withdrawal is late if it is received at the location designated in the RFP/RFQ after the time and date set forth. The Chief Procurement Officer shall accept a late proposal or quote, late modification, or late withdrawal if it would have been timely received but for the action or inaction of PAG provided that the bid opening has not yet occurred. Bidders submitting proposals or quotes, modifications, or withdrawals that are rejected as late shall be notified as soon as practicable.

The Chief Procurement Officer shall retain in the procurement file a copy of the envelope or other document showing the time and date that the Chief Procurement Officer received a late proposal or quote, late modification, or late withdrawal, and any additional information necessary to identify the bidder and the solicitation to which the proposal or quotes was submitted. The Chief Procurement Officer shall return unopened the late proposal or quote, late modification or late withdrawal to bidder submitting it. If it was necessary to open the late proposal or quote, late modification or late withdrawal in order to identify it, the Chief Procurement Officer shall retain that proposal or quote, modification or withdrawal in the procurement file.

4.3.9 Receipt, opening, and recording of bids

Each proposal or quote and modification shall be date and time-stamped upon receipt by designated PAG staff and stored unopened in a secure place by the Chief Procurement Officer until the time and date set for opening.

Non-Technical proposals or quotes, and modifications shall be opened publicly at the location, date and time indicated in the Request for Proposals or Quotes and the names of the bidders read. No other information shall be publicly disclosed during the procurement process. Proposals or Quotes, and modifications shall be shown only to PAG staff having a legitimate interest in them, or to persons assisting the Chief Procurement Officer and Program Manager in the evaluation of the proposals or quotes, who have signed the conflict of interest/nondisclosure statement required by Section 3.3 during the procurement process.

Proposals or quotes for Technical Services are opened according to the Multi-step sealed bidding process (see 4.3.15).

After notice of a contract award has been sent to bidders participating in the procurement, the proposals or quotes shall be available for public inspection except to the extent that the withholding of information is permitted or required by law.

4.3.10 Mistakes in bids

A bidder may correct mistakes discovered before the time and date set for proposal or quotes opening by withdrawing or correcting its proposal or quote.

After proposal or quote opening, a bidder may not correct or withdraw a bid mistake based on an error in judgment. Errors in judgment are those requiring the exercise of discretion, for instance, those that relate to pricing strategies rather than to clerical or mathematical error. Non-judgmental mistakes such as typographic or scrivener errors may be corrected or withdrawn pursuant to the following:

- The Chief Procurement Officer may either waive minor typographic or scrivener errors in a proposal or quote or allow the bidder to correct them if correction is advantageous to PAG. Nothing in this section shall be construed as requiring the Chief Procurement Officer to waive any typographic errors or to allow their correction;

- If a non-judgmental mistake on the intended proposal or quote is evident on the face of the proposal or quote, the proposal or quote may not be withdrawn and shall be corrected to the intended proposal or quote.

The Chief Procurement Officer may permit a bidder to withdraw a proposal or quote bid if:

- Upon initial review, a non-judgmental mistake is evident on the face of the proposal or quote and the intended proposal or quote is not evident; or,
- The bidder establishes by clear and convincing evidence that a non-judgmental mistake was made.

In the event of a discrepancy between the unit price and its extension in the proposal or quote, the unit price shall govern.

Mistakes shall not be corrected after award of the contract except where the Executive Director prepares and issues a written determination that it would be in PAG's best interest to permit correction, and the basis for the decision.

If correction or withdrawal of a proposal or quote after the opening is permitted or denied the Chief Procurement Officer shall prepare and issue a written determination showing that the relief was permitted or denied, and the basis for the decision.

4.3.11 Proposal or Quote evaluation and award

Proposals or quotes shall be evaluated solely on the evaluation factors and their relative importance as set forth in the Request for Proposals or Quotes.

The Chief Procurement Officer and Program Manager may appoint members of an advisory/evaluation committee to assist with the evaluation of the proposals or quotes. Members of an advisory/evaluation committee shall sign the conflict of interest/nondisclosure statement required by Section 3.3.

The Chief Procurement Officer, in coordination with staff, shall establish procedures for conducting the evaluation of proposals or quotes, including individual reviews by evaluators and joint discussions among evaluators of the proposals' or quotes' responsiveness to the Request for Proposals or Quotes, including scoring of evaluation factors, development of consensus, recommendations, and contacting references.

If the Chief Procurement Officer decides, upon consultation with the Program Manager, PAG staff members, and any advisory/evaluation committee, that further discussions with bidders submitting proposals or quotes are appropriate, the Chief Procurement Officer, in coordination with staff, shall determine whether each proposal or quote is acceptable for further consideration or not. If it is determined that a proposal or quote is not acceptable for further consideration, a letter notifying the bidder shall be in writing, stating the basis of the determination, and be retained in the procurement file.

The contract shall be awarded to the qualified bidder submitting the lowest responsive proposal or quote that meets the requirements and evaluation criteria set forth in the RFP or RFQ. The cost for contract extensions or renewals may also be considered in determining the lowest responsive bid. Criteria for evaluating proposals with additive alternatives should be included in the bid package.

4.3.12 Cost Consideration

Cost consideration may include transportation cost, energy cost, ownership cost, and other identifiable costs or life cycle costs. Evaluation factors need not be precise predictors of actual future costs, but to the extent possible the evaluation factors shall be reasonable estimates based upon information PAG has available concerning future use.

A contract may not be awarded to a bidder submitting a higher quality item than that designated in the RFP or RFQ unless the bidder is also the lowest cost proposal or quote. Negotiation with bidders is not permitted under the competitive sealed bid procurement method of procurement unless it is clearly stated in the RFP or RFQ.

In the event two or more responsive proposals or quotes from responsive bidders are identical in price and meet all the requirements and criteria set forth in the RFP or RFQ, the tie shall be broken according to the following factors in order of priority:

1. Request Best and Final Offer;
2. Previous satisfactory experience and history with that particular vendor.

A record showing the basis for determining the successful proposal or quote shall be retained in the procurement file.

The Chief Procurement Officer shall send a written notice of the contract award to all bidders who submitted a proposal or quote.

4.3.13 Single bid received

If only one responsive proposal or quote is received in response to an RFP or RFQ, an award may be made to the single bidder, provided the Chief Procurement Officer determines:

- The price submitted is fair and reasonable; and
- Other prospective bidders had a reasonable opportunity to respond or there is not adequate time for a re-solicitation of proposals or quotes.

