



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: **5/21/2024**

**= Mandatory, information must be provided*

Click or tap the boxes to enter text. If not applicable, indicate "N/A".

***Title:**

Board of Supervisors Policy, D 29.3, Small Purchase

***Introduction/Background:**

Board of Supervisors Policy D 29.3 was last updated on October 1, 2017. Since that revision, further modifications are required to clarify certain process definitions including software purchases less than \$10,000, and editorial modifications.

***Discussion:**

The proposed modifications provide clarity to the Countywide small purchase process to reflect current and best practices and in preparation for the implementation of the Countywide Enterprise Resource Planning System. The clarification of certain small purchase types provides necessary procedural direction including software purchases less than \$10,000.

***Conclusion:**

The proposed Policy change provides increased clarity to the small purchase process.

***Recommendation:**

Staff recommends the Board adopt the changes to Board of Supervisors Policy D 29.3, Small Purchase.

***Fiscal Impact:**

None

***Board of Supervisor District:**

- 1
- 2
- 3
- 4
- 5
- All

Department: Procurement

Telephone: 724-8161

Contact: Terri Spencer

Telephone: 724-3722

Department Director Signature:  Date: 5/1/2024

Deputy County Administrator Signature:  Date: 5-1-2024

County Administrator Signature:  Date: 5-1-2024



PIMA COUNTY, ARIZONA
BOARD OF SUPERVISORS POLICY

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I. Purpose

The purpose of this document is to define Pima County's Policy regarding the acquisition of materials and general non-professional services estimated to cost less than the annual aggregate dollar amount of ~~\$10,000.00~~**\$10,000**, which are authorized to be procured by the administering department pursuant to Pima County Procurement Code Sections 11.12.040 Small Purchases, or otherwise exempt from competitive selection requirements as authorized by Title 11 – County Procurement Code or Board of Supervisors Policy.

This Policy is not intended to subvert or waive the County's obligation for prudent expenditures of public funds in compliance with the Procurement Code, the Board of Supervisors Policies and Administrative and Procurement Procedures. Departments should, wherever possible, seek competitive pricing on purchases made pursuant to this policy.

The Procurement Department is the Central Procurement Authority for Pima County. Should questions or issues arise regarding the appropriate procurement method to be used, employees will consult with the Procurement Department to clarify and acquire concurrence *prior* to making the procurement or purchase transaction.

II. Definitions

- A. **Annual aggregate**: The combined amount of reasonably expected spend in any one-year period that could result from a single procurement process and deliverable by one or more contractors regardless of the payment method. **The aggregate dollar amount means purchase price, including taxes and delivery charges, for the term of the contract and accounting for all allowable extensions and options.**
- B. **Emergency Purchase**: A purchase to address any threat to the public health, welfare, property or safety. Such purchases may include performing a limited competition solicitation or waiver of normal procurement practices as the situation may dictate in order to meet the County's emergency need.
- C. **Limited Competition**: A shortened procurement process authorized by the County Administrator that is conducted with a limited selection of vendors to address any situation which makes compliance with normal purchasing procedures impracticable or contrary to the public interest.
- D. **Materials and General Non-Professional Services**: Refers to tangible commodity items or routine services that do not fall under the definitions of "professional" in Board of Supervisors Policies D29.1 or D29.6. This can be based on one commodity code or a combination of similar items of like commodity codes.

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- E. **Payment Request (PR) Non-Contract Direct Payment:** A method to pay for materials and general non-professional services, submitted ~~on a Payment Request (PR)~~ **as a Supplier Invoice document** through the County enterprise business system.
- F. **PCard:** A method to purchase and pay for materials and general non-professional services in conformance with the PCard procedure.
- G. **Procurement (Procured):** The process utilized to identify and select the best vendor or supplier to provide the required materials or services.
- H. **Purchase:** Authorization (Order) given to a vendor or supplier to provide procured materials and services.
- I. **Small Business Enterprise (SBE):** A Local Certified Small Business vendor as defined in Board of Supervisors Policy D29.8.
- J. **Small Purchase:** Purchases of materials and general non-professional services estimated annually to cost less than \$10,000.
- K. **Utilities:** Regulated businesses authorized to operate in a franchise area to deliver basic public services such as electricity, natural gas, telecommunications, water and others, which normally cannot be competed.

