

Contracting with the City of Tucson

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FORWARD

The Business Services Department provides financial and procurement services to the City of Tucson and to our community.

Within Business Services, our **Shared Services Procurement Division** is responsible for City contracting (and they are *hereinafter referred to as Procurement*).

Procurement is dedicated to the principles of competition and fairness. It operates under the auspices of federal, state, and local law and regulation. It assures that all public procurement practices are within the framework of the highest ethical standards. Procurement personnel are strictly prohibited from taking any actions which do not reflect the ideals of honor and integrity in the expenditure of public funds.

Our goal is to ensure that Tucson taxpayers receive the maximum value for every expenditure. Towards that goal, we encourage qualified vendors to participate in doing business with the City of Tucson.

The purpose of this information is to acquaint individuals who sell to the City with the procedures followed by the City of Tucson in carrying out procurement activities for the City.

This information is intended as a general guide and may not answer all questions which you may have. If you have any questions which are not answered here, please contact the Shared Services Procurement office at (520) 791-4217 (telephone) or (520) 791-4735 (facsimile).

MISSION STATEMENT

To provide exemplary support to our City departments and the business community by offering strategic and innovative services and opportunities in the procurement of goods and services, through commitment to our values of accountability, ethics, impartiality, professionalism, service and transparency.

LEGAL AUTHORITY

The legal authority for the operation of the Business Services Department is established by the City Charter, the Tucson Procurement Code, and State laws.

PROCUREMENT AUTHORITY

The Business Services Director, as identified in the City Charter and the Tucson Code, has the sole responsibility for the operation of the Business Services Department. The Procurement function resides within the Business Services Department.

All purchases for goods and services must be done in accordance with the Tucson Procurement Code. In addition, all purchases made with the pCard must also adhere to the policies and procedures stated in the pCard Program Manual.

Bidders are encouraged to obtain a copy of the City of Tucson Procurement Code, which contains helpful information on bidding requirements. The City's Procurement Code may be downloaded from the Procurement website at www.tucsonprocurement.com.

HOURS OF BUSINESS

The Business Services Department is open for business from 8:00 AM to 5:00 PM, Monday through Friday. The primary location of Shared Services Procurement is 255 West Alameda, Tucson, Arizona, 85701. Satellite offices are also located at some of the City's larger departments.

OFFICE VISITS

Sales representatives are a valuable source of information for state of the art advancements or product improvements, and in resolving problems in delivery, billing and payment difficulties, etc. We value your visits. However, we recommend you call for appointments in order to productively utilize our time and yours.

AFFIRMATIVE ACTION POLICY

It is the policy of the City of Tucson to require that firms providing goods and services to the City adhere to a policy of equal employment opportunity. Firms shall demonstrate an affirmative effort to recruit, hire, promote and upgrade the position of employees regardless of race, color, religion, ancestry, sex, physical handicap, national origin, sexual or affectional preference, or marital status.

RECYCLED MATERIAL

The City of Tucson supports the purchase of recycled materials, both in products that are reduced to raw material and remade into material that can be used for other purposes, as well as items that can be rebuilt or remanufactured and placed back into service for continuous use. In an effort to support recycling, the Business Services Director is authorized to purchase recycled material if the price differential between available virgin material and recycled material is within ten percent and there is an insignificant impact on the overall project budget.

The Business Services Department requires that whenever practicable, all printed material produced by a contractor in the performance of a contract shall be printed on recycled paper and duplexed.

METHODS OF PURCHASING

The City of Tucson utilizes the following methods of purchasing: formal Request for Proposal (RFP), formal Invitation for Bid (IFB), informal Request for Quotation (written and phone solicitations), and Request for Qualifications (RFQ) (professional design and alternative project delivery methods of construction). Formal solicitations, RFPs, IFBs and Request for Qualifications, require posting of a public notice, submission of a sealed bid or proposal, public bid opening for IFBs only and an award by the Business Services Director. Formal IFBs and RFPs are for purchases in excess of \$100,000.

Informal requests for quotation may be either written or oral. Although a sealed bid technique is not used, all informal quotations are made on a competitive basis securing quotes from at least three (3) vendors whenever possible.

TYPES OF CONTRACTS

The City of Tucson normally contracts for two types of purchases, either a one time contract or a term contract.

One Time Contract: The City procures required services or materials on a one time basis. A firm price is requested for fixed quantities with single or multiple delivery sites. Depending on the dollar amount of the purchase, the formal sealed solicitation method or informal quotation method is used.

Term Contract: The City has established, and continues to establish, term contracts for estimated quantities of materials or services commonly used in volume by specific departments or on a City-wide basis. These contracts are awarded by a formal sealed solicitation method for a specified period of time.