4.3.14 Cancellation of invitation for bids and rejection of bids

The Executive Director may cancel a RFP or RFQ and reject all proposals or quotes at any time during the procurement process if that officer determines that such action is advantageous to PAG.

If an RFP or RFQ is canceled before proposals or quotes are due, notice of cancellation shall be placed on the website. Any proposal or quotes received by PAG shall be returned to the bidder with a notice of

cancellation. A bidder shall not be entitled to proposal or quote preparation costs due to the cancellation.

If an RFP or RFQ is canceled after proposals or quotes are opened or evaluated, notice of cancellation and rejection of all bids shall be sent to all bidders. If the recommendation concludes that none of the proposals or quotes are advantageous to PAG, it should identify any appropriate amendments to the Request for Proposal or Quote, including the scope of work, or other actions. All proposals or quotes shall be retained in the procurement file.

4.3.15 Multi-step sealed bidding

If it is not practical to initially prepare a definitive purchase description suitable to permit an award based on competitive sealed bidding or if it's a Technical Services procurement, the Chief Procurement Officer may use the Multi-step sealed bidding method. The RFP or RFQ shall describe the steps in the process, including:

- Bidder submission of unpriced technical offers and bid prices in separate envelopes;
- Unpriced technical bids are opened by the Chief Procurement Officer and Program Manager and evaluated based on qualifications;
- If a bidder is deemed to be unqualified, the Chief Procurement Officer will document the decision making process and send a letter to the bidder indicating the decision;
- The bidder cannot modify its offer;
- Once a Qualified Bidder (or Qualified Bidders) is selected, the bid price envelope is opened by the Chief Procurement Officer and Program Manager and the bid may be negotiated as needed to determine the Responsive Bidder(s);
- If there are more than one Responsive Bidders and they are equal in every way, the steps in 4.3.12 may be applied; and,
- The steps as listed in 4.3.15 apply to the Multi-step Sealed Bid process, except where exempt by law.

4.3.16 Discussions with individual bidders

The Chief Procurement Officer shall establish procedures and schedules for conducting discussions with individual bidders. Disclosure of one bidder's price to another and any information derived from competing proposals or quotes is prohibited. The Chief Procurement Officer shall keep a record of all discussions with individual bidders in the procurement file. Discussions with individual bidders shall be conducted by the Chief Procurement Officer, assisted by the Program Manager, and may be conducted jointly with an advisory evaluation committee.

4.3.17 Best and final offers

If discussions are conducted pursuant to Section 4.3.12, the Chief Procurement Officer may issue a written request for best and final offers after the discussions. The request shall set forth the date, time and place for the submission of best and final offers. Best and final offers shall be requested only once.

The request for best and final offers shall inform bidders that, if they do not submit a best and final offer, their immediate previous offer will be construed as their best and final offer.

4.3.18 Recommendation of award of a contract

The Chief Procurement Officer, Program Manager, and advisory evaluation committee shall jointly prepare and transmit a written recommendation to the Executive Director regarding award of a contract. The recommendation shall identify the bidder, if any, whose proposal or quote is determined to be the most advantageous to PAG based on the evaluation factors set forth in the Request for Proposals or Quote.

The Executive Director shall prepare a recommendation regarding award of contract for consideration by the Regional Council or RTA Board.

4.3.19 Award of a contract

A contract, if any, shall be awarded by the Regional Council or RTA Board to the bidder whose proposal or quote is determined to be the most advantageous to PAG based on the evaluation factors set forth in the Request for Proposals or Quotes and any subsequent negotiations. The Chief Procurement Officer shall notify each unsuccessful bidder in writing of the award authorized by the Regional Council or RTA Board.

4.3.20 Execution of contract and notice to proceed

Upon award of a contract by the Regional Council or RTA Board, the Chief Procurement Officer shall prepare the contract in accordance with the terms and conditions of the award. The contract shall be presented to legal counsel for review and approval as to form. Upon execution of the contract by the Executive Director and the successful bidder, the Chief Procurement Officer shall assign a contract number and issue a written Notice to Proceed.

4.4 Informal procurements (under or equal to \$50,000)

By virtue of the Regional Council's approval of these policies, the authority to conduct informal procurements expected to be less than or equal to \$50,000 may be delegated by the Executive Director to the Chief Procurement Officer or other designee as per Section 2.4.1. The authority to sign contracts and purchase orders resulting from those procurements and contract amendments and change orders shall remain with the Executive Director or his/her designee.

4.4.1 Informal Procurement Process

All procurement for less than or equal to \$50,000 may follow an informal procurement process. Typical examples of purchase under an informal procedure would be those relatively simple and informal procurement methods for securing services, supplies, or other property that cost less than or equal to \$50,000 inclusive of anticipated addendums.

Procurements made under this Section shall not be artificially divided to avoid the requirements applicable to formal procurements. Additionally, any sole source procurement shall be made according

to Section 4.3.13. Failure to obtain permission to purchase may result in a refusal to reimburse and the purchaser assuming financial responsibility for the purchase.

4.4.2 Purchases from \$1,000 to \$50,000

For purchases from \$1,000 to \$50,000, the Chief Procurement Officer or the Program Manager should obtain written price quotations from three or more qualified vendors if possible. Quotes may be obtained from printed advertising/catalog, web search, or in writing/emailed from qualified vendors.

A completed and approved Purchase Requisition (PR) form is required before the purchase. Copies of the quotes are to be attached to the PR form. A refusal to quote is a quote; however, the refusal must be attached in print to the PR form.

At least one of the three quotes should be solicited from a minority-owned or woman-owned business if possible. When soliciting the three quotes, an effort should be made to refer to the ADOT DBE database to solicit at least one quote from a DBE business if they provide the product or service being procured.

A purchase order, a formal contract, or notice to proceed, whichever is most appropriate, shall be issued to the vendor submitting the most advantageous quote.

The Chief Procurement Officer shall assure that any applicable Federal, State, or other legal approval for capital equipment is obtained prior to issuing a purchase order or contract.

4.4.3 Purchases more than \$50 and less than \$1,000

For purchases under \$1,000, the authorized Procurement Officer or Program Manager may obtain three quotes or may opt to sole source the purchase.