III. **Policy**

The following procurements are excluded from this Policy:

- Procurements for architectural/engineering services or construction services must be conducted in accordance with Arizona Revised Statutes (A.R.S.) Title 34 and Board of Supervisors Policy D29.1
- Procurement of general professional services must be conducted in accordance with A.R.S. § 11-254 and Board of Supervisors Policy D29.6
- Procurements of medical and health related professional services must be conducted in accordance with A.R.S. §§ 11-251 (60) and 11-291, and Board of Supervisors Policy D29.7

Administering departments must utilize in-house services or obtain advance written approval for purchases where required by Administrative Procedures **such as but not limited to printing, computer equipment, business travel, vehicle and furniture purchases.** ~~such as, but not limited to, AP 3-15: Printing, 27-2: Computer Equipment & Software, AP-22-4: Business Travel, AP 49-5: Vehicle Purchases, and AP 51-4: Furniture, prior to the application of this policy.~~

A. **Departmental Procurement Authority**

Procurements as authorized by this policy may be conducted by the administering department

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only under the following conditions:

1. Materials and general non-professional services of amounts less than \$10,000;
2. Purchases exempt from competition and dollar limitation listed in Section **GD** of this policy;
and
3. Where the Procurement Director has given the Department written delegated authority to perform such activities.

Departments must contact at least one SBE vendor, if available and practicable, for eligible materials and general non-professional service procurements less than \$10,000.

When making these procurements, departments should always be alert to possible liability issues, especially involving the procurement of services. Types of services with potential liability may include legal or other specialized consulting services for pending or anticipated litigation, real property acquisitions, leases, management or sale, and other services which may pose financial, tort, or other risk exposure to the County. These potential liability services, regardless of value, are best procured utilizing standard County contract forms to provide appropriate protections. If there is any doubt or concern related to liability issues, guidance should be acquired from the Pima County Attorney's Office, the Finance and Risk Management Department, and the Procurement Department prior to proceeding with the acquisition.

B. Software Purchases in amounts less than \$10,000.

A software agreement is the legal contract between the software vendor and/or author and the purchaser of a piece of software that establishes the rights of the parties. A software agreement details how and when the software may be used, provides any restrictions imposed on the software, and contains terms and conditions proposed by the vendor.

The form of Software Agreements and any requirements or parameters with respect to their use, must be approved by the County Attorney's Office and Risk Management.

Software agreements that incorporate the necessary terms and conditions, as previously approved by the County Attorney, need not be subsequently approved as to form by the County Attorney's Office.

BC. Competitive Solicitation Requirement

Pima County Procurement Code Section 11.12 establishes that the preferred method of selection for all County procurements is through competitive bids or proposals defined by the Procurement Code, Board of Supervisors Policies, and Administrative and Procurement Procedures.

A competitive solicitation is required **for a single purchase of materials and general services with an estimated aggregate dollar amount equal to or greater than \$10,000**

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~~or when a one-time purchase exceeds \$10,000.00 or there will be reasonably anticipated or for recurring purchases requirements for the same or similar of materials or general non-professional services that exceed the an estimated annual aggregate dollar amount in a year, cost of \$10,000.00, Countywide.~~

The Procurement Department with the assistance of the Finance Department will regularly review small purchases made pursuant to this Policy for conformance. Where feasible and when in the best interest of the County, the Procurement Department will incorporate reoccurring small purchases into competitive contracts or master agreements. When such purchases are identified, administering departments will cooperate with the Procurement Department in establishing specifications and annual usage estimates for the development of a competitive solicitation or amendment to an existing contract or master agreement.

Competitive solicitations for materials or general non-professional services above ~~\$10,000.00~~ **\$10,000** must be conducted by the Procurement Department, except where the Procurement Director has given the Department written delegated authority to perform such activities. Delegated departments are expected to conduct their procurements in accordance with Board of Supervisors Policy and Procurement Procedures.

GD. Purchases Exempt from Competition and Dollar Limitation

The following materials and services are exempt from the competitive procurement process and limitation of dollar amount and may be procured and purchased by administering departments pursuant to this Policy. A contract is generally not required for these purchases, but may be used at the discretion of the procuring/purchasing department, subject to the requirements of Board of Supervisors Policy D29.4.