NOTICE OF INVITATION TO BID AND REQUEST FOR PROPOSAL

When the City purchases by formal competitive bid, a Notice of Invitation for Bid is posted by the Business Service Department on the procurement website at www.tucsonprocurement.com. When the City purchases professional or other services, a Notice of Request for Proposal is posted. All notices for construction and federally funded projects are published in the legal notices section of the "official" newspaper of the City. When a wider distribution is deemed necessary for any type of solicitation, additional publications may be used to circulate the required information.

Vendors should formally register at www.tucsonprocurement.com. Vendors who list email as their preferred delivery method will receive email notification of IFBs, RFPs or RFQs in the commodity classes for which they have registered. Any vendor not already on the City's list of bidders may obtain a copy of an IFB, RFP or RFQ by downloading bids from the website.

PROCUREMENT WEB SITE

You may visit www.tucsonprocurement.com to find procurement-related information: 1) listing of solicitations (IFB, RFP, RFQ); 2) listing of staff members and areas of responsibility; 3) Tucson Procurement Code; (4) Vendor Registration; and much more. For questions regarding this web site, please contact Procurement at (520)791-4217.

BIDDERS' LIST

A bidders' list of all known commodities and services purchased by the City is maintained by the Business Services Department. These commodities and services are categorized by class and subclass. Vendors are responsible for registering their business under the appropriate class and subclass listing.

Vendors can register to do business with the City of Tucson through an online vendor registration system. The registration site is reached through www.tucsonprocurement.com by selecting the tab "Vendors."

Once registered, the vendor is responsible for maintaining the vendor record by updating information as needed.

To ensure maximum bid participation, vendors should regularly check for posted notices and official advertisement on www.tucsonprocurement.com.

Failure to respond to a formal solicitation is defined as a total lack of response when invited to bid. The City of Tucson reserves the right to update and validate the bidders' list from time to time and may require renewal of applications on file. The City requires an up-to-date application on file prior to the award of any contract.

IFB, RFP & RFQ SUBMITTALS

All bids and proposals shall be submitted as specified in the "Invitation for Bid", "Request for Proposal", or "Request for Qualifications." All bids and proposals shall also be submitted electronically pursuant to instructions in the solicitation. They must be submitted before the scheduled time as reflected in the City's online bidding system. No bid or proposal shall be accepted after the scheduled opening time.

CONSTRUCTION CONTRACTS

Construction contracts for City projects are generally competitively bid through the Invitation for Bid (IFB) process and are awarded to the lowest responsive and responsible bidder. Based upon Alternative Delivery Method legislation, applicable City projects may now be competitively solicited through the Request for Qualification (RFQ) process and awarded to the most qualified offeror.

Departments which regularly contract for construction include:

- Housing and Community Development: Projects include public housing rehabilitation and new construction.
- Environmental Services: Projects include underground and above ground storage tank (UST and AST) removals, installations and soil remediation. Landfill expansions and closures; gas mitigation systems.
- General Services Department/Facilities Design and Management Division: Projects include new building construction, City building renovations.
- Parks and Recreation Department: Projects include new parks, pools, irrigation installation, landscaping and fencing.
- Transportation Department: Projects include street widening, overlays, bridges, median landscaping, drainage improvements, bank protection and demolitions.
- Water Department: Projects include boosters, controls/devices, pipe lines, production wells, pumping plants, reservoirs, storage tanks and treatment plants.

Procurement may be contacted at (520)791-4217 to obtain information about these projects, including where to obtain plans, specifications/bid books, bid periods, bonds and insurance requirements.

BID/PROPOSAL OPENING

All Invitations for Bid are opened publicly in a virtual environment. A "Bid Opening Link" is included in each solicitation and is open/activated on the date and time of the bid due date. Requests for Proposals and Request for Qualifications are not publicly opened.

The Business Services Director's designated representative presides over the bid openings. Other representatives of the City may be in attendance. The designated representative shall read prices, delivery, terms and conditions relating to the bid.

No decisions of award or rejections are made during the bid opening. No discussions relating to the bids are entered into during the opening.

TABULATION AND AWARDS

Informal tabulations of bids are available at www.tucsonprocurement.com approximately two days after bid opening. The final tabulation will be posted after award. Bid results are not given out over the telephone. Tabulations are not available for proposals.

Bids proposals and Statements of Qualifications are public information and, therefore, may be inspected AFTER the award by making an appointment with Procurement. All formal bids and proposals are evaluated by the Business Services Director or the designated representative, as well as the using department. For bids, the award is made to the lowest responsive and responsible bidder meeting specifications. For proposals, the award is made to the offeror whose proposal is deemed most advantageous to the City based upon the evaluation criteria. For Statements of Qualifications, the award is made to the most qualified firm with whom the City is able to negotiate a satisfactory contract. Prior to formal award, bids proposals are not available for public inspection.

After the award has been made, a purchase order will be issued to the successful bidder/offeror.