The process for these purchases has the following requirements:

- Quotes may be verbally given by a qualified vendor and/or from printed advertising/catalog or web search;
- A completed and approved Purchase Requisition form is required before the purchase. Quotes are to be noted on or attached to the form including the vendor's name and contact information. A refusal to quote is a quote and should be noted on the form;
- A Purchase Requisition form is available on the PAG Intranet in the Finance department section.

4.4.4 Purchases under \$50.00

Purchases under \$50 may use a PR form or a Petty Cash form. If a PR is used to authorize the purchase, payment will generally be made through the regular bi-weekly check run. Alternatively, petty cash can be used to make the purchase or to reimburse an employee for the purchase. Manager pre-approval is necessary for proper reimbursement. Failure to get pre-approval does not obligate PAG in any way to reimburse employees.

Petty Cash is a reimbursement process with the following requirements:

- Verbal permission is permitted;
- Quotes are not required for petty cash purchases;
- Receipts are required for reimbursement;
- Completion of a Petty Cash form (for cash reimbursement) or Purchase Requisition form (for check reimbursement) is required.

A Petty Cash form can be obtained from the Finance department. A Purchase Requisition form is available on the PAG Intranet in the Finance department section.

Section 5 - Procurement Provisions

5.1 Purchases from existing contracts

The Chief Procurement Officer may purchase materials or services from existing contracts of other governmental entities, such as the State of Arizona's contracts, if the entity's procurement process substantially meets the requirements of these policies. Where PAG was not originally identified in the contract as a possible purchaser, PAG through the governmental entity shall obtain the approval of the contractor for the purchase. PAG may also enter into contracts with vendors who have multiple award schedule contracts with the United States General Services Administration ("GSA") for the same items and prices offered on those federal contracts. Before establishing a contract with the GSA vendor, the Program Manager shall compare that vendor's prices with the prices of the same items on contracts of other public entities and in the local market, and determine that a contract with the GSA vendor offers the best price. PAG may also enter into contracts with vendors who have contracts with cooperative groups under the following conditions:

- PAG is a member of the cooperative; and,
- Procurement process substantially meets the requirement of this policy; and,
- The funding source approves the use of the cooperative vendor; and,
- The vendor's prices benefit PAG.

5.2 Waiver of formal competitive bid process

Notwithstanding any other provision of these policies, the Executive Director may make a determination that a competitive contract through a formal procurement process, with a formal solicitation and full competition from a wide variety of vendors, is not in PAG's best interests. The determination and the basis for the decision shall be documented in writing and retained in the procurement file.

Circumstances in which this determination may be appropriate include but are not limited to situations in which:

- Sole source procurement as described in Section 4.5.3 is appropriate;
- The public's health, welfare, or safety are or may be affected;
- A grant or gift requires PAG to contract in a particular manner, with a particular entity or for a particular item, or to undertake certain actions within a time frame that does not permit formal competition;
- It is reasonably documented that it is economically infeasible to obtain reasonable competition;
- Compatible or specific technology is necessary;
- Standardization is advantageous; or,
- The item sought is developmental or sufficiently complex that the number of available competitors is limited and the acceptance of substitute technology is impracticable due to nature of the item.

Procurements under this Section shall be conducted with as much competition as is practicable under the circumstances and shall be formalized through a contract or amendment to an existing contract. If formal competition is waived based on the circumstances described in Section 5.2, the Executive Director or the Chief Procurement Officer, assisted by the Program Manager, shall prepare a written plan for the procurement, including the factors to be used to evaluate proposals or quotes, before receiving proposals or quotes.

A waiver of formal procurement process is not appropriate where improper planning has resulted in delays that would make formal competition difficult.

Cost or pricing analysis shall be conducted for procurements effected under this Section.

5.3 Sole source procurements

The Federal government has established uniform standards for the award of contracts on a sole source basis when PAG is expending federal grant funds. The procedures set forth in this Section enumerate those standards and shall be followed for sole source procurements using funds awarded under federal grants.

Sole source procurements using awarded funds under federal grant awards may only be conducted under the following circumstances:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The awarding agency authorizes noncompetitive negotiations;
- After solicitation of a number of sources, competition is determined inadequate; or,
- The item is an associated capital maintenance item as defined in 49 U.S.C. §5307 (a) (1) that is procured directly from the original manufacturer or supplier of the item to be replaced. PAG shall first certify to the federal grant awarding agency that:
 - The manufacturer or supplier is the only source for the item; and,
 - The price of the item is no higher than the price paid for the item by like customers.

The Chief Procurement Officer shall conduct a cost analysis to verify that the proposed cost is cost effective. Results of the cost analysis and other supporting documentation shall be placed and maintained in the procurement file.

5.4 Maintenance of a list of prospective bidders and bidders

To the extent possible, the Chief Procurement Officer shall compile and maintain a list of prospective bidders and bidders. Inclusion of the name of a person, company or firm shall not indicate whether or not the bidder is qualified concerning a particular procurement or otherwise capable of successfully performing a PAG contract, nor does it obligate PAG to notify the person, company or firm of all

applicable solicitations. PAG shall make an effort to include certified DBE businesses on the list of prospective bidders and bidders.

Persons, companies and firms who fail to respond to a formal solicitation for two consecutive procurements of similar items may be removed by the Chief Procurement Officer from the applicable list of prospective bidders and bidders after mailing a notice to the person, company or firm. Persons, companies, and firms may be reinstated upon written request to the Chief Procurement Officer.

5.5 Confidential information

If a bidder believes that its bid, proposal, or quote contains information that should be withheld from the public as confidential, the bidder shall include a written statement with its bid or proposal specifically identifying the information that is considered confidential and setting forth the reasons.

The Chief Procurement Officer, Program Manager, or any other PAG employee shall not disclose the information that a bidder has designated as confidential until the Executive Director makes a written determination concerning the confidentiality request.

The Executive Director shall review the statement and the information, and shall determine whether the information shall be withheld. If the Executive Director determines that the information is not confidential, the Executive Director shall advise the bidder in writing of the determination.

If the Executive Director determines that the information is confidential, the Executive Director, Chief Procurement Officer, Program Manager, PAG employees, and members of an evaluation committee shall maintain the confidentiality of the information during the procurement process.

Upon award of a contract, if any, by the Regional Council or RTA Board, all bids, proposals and quotes become a matter of public record available for review, except for any information previously deemed confidential by the Executive Director.

