

**SOUTHEASTERN ARIZONA GOVERNMENTS  
ORGANIZATION**

**PROCUREMENT/PURCHASING POLICY**



**Revised February 2011**

## SEAGO PROCUREMENT STANDARDS/POLICIES

### Procurement Standards

- A. The agency standards prohibit soliciting or accepting gratuities, favors, or anything of monetary value from contractors, potential contractors, or any other enterprise which does business with SEAGO. Any non-compliance by a SEAGO employee shall result in disciplinary action to include immediate termination.
- B. All procurement transactions shall be conducted in a manner to provide, to the maximum extent possible, open and free competition. The agency must be alert to organizational conflicts of interest or non-competitive practices among contractors, which may restrict or eliminate competition or otherwise restrain trade.
- C. The agency at all times will avoid purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement.
- D. Solicitations for supplies or services shall be based upon a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features, which unduly restrain competition. "Brand name or equal" description may be used as a means to define the performance or other salient requirements of procurement, and when so used the specific features of the named brand which must be met by bidders should be clearly specified.
- E. Whenever practical, the agency shall utilize small business and minority-owned business sources of supplies and services.
- F. SEAGO will maintain adequate internal controls with the procurement of any goods or services by utilizing a purchase order system and segregation of duties.

## **SEAGO PROCUREMENT POLICIES/PROCUREMENT POLICIES**

All service, supply, material, equipment, or furniture purchases must be made as follows:

A. \$1 to \$3,000

Items required:

1. Items valued more than \$500 MUST have PRIOR approval from Executive Director for purchases.
2. Items valued more than \$500 MUST have a completed Purchase Order number.
3. Submit invoice/receipt to the SEAGO Finance Director in a timely manner.

B. \$3,001 to \$10,000

Items required:

1. MUST have PRIOR approval from Executive Director for purchases.
2. MUST have a completed Purchase Order number.
3. Department MUST solicit at a minimum, three (3) documented competitive telephone or Internet quotes for all purchases, except when items are available from vendors on the approved State Bidder's list, in which case three bids are not required.
4. Include a detailed description of all items needed.
5. Submit invoice/receipt and telephone or Internet quotes to the SEAGO Finance Director in a timely manner.

C. \$10,001 and Over

Items required:

1. MUST have PRIOR SEAGO Executive Board approval to go to bid.
2. MUST have a written competitive BID published in local paper twice before opening.
3. Bid specifications must be provided.
4. Formal bid documents will be prepared.
5. Should it be necessary to amend bid specifications, such amendments will be handled in the same manner as original bid or through an addendum when discussed at the pre-bid conference.
6. No verbal changes will be recognized.
7. Purchase Orders are NOT required for bids.

Purchases Made Without a Purchase Order

The following purchases may be made without a Purchase Order:

1. Purchases valued under \$500.

2. Travel expenses.
3. Occupancy costs (rent, utilities, etc.).
4. Postage for postage meter.
5. Contractual obligations.
6. Legal and personnel advertising.

#### More Stringent Grant Regulations

If a particular granting source has more stringent purchasing regulations, those grantor's regulations will be followed.

#### Competitive Bidding

The following internal procedures shall apply to the actual purchasing process and shall be considered a permanent portion of the overall policies until such time as they are amended or revised:

1. It is **suggested** that purchases under \$3,000 be put out for bid.
2. It is mandatory that all purchases between \$3,000 and \$10,000 be let for bid, except when items are available from vendors on the approved State Bidder's list, in which case three bids are not required. In most cases, three telephone or Internet bids are adequate but consideration should be given to the nature of the purchase and the dollar amount. In those instances, three written bids should be obtained.
3. Written bids must be obtained for all purchases over \$10,000.
4. For purchases over \$10,000 the SEAGO Executive Board's approval is required and formal bidding procedures will be followed.

#### Special Conditions

When special conditions arise that require expedited procurement of goods for services, render the processes outlined in this policy impracticable, or for which no specific process outlined in this policy is applicable, the Executive Director shall have the discretion to utilize ARS Title 41, Chapter 23, Arizona Procurement Code for such procurement. The Executive Director shall notify the Executive Committee as soon as possible whenever the Arizona Procurement Code is utilized.