LIVING WAGE

In September, 1999, the City adopted a Living Wage ordinance that focuses on creating a wage rate that will increase the ability of employees to support their families, decrease the amount of poverty, and reduce the amount of taxpayer funded social services in Tucson.

Specifically, the employees of contractors and sub-contractors providing specified services to the City are paid either \$10.39 or \$11.62 an hour depending on whether the contractor offers health insurance benefits. This wage is paid for the hours the contractor's employee work on specified services to the City.

The wage rates are automatically adjusted each year based upon the cost of labor adjustment provided to City of Tucson employees.

REJECTED BIDS

The City of Tucson reserves the right to reject any or all bids proposals or statements of qualifications and to waive any informality in any bid proposal or state of qualifications.

ERRORS/WITHDRAWALS

The City of Tucson will allow for the correction or withdrawal of inadvertently erroneous bids before bid opening. After bid opening, corrections or withdrawals shall only be permitted to the extent that the bidder can show, by clear and convincing evidence, that a mistake of a non-judgmental character was made. Further information on errors and withdrawals is available in the Tucson Procurement Code.

APPLICABLE TAXES

The City of Tucson's two percent (2%) Business Privilege License Tax (City sales tax) is applicable to sales made to the City of Tucson by Tucson vendors and must be noted on the bid form.

Resident Arizona vendors are responsible for the Arizona Transaction Privilege Tax (State Sales Tax). Applicable sales tax is not to be included in the bid price with the exception of construction contracts.

The City of Tucson does not pay sales tax to out-of-state vendors. The City does pay directly to the State of Arizona all Arizona sales and excise tax. Therefore, all vendors who do not maintain a business presence, directly or through a subsidiary, a warehouse, sales office, distribution house, or other place of business in the State, are not to include State sales taxes in the bid price. The tax on any such award will be paid by the City of Tucson (Use Tax Certificate of Registration No. 60-5866) directly to the State of Arizona.

The City of Tucson, upon request, will execute the exemption certificates in connection with all orders when federal excise tax would otherwise be due.

TAX OFFSET POLICY

On August 6, 1990, the City of Tucson adopted an ordinance to provide for a City of Tucson sales tax off-set for purchases by the City. As a result of the ordinance, purchases are now evaluated by adding to a base bid of a non-Tucson firm, a percentage equal to the taxes that would be paid to the taxing jurisdiction of the non-Tucson firm. The amount of local taxes paid by a Tucson vendor is not added for purposes of evaluation. Firms located outside of Arizona are not affected by this policy.

DELIVERIES

All purchases are made F.O.B. destination, unless otherwise specified. The City's title to goods occurs upon satisfactory delivery and acceptance at the delivery point shown on the purchase order. Shipping charges, if applicable, must be included in the unit price of the items bid.

Deliveries may be required to be made to different departments and divisions located in various parts of the City. The purchase order number must appear on the shipping or delivery ticket. Failure to meet specified delivery schedules may result in cancellation of the order. At a minimum, such delinquency will be noted in the vendor's business file.

DELIVERY DATES

Vendors should always state, on the bid form, the number of calendar days required before delivery of a product can be made, or they should indicate the specific date upon which delivery will be made. The time required for delivery may be one of the most important considerations in determining who shall be awarded the bid. Successful bidders will be expected to deliver the materials and/or services they are providing within the specified time. If delivery dates cannot be met, Procurement must be notified immediately. Procurement will decide, after notification of late delivery, what action should be taken.

HAZARD COMMUNICATION ACT

Vendors are advised that the City of Tucson requires proper labeling and Material Safety Data Sheets (MSDS) on all products covered by the Hazard Communication Act - 29 CFR 1910.1200. It is the vendor's responsibility to determine which products are covered by the act and to provide MSDS with the initial shipment. It is also the vendor's responsibility to provide any updates or revisions of MSDS as they may become available for any products sold and delivered to the City of Tucson.

PARTIAL DELIVERIES

A delivery normally must be made in the exact quantity called for on the purchase order. Partial deliveries, however, are required and accepted in some instances. The City will make payment on partial deliveries when (1) a contract for the supply of goods, commodities, or contractual services extends over a period of months, (2) authorization for payment is made by the receiving department.

In the case of any partial delivery, the shipping ticket and invoices must indicate the quantity being delivered and not the quantity ordered by the City.

VENDOR INVOICES

In order to receive payment for goods or services furnished to the City of Tucson, the vendor is required to submit one original and one copy of an invoice to Business Services Department, Accounts Payable, P.O. Box 27450, Tucson, AZ 85726. Invoices should not be sent to the using department. Submitting the invoice anywhere other than to Accounts Payable may delay payment.

Invoices must show: (1) City purchase order number; (2) Complete descriptions of the goods or services furnished; (3) Quantity; (4) Unit prices and extensions; (5) All applicable taxes; (6