5.6 Cost or pricing data and analysis

A bidder or contractor may be required, and shall be required as specified in this section, to submit current cost or pricing data in situations where analysis of a proposed price is essential to determine that a price is reasonable and fair. Examples of situations in which that data may be sought are procurements in which there is limited or no competition or a sole source; contracts in which any costs are reimbursed, such as travel costs; price adjustments for contracts with options to extend; and contract amendments or change orders.

The Federal Office of Management and Budget under the Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB “Super” or Omni Circular) requires that grantees and sub-grantees, when expending federal funds, conduct the following types of analyses in the following situations:

- Preparation of an independent estimate before receiving bids, proposals or quotes;
- A cost analysis when:
 - the bidder is required to submit elements, such as overhead, materials, and labor hours, of estimated cost, under procurements where those elements are considered, such as professional consulting Technical Services contracts; or,
 - adequate price competition is lacking, such as contract modifications and sole source procurements, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public, or on the basis of prices set by law or regulation;
- A price analysis in other instances where analysis of the reasonableness of a proposed price is warranted. Profit shall be negotiated as a separate element of price where there is no price competition and in all cases where cost analysis is performed. Consideration in establishing a fair and reasonable profit shall be given to the complexity of the work to be performed, the risk borne by the contractor, the amount of subcontracting, the quality of its record of past performance, and industry profit rates within the metropolitan area.

Costs or prices based on estimated costs shall be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with federal cost principles (i.e., OMB Super Circular).

A bidder or contractor shall, when requested, submit current cost or pricing data and shall be required to certify that, to the best of its knowledge and belief, the cost or pricing data submitted is accurate, complete, and current as of a mutually determined date.

5.7 Responsibility of bidders

The responsibility of a bidder shall be determined before awarding any contract. Responsibility is defined as having the means and ability to complete the contract. Similarly, a determination of non-responsibility signifies the determination that the bidder is not capable of adequately performing its duty with regards to the contract.

The Executive Director shall make any determination of non-responsibility in writing setting forth the basis for the determination. The determination shall be retained in the procurement file and a copy of it sent promptly to the bidder via certified mail. The unreasonable failure of a bidder to promptly supply information concerning its responsibility shall be grounds for a non-responsibility determination. A finding of non-responsibility shall not be construed as a violation of the rights of any person.

Factors that may be considered in determining responsibility include:

- Financial, physical, personnel or other resources, including subcontractors;
- The record of performance and integrity;
- Whether the proposed contractor is qualified legally to contract with PAG; and,

- Whether the proposed contractor supplied all necessary information concerning its responsibility.

5.8 Bid, performance, and payment security

The Chief Procurement Officer may seek the submission of surety to guarantee faithful bid and contract performance for procurements for materials or services in appropriate circumstances, and shall seek it as required for construction under Arizona Revised Statutes, Title 34, Chapter 2, Public Buildings and Improvements. In determining the amount and type of security required for procurements for materials and supplies, the Chief Procurement Officer, in consultation with the Risk Manager or Insurer, shall consider the nature of the performance, the need for future protection of PAG and the types of security authorized by Arizona Revised Statutes, Title 34, Chapter 2. The requirement for security shall be included in the solicitation.

Bid security shall be returned to all but the two lowest responsible and responsive bidders within ten (10) days after the opening of bids, and the remaining securities returned within three days after execution of contract.

The Chief Procurement Officer shall determine, on a case-by-case basis, the need for a performance or payment security, and the type and amount, in order to protect the interests of PAG, except where specifically required by Arizona Revised Statutes, Title 34, Chapter 2, Public Buildings and Improvements.

The Chief Procurement Officer may consider other forms of performance or payment guaranties for materials or services procurements.

5.9 Multi-term contracts

Unless otherwise provided by law, a contract for materials or services may be entered into for a total period of time of up to five (5) years if the term of the contract and the conditions of renewal or extension, if any, are included in the solicitation and monies are available for the first fiscal year period at the time of contracting. A contract may be entered into for a period of time exceeding five (5) years if the Executive Director determines that a contract of that duration is advantageous to PAG. For contracts awarded expending federal grant funds, the written approval of the federal grant awarding agency is required before PAG may enter into a contract for more than five (5) years.

Multi-term contracts shall contain a provision for termination by PAG in the event funds are not appropriated for continuance of the contract.

5.10 Disadvantaged Business Enterprise (DBE) goals and Title VI

It is the responsibility of PAG to comply with Federal and state DBE and Title VI laws and programs. To that end, PAG will follow the Arizona Department of Transportation's Policies and Procedures SUP-3.05 Disadvantaged Business Enterprise Policy as both as a Recipient or Sub-recipient of Federal funds. Specifically, PAG will ensure that:

- DBE requirements are met;
- PAG works with ADOT's Business Engagement and Compliance Office (BECO);
- Disadvantaged Business Enterprises and Small Business Concerns are recruited and registered;
- Prime consultants and contractors are registered in AZ UTRACS, Arizona's DBE database;
- DBE goals are followed to the extent possible; and,
- Good faith efforts are made in procurements.

5.11 Procurement file

The Chief Procurement Officer shall maintain a procurement file detailing the history of each formal procurement solicitation. At a minimum, the file shall include:

- The solicitation and any amendments;
- Records of the bid or proposal opening, including bid logs or abstracts;
- Documentation concerning publication of the solicitation, the names of the vendors to which solicitations were sent if applicable, and those attending any pre-bid or pre-proposal conference;
- Documentation concerning any advisory evaluation committee including:
 - The names of the committee members;
 - Each member's conflict of interest/nondisclosure statement required by Section 3.3;
 - Documentation concerning the committee's deliberations such as the members' notes and score sheets about evaluated proposals;
- Questions and responses received and posted during the procurement process;
- The bids or proposals submitted, requests for best and final offers, and best and final offers;
- Transmittals of the Chief Procurement Officer, Program Manager, and advisory evaluation committee recommendation for contract award;
- Transmittals of the Executive Director's recommendation for contract award to the Regional Council or RTA Board;
- Agenda and Minutes of the Regional Council or RTA Board award of contract;
- Executed contract and amendments, if any;
- Award notification letters and Notice to Proceed; and,
- Determination of the non-responsibility if applicable.