1. Court ordered and County retained services for court-related and legal expenses related to a specific or potential court action, such as attorneys, expert witnesses, investigators, etc., as follows:
 - a) Payment of ancillary services, including but not limited to expert witnesses, investigators, etc., of a court-appointed attorney, whether or not the attorney has entered into a contract, which (i) the appointed attorney has certified to County as necessary for the representation that the attorney has been appointed to and (ii) the Appointing Authority or designee, has approved as a facially appropriate expenditure; or
 - b) Payment of court related and legal expenses of an attorney whom the court has appointed in a matter that the attorney has not contracted to perform for County; or
 - c) Payment of the court-related professional and ancillary expenses when the Court enters an order for payment by County in a privately-retained case; or
 - d) Outside counsel, expert witnesses, and other professionals retained by Pima County, including necessary ancillary services.

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2. Postage.
3. Utility bills, and utility installation, connections, and relocations performed by the utility provider.
4. Medical expenses related to care of a specific patient, such as hospitalization, physician, ambulance services, laboratory fees, etc.
5. Travel, subject to Administrative Procedure 22-1: Business Travel limitations.
6. Educational and training expenses incurred by Pima County for events provided by outside companies including registration fees, course fees, and testing materials. Does not apply to training courses that are specifically designed for Pima County. Board of Supervisors Policy D29.6 must be followed to procure those services.
7. Fees and Dues.
8. Books, publications and subscriptions. Excludes software or music license subscriptions and books to be provided for public use by the Library District.
9. Promotional advertising paid directly to television, radio, billboard, magazine, and newspaper companies.
10. Real estate services, such as those related to land titles, appraisals, real property acquisitions, relocation, or property management which do not require a contract to be executed under A.R.S. Titles 11, 28, or 48.
11. Emergency Purchases: A limited competition emergency purchase or waiver of normal procurement practices may be made under the following conditions and in those situations where an emergency has been declared by the Board of Supervisors, or with the County Administrator's prior written approval, as defined in Pima County Code Title 11.12.060:
 - a) In the event of an absolute emergency requiring immediate action to protect the public health, welfare, property, or safety, departments may purchase the minimum materials or services necessary to resolve the emergency.
 - b) In the event emergency response is required because of a disaster, i.e., fire, flood, accidents, etc., all necessary action is authorized.
 - c) Emergency procurement is limited to those materials or services necessary to satisfy the emergency need.
 - d) Documentation of the purchase of such emergency materials or services must be submitted to the Procurement Director for approval, along with a written justification for the action taken, memo from the County Administrator, or Board of Supervisors Resolution number.

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DE. Payment of Purchases related to this Policy

A PCard or ~~PR~~**Non-Contract Direct Payment**, is authorized for payment of purchases identified in this Policy *except*: 1) for business travel where travel forms are required, 2) where an annual requirements master agreement or contract exists for the required materials or services or 3) arrangements have been made with the Procurement Department for use of the PCard against a Master Agreement. PCard payments that are non-conforming to this policy will be subject to the PCard Procedure review criteria. ~~PRs~~**Non-Contract Direct Payments** that appear to be non-conforming to this policy will be submitted by Finance to the Procurement Director for review and approval to pay. ~~PRs~~**Non-Contract Direct Payments** that are not approved will be returned to the Department that incurred the payment obligation.

IV. **Enforcement**

As defined by Board of Supervisors Policy D29.9 "Pima County Department Purchase Responsibility", all County Department Heads are responsible for the training, supervision and management of their respective staff to ensure full compliance with this policy.

Adopted Date:	Unknown
Revised Date:	August 18, 1997
	April 11, 2000
	November 18, 2003
	May 3, 2005
	August 21, 2006
	May 3, 2011
	December 6, 2011
	February 7, 2012
	November 19, 2013
	September 5, 2017
	October 1, 2017
Effective Date:	<u>May 21, 2024</u>



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BOARD OF SUPERVISORS POLICY

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2. Purchases exempt from competition and dollar limitation listed in Section D of this policy; and
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when in the best interest of the County, the Procurement Department will incorporate reoccurring small purchases into competitive contracts or master agreements. When such purchases are identified, administering departments will cooperate with the Procurement Department in establishing specifications and annual usage estimates for the development of a competitive solicitation or amendment to an existing contract or master agreement.

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E. Payment of Purchases related to this Policy

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