Section 6 - Specifications and Scopes of Work

6.1 Maximum practicable competition

All specifications and scopes of work shall seek to promote the best value for PAG concerning the material, service or construction procured; encourage competition; and not be unduly restrictive.

6.2 Brand name or equal specification

A brand name or equal specification shall be used only if the Executive Director, in consultation with the Chief Procurement Officer and/or Program Manager, determines that its use is advantageous to PAG.

A solicitation containing a brand name or equal specification shall provide for the submission of substantially equivalent materials and shall explain that the use of the specification is for the purpose of describing the standard of quality, performance, and characteristics desired.

A brand name or equal specification shall designate as many different brands as practicable as “or equal” references. The specification shall also include a description or list of the specific design, functional, or performance characteristics of the brand name material that are sought in the material being procured, unless the Chief Procurement Officer determines that the essential characteristics of the brand names designated are commonly known.

6.3 Specifications, plans or scopes of work prepared by non-PAG employees

PAG may contract for the preparation of specifications, plans, and drawings or scopes of work with persons other than PAG employees. Contracts for such services shall provide that the specifications, plans, and drawings, or scopes of work prepared by the contractor shall comply with the provisions of this Section.

On a limited basis, PAG may also contract for the creation of the bid documentation.

Section 7 - Contract Terms and Conditions

7.1 Contract types and forms

PAG may use any type of contract that is appropriate under the circumstances except that it shall not use cost-plus-a-percentage-of-cost contracts unless specifically approved by the Executive Director and PAG's legal counsel. Contracts shall be in a form and contain terms and conditions approved by the Executive Director and PAG's legal counsel.

7.2 Contract terms and conditions

Contracts that PAG enters into should include clauses authorizing the following terms and conditions, unless deemed unnecessary or inappropriate by the Executive Director and legal counsel:

1. Scope of work, including tasks, performance schedule, deliverables, and contract period;
2. Cancellation of the contract for a conflict of interest under Arizona Revised Statutes §38-511;
3. Termination of the contract for cause or for the convenience of PAG, including the manner by which it will be effected and the basis for settlement;
4. Termination of the contract for contractor default (bankruptcy judgment, persistent or repeated refusal or failure to perform in accordance with contract requirements, abandonment of work or unnecessary or unreasonable delays, or refusal to correct deficient work);
5. Termination of the contract due to unavailability of funds;
6. Administrative, contractual, or legal remedies in instances where a contractor violates or breaches contract terms, including appropriate sanctions and penalties;
7. Notice of awarding agency requirements and regulations pertaining to reporting;
8. Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention, which arises or is developed in the course of or under such contract;
9. Notice of awarding agency requirements and regulations pertaining to copyrights and other rights accruing exclusively to PAG for possession, use or release of data, information, computer programs, reports, and other deliverables;
10. Presentation of certificates of insurance for specified minimum limits of liability insurance coverage in force throughout the duration of the contract, including workman's compensation, professional liability (errors and omissions), and general liability insurance;
11. Compliance with safety requirements of the Occupational Safety and Health Act (29 U.S.C. Section 651-678) as promulgated by the federal government and implemented by the State of Arizona;
12. Provisions for the contractor to exercise internal control over all financial transactions related to the contract;
13. Notice that provisions relating to arbitration or requiring arbitration shall not apply to PAG except by PAG's express written consent given subsequent to execution of the contract;

14. Clear understanding that each party will act in its individual capacity and not as agent, employee, partner, joint venture, or associate of the other and no employee or agent of one party shall be deemed or construed to be an employee or agent of the other party for any reason whatsoever;
15. Understanding and agreement that contract is for the sole convenience of PAG and is non-exclusive;
16. Commencement of work shall not start until after receiving a written Notice to Proceed from the Executive Director or Chief Procurement Officer;
17. Establishment and maintenance of procedures and controls to assure no unauthorized disclosure by the agents, officers, or employees of the contractor of information contained in its records or obtained from others in performing the scope of work;
18. Certification that submission of the proposal did not involve collusion or anti-competitive practices or any offer, or future offer, of any gift or other gratuity;
19. Provisions for amending the contract;
20. Method and schedule of payments for services or materials rendered, including retention of payments pending satisfactory completion of the scope of work;
21. Provisions regarding any delegation of any duty, right or interest assigned to the contractor to another party;
22. Non-waiver of existing or future rights and remedies available to either party by law in the event of a claim of default or breach of contract;
23. Provisions for filing, hearing, deciding, and remedying a protest in connection with the Request for Proposal or proposed contract award, such provisions being in accordance with PAG's procurement policy for protest procedures;
24. Provisions for warranting (e.g. holdbacks, surety, bonds, insurance, etc.) that all materials delivered and services rendered conform to contract specifications;
25. Provisions subjecting all materials, services, and other deliverables to the acceptance by PAG as satisfactory and procedures for return or remediation of materials, services and other deliverables deemed not to conform with contract specifications or are substantially deficient;
26. Provision that title and risk of loss of materials or services shall not pass to PAG until actual receipt of the materials or services at the point of delivery;
27. Provision that the delivery of non-conforming materials or services in one task, deliverable, or installment shall constitute total breach of the contract;
28. Provisions that all materials, services, and other deliverables shall be free from all liens unless otherwise provided;
29. Provisions that the contractor shall maintain in current standing all necessary Federal, state and local business licenses;
30. Provisions for indemnifying, defending, and holding PAG harmless from any and all claims, demands, suits, actions, proceedings, loss costs, and damages arising from acts of the contractor in connection with or incidental to the performance of contract work, other than any liability to the extent caused by the negligence of PAG or its employees;

31. Provisions for determining the extent of either party's liability due to prevention of performance due to an occurrence that is beyond the control of the party affected and occurs without its fault or negligence (Force Majeure);
32. Provisions for right of assurance by one party when in good faith it has reason to question the other party's intent to perform and recourse when written assurance is not given in a timely manner;
33. Provisions for restricting advertising or publishing information concerning the contract without prior written consent of PAG;
34. Compliance with the requirements of PAG's Disadvantaged Business Enterprise (DBE) and Affirmative Action programs as required by law;
35. Compliance with the requirements of PAG's Title VI program;
36. Compliance with the all applicable provisions of the Americans with Disabilities Act and applicable federal regulations under this Act;
37. Notice of federal awarding agency requirements for access by PAG, the Arizona Department of Transportation, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions;
38. Retention of all required records for three years after grantees or sub-grantees make final payments and all other pending matters are closed; and,
39. Other provisions required by law.

The following must be considered for all construction and repair contracts that PAG enters into and shall include a clause authorizing the following:

- Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or sub-grantees);
- Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3). (All contracts and sub-grants for construction or repair);
- Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts in excess of \$2000 awarded by grantees and sub-grantees when required by Federal grant program legislation);
- Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts awarded by grantees and sub-grantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers);
- Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368),

Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and sub-grants of amounts in excess of \$100,000).

Every contract that PAG enters into that exceeds \$50,000 shall include the terms and conditions identified in Section 6.2 as well as additional terms and conditions authorizing at a minimum the following:

- The right of PAG to inspect at a reasonable time the contractor's and its subcontractors' places of business; and,
- The right of PAG to audit at reasonable times and places the books and records of any person submitting cost or pricing data, or the books and records of a contractor, relating to the performance of the contract for a period of three (3) years after the final payment under the contract.

Projects using federal funding require that the contractor/consultant as well as any subcontractor/sub-consultant, register as a "vendor" in the ADOT Local Public Agency DBE Data Collection and Reporting System.

Federal projects with a DBE goal require that the consultant and DBE sub-consultants use the ADOT reporting system (<https://arizonalpa.dbesystem.com>) to show the making/receipt of timely payments.

Every contract must be in compliance with Immigration Laws. As mandated by Arizona Revised Statutes ["A.R.S."] section 41-4401, PAG is prohibited from awarding a contract to any contractor or subcontractor that fails to comply with A.R.S. section 23-214(A). PAG must also ensure that every contractor and subcontractor complies with federal immigration laws and regulations that relate to their employees and A.R.S. section 23-214(A).

7.3 Prohibition against advance payments

Payment to a contractor in advance of the contractor incurring costs for work performed is prohibited unless the Executive Director makes a written determination before the payment is made that an advance payment is in PAG's best interest. A copy of the determination shall be retained in the procurement file. For contracts expending governmental funds, written approval for advance payments shall also be obtained from the grant awarding agency before the payment can be made. The Executive Director may make a blanket determination that certain advance payments, such as those for subscriptions, memberships or conference registrations, are permissible.

7.4 Contract amendments

A contract shall be modified solely through a written amendment or change order to the contract signed by the Executive Director or designee, before the work that is the subject of the amendment or change order is performed. PAG shall not pay for work performed by a contractor directed by an unauthorized PAG employee or without a written amendment or change order signed by the Executive Director.

Section 7 – Contract Terms and Conditions

Section 8 - Protest Procedures

8.1 Filing a protest

An aggrieved person, organization, or company may protest a solicitation or a proposed contract award.

8.2 Time of filing

A protest alleging defects or ambiguities in the solicitation shall be filed no later than three (3) days before the date set for bid opening or closing date for receipt of proposals. All other protests shall be filed within five (5) days after the protestor knew or should have known the basis for the protest and, where applicable, before the Regional Council or RTA Board makes an award decision. In procurements funded using federal grant award funding, the Regional Council or RTA Board shall not make an award for five (5) days following issuance of a decision or dispositive order on the protest, other than permitted under Section 7.7.2. Awards of contracts shall be final and no protest may be filed after award.

8.3 Contents of a protest

A protest shall be in writing and shall:

- State the name and address of the aggrieved person;
- Identify the contracting activity and the name of the solicitation;
- Contain a statement of the grounds of the protest; and,
- Include supporting exhibits, evidence, or documents to substantiate any claims unless not available within the filing time in which case the expected availability date shall be indicated.

8.4 Place of filing a protest

A protest shall be filed within applicable time limits at the following address:

Executive Director
Pima Association of Governments
1 East Broadway Blvd., Suite 401
Tucson, AZ 85701

8.5 Hearings

If the Executive Director determines that a hearing is appropriate, the Executive Director shall notify the protestor of the time and place set for a hearing. The hearing shall be informal. The Executive Director may also give notice of the hearing to any other persons involved in the solicitation whose interests may be affected by the ruling requested from the Executive Director. Any person whose interest is affected shall be permitted to attend and participate in such hearing.

The Executive Director shall dismiss a protest, upon a written determination, before scheduling a hearing, if:

- The protest does not state a valid basis for protest; or,
- The protest is untimely pursuant to these policies.

If a protestor fails to appear and participate in the hearing, the Executive Director may summarily rule upon the protest based upon information then available.

8.6 Decision

The Executive Director shall issue a written ruling within a reasonable time after conclusion of the hearing. The ruling shall be final.

8.7 Remedies

8.7.1 Generally

If the Executive Director sustains the protest in whole or part and determines that a solicitation or proposed contract award does not comply with the applicable procurement statutes, grant requirements or these policies, the Executive Director shall implement an appropriate remedy. In determining an appropriate remedy, the Executive Director shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to, the seriousness of the procurement deficiency, the degree of prejudice to other interested parties or to the integrity of the procurement system, the good faith of the parties, costs to PAG, the urgency of the procurement, and the impact of the relief.

8.7.2 Possible remedies

An appropriate remedy may include one or more of the following:

- Reissuance of the solicitation;
- Issuance of a new solicitation;
- Award of a contract consistent with applicable procurement statutes, grant requirements or these policies; and/or,
- Such other relief as is determined necessary to ensure compliance with applicable procurement statutes, grant requirements or policies.

8.8 Protests to the granting agencies

8.8.1 Generally

Under certain limited circumstances, an interested party may protest to the applicable granting agency the award of a contract funded under a federal grant. The federal grant awarding agency's review of any protest shall be limited to the alleged failure of PAG to maintain written protest procedures or its alleged failure to follow those procedures.

8.8.2 Time for filing

Protesters shall file a protest with the granting agency not later than five (5) days after a final decision is rendered under PAG's protest procedure. In instances where the protestor alleges that the Executive

Director failed to make a final determination on the protest, the protestor shall file a protest with the granting agency not later than five (5) days after the protestor knew or should have known of PAG's failure to render a final determination on the protest.

A contract shall not be awarded for five (5) days following the Executive Director's decision on a procurement protest unless the Executive Director makes a determination concerning one of the following:

- The items to be procured are urgently needed;
- Delivery or performance will be unreasonably delayed by the failure to make an award promptly; or,
- The failure to make an award will otherwise cause undue harm to PAG or to the granting agency.

If award is made, the Executive Director's determination shall be documented in writing and retained in the procurement file and prompt written notification given to the protestor and, as appropriate, to other interested parties of the determination to proceed with an award.

8.8.3 Submission of protest to a grant awarding agency

Protests should be filed with the appropriate regional office of the granting agency (i.e., FHWA, FTA, FAA, HHS, EPA, ADOT, ADEQ, etc.) and with a concurrent copy to PAG, according to the applicable granting agency guidelines. The protest should include at a minimum the following:

- The name and address of the protestor;
- The name of PAG, the project number or name, and the number of the solicitation;
- A statement of the grounds for the protest and any supporting documentation; and,
- A copy of the local protest filed with PAG and a copy of PAG's decision, if any.

Section 9 - Contract Claims or Controversies

9.1 Filing contract claims or controversies

A contractor shall file a claim or controversy within a reasonable time after the claim or controversy arises but in no event later than 180 days after the cause of action accrues. The claim or controversy shall be in writing and identified as a claim or controversy. The claim shall specify in detail the factual and legal basis for it, identify the contract number, state the specific relief sought including where applicable the dollar amount of any claim, and request a final decision.

9.2 Decision

If a claim or controversy cannot be resolved by mutual agreement, the Executive Director may initiate alternative dispute resolution procedures. If the claim or controversy is not resolved by mutual agreement or otherwise, the Executive Director shall issue a final written decision. The final decision shall include:

- A description of the controversy;
- A reference to the pertinent contract provisions;
- A statement of the factual areas of agreement or disagreement; and,
- A statement of the decision, with supporting rationale.

Final decisions shall be made within 30 days of the date that the Executive Director determined that a mutual agreement could not be reached. The Executive Director may extend the time limit for good cause for a reasonable time not to exceed an additional 30 days. If extended, the Executive Director shall notify the contractor in writing that the time has been extended and the date by which a decision shall be issued.

9.3 Notice of decision

The final decision shall be furnished to the contractor by certified mail, return receipt requested, or by any other method that provides evidence of receipt.

Section 10 - Suspension and Debarment

10.1 Generally

The Executive Director may suspend or debar a person, partnership, or corporation under the provisions of this Section. Suspension of any person, partnership or corporation shall not exceed one year. A debarment shall be from three years to an indefinite period of time, based on cause and the number of times the person, partnership, or corporation has been previously suspended or debarred. The determination of suspension or debarment lies solely with the Executive Director.

10.2 Causes

The causes for debarment or suspension may include, but are not limited to, the following:

- Conviction of any person or subsidiary or affiliate of any person for commission of a criminal offense arising out of obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
- Conviction of any person or any subsidiary or affiliate of any person under any statute of the Federal Government, this State or any other state for embezzlement, theft, fraudulent schemes and artifices, fraudulent schemes and practices, bid rigging, perjury, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offenses indicating a lack of business integrity or business honesty which affects responsibility as an PAG contractor;
- Conviction or civil judgment finding a violation by any person or any subsidiary or affiliate of any person under state or federal antitrust statutes;
- Violations of contract provisions or a charter which are deemed to be so serious as to justify debarment action, such as any of the following:
 - Knowingly failing without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or,
 - Failure to perform or unsatisfactory performance in accordance with the terms of a contract (except that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for suspension or debarment); or,
 - Any other cause deemed to affect responsibility as a PAG contractor or subcontractor, including financial instability, failure to pay subcontractors or suppliers, failure to pay subcontractors or suppliers as required under the provisions of the PAG Disadvantaged Business Enterprise (DBE) Program, suspension or debarment of such person or any subsidiary or affiliate of such person by another governmental entity for any cause listed in established rules.

10.3 Notice

Before imposing a suspension or debarment, the Executive Director shall give the affected party written notice of the grounds for suspension or debarment and shall afford such person an opportunity for a hearing.

Section 11 – Payment Terms

11.1 Generally

Payments may be made in any number of ways. Contracts may specify the payment terms. In absence of a contractually specified payment term, PAG will determine the payment terms.

11.2 Payment timing

Some vendors and some projects lend themselves to alternative payment terms. If specific payment timing is required, it must be specified contractually. If it is not specified contractually, PAG will determine the payment timing which, unless it specifically benefits PAG to do it differently, will be paid in full upon successful completion of the contract.

11.2.1 Upfront payment

Advance payments are normally prohibited unless specifically authorized by the Executive Director pursuant to Section 7.3. This written approval must be retained in the procurement file for the project. Successful completion of the contract must also be documented and retained in the procurement file.

11.2.2 Installment based on percentage of completion

Contracts that specify progress payments based on a percentage of completion are allowable. Invoices submitted with a percentage of completion must be approved by the PAG Program Manager who is responsible for contract oversight. The PAG Finance Director must also approve all progress payments.

11.2.3 Installment based on specified payment schedule or dates

Contracts that specify payments based on specific dates are allowable. Invoices submitted on specific dates must be approved by the PAG Program Manager who is responsible for contract oversight. The PAG Program Manager should assess whether the scheduled payment corresponds with expected deliverables for that scheduled payment. If the PAG Program Manager feels the deliverables are behind schedule, he/she should consider intervention at the earliest point in time possible. The PAG Finance Director must also approve scheduled payments.

11.2.4 Payment upon completion

Contracts that don't specify payment terms are generally paid upon completion. The PAG Program Manager responsible for contract oversight determines and approves all final invoices.

11.2.5 Hold backs

Some contracts may specify "hold backs" for warranty or performance related claims. All hold backs should be specified in the corresponding contract. At the end of a contract, all invoices are paid minus a pre-specified amount. This amount is withheld pending reconciliation of any claims. Once the reconciliation is complete, the remaining payment is adjusted for the outstanding claims and final

payment is made. The PAG Program Manager is responsible for making this determination. The PAG Finance Director must also approve all holdback reconciliations.

If the parties cannot agree on the hold back reconciliation, the contract should specify remediation procedures.

11.3 Type of payment

The determination of type of payment is generally at the discretion of PAG. The type of payment is by no means an approval to purchase. All procurements must be pre-approved through PAG's formal or informal procurement process irrespective of the type of payment. Contracts, purchase order, purchase requisitions, or petty cash forms are required for all purchases. Purchase Requisition forms may be used in lieu of a petty cash form but a petty cash form cannot exceed \$50.00.

11.3.1 Cash

Cash may be made for procurements under \$50.00 from PAG's petty cash. Petty cash is maintained by PAG accounting/finance staff. Cash for procurements larger than \$50.00 requires approval from the Finance Director. Generally, procurements under \$50.00 are paid for by employees and reimbursed by PAG's petty cash fund. In rare cases, the petty cash fund may be used to pay for expenses directly or as an advance. Petty cash can only be used as an advance with approval from the Finance director.

11.3.2 Credit card

Certain PAG staff members are issued PAG credit cards for PAG related purchases. Typically, these credit cards are used for online procurements (ecommerce), travel, or for local retailers or restaurants as a convenience to PAG's staff. These credit cards are issued at PAG's pleasure and may be revoked at any time.

PAG's commercial bank extends a designated credit line that is allocated across the various PAG credit cards. Not all credit cards carry the same limits. The limits are determined by the Executive Director and authorized by the Regional Council and officers. The credit card holders are responsible for managing purchases within the predetermined credit limits. Expenditures on a PAG credit card that exceed the predetermined limits may incur overdraft charges. PAG, at its discretion, may require the PAG credit card holder to pay overdraft charges.

Inappropriate credit card use is subject to PAG's disciplinary process and may result in termination.

Credit card purchases made directly by PAG credit card holders do not require a Petty Cash form. Also, Purchase Requisition forms are not required for business expenses under \$500 by the cardholders. A cardholder's review and approval of the credit card statement or an expense report serves as the requisition approval.

In some cases, employees may use their personal credit cards for PAG related purchases or travel. With an approved Purchase Requisition or Travel Requisition, these expenditures will be reimbursed to the employee. If an employee purchases a PAG related item without pre-approval, PAG, at its discretion, may not reimburse the employee for the expenditure.

11.3.3 Checks

PAG's primary method of payment is through its Demand Deposit Account (DDA) using checks, drafts, or warrants. Payments are routinely processed every two weeks. Approved invoices are held for payment within that two week period of time. Occasionally, PAG may, at its discretion, process checks in an "extra or special" check run to accommodate unusual circumstances. PAG employees should not commit to vendors for special check runs without the pre-approval of the Finance Director.

Checks are normally mailed using the United States Post Office. Checks to employees may be placed in internal mail or mailed via the United States Post Office. On occasion, PAG may, at its discretion, send checks using more expeditious delivery services such as Express Mail or Federal Express and may charge the vendor for the expedited delivery service. Upon request, vendors may request to pick up checks at the front desk.

11.3.4 Electronic payment: ACH (Automated Clearing House) or wire transfer

Some payments can be made using electronic means such as Automated Clearing House (ACH) or wire transfer. At PAG's discretion, PAG may choose to set up electronic payments to vendors.

11.3.5 Debit card/procurement card

In conjunction with or in lieu of credit cards, PAG may, at its discretion, issue debit cards or procurement cards through its financial institution. If an employee purchases a PAG related item without pre-approval, PAG may not reimburse the employee for the expenditure. These debit/procurement cards are issued at PAG's pleasure and may be revoked at any time. Inappropriate debit card/procurement card use is subject to PAG's disciplinary process and may result in termination.

11.3.6 Stored value card

Stored value cards including cash cards and gift cards, may be used by PAG to provide a convenience to employees or incentive rewards for meritorious performance. Using a cash card for PAG related expenses is for convenience only and does not eliminate the procurement and approval requirements for purchases. Signed contracts, approved Purchase or Travel Requisitions, and receipts are still required just as it were for any other purchase. All stored value cards must be approved by the Finance Director.

11.4 Backup documentation

All payments require backup documentation for audit purposes. Backup documentation may include invoices, time sheets, receipts, packing slips, purchase orders, purchase requisitions, contracts, etc. For items that are shipped, a three way match of the purchase order/purchase requisition, packing list or other proof of receipt, and invoice are required. For services, a contract/purchase order/purchase requisition, signoff on the deliverables by the PAG Program Manager, and an invoice are required.

Section 11 – Payment Terms

Occasionally backup documentation may be lost. All efforts should be made to get duplicate copies of this backup documentation. Invoices, specifically, should be labeled “duplicate” to help prevent double payment. If a duplicate is unattainable, the employee and his/her manager can sign an affidavit attesting to the legitimacy of the transaction and authorizing payment.

Section 12 - Disposal of Surplus Property

12.1 Responsibility

The Chief Procurement Officer shall be responsible for disposing of PAG surplus property.

12.2 Disposal methods

For assets procured from granting agency funds, asset disposition as dictated by the granting agency must be followed:

For Federal grants, the Chief Procurement Officer must convey used property or surplus supplies as outlined in the Federal Office of Management and Budget under the Uniform Administration Requirements Cost Principles, and Audit Requirements for Federal Awards OMB “Super” or Omni Circular (Title 2 Sub-title A Chapter II Part 200) or the awarding agency’s preferred method of disposition.

For assets procured with state funds, the disposition of asset procedures must be adhered to according to the prescribed procedures by the granting agency.

For assets procured with local funds, any real estate assets (land, improvements, buildings, etc.) must be accounted for until sold. Proceeds from the sale must be returned to the specific project account for which the real estate assets were procured. Other assets may be disposed of after its useful life according to the procedures herein.

For assets with a fair market value exceeding \$5,000, follow the procedures listed above and contact the awarding agency for their preferred method of disposition.

For assets with a fair market value of \$5,000 or less, PAG will dispose of these assets in the following sequence:

1. Attempt to sell the assets to a member jurisdiction;
2. Offer assets to employees through an open bid process;
3. Sell through state or local surplus property programs;
4. Donate to a charity, school, or other not-for-profit enterprise;
5. Send to a recycling center;
6. Send to a waste provider.

For any assets sold, donated, or scrapped, a receipt should be retained for audit purposes. For assets sold to employee, the employee must pay for, show a receipt of said payment, and remove the assets from the facility on the same day. The employee should not leave said asset in the facility once it is sold. Likewise, the employee should not take said asset from the facility without having paid for it. Under no circumstances should an asset be donated to an employee.

Section 12 – Disposal of Surplus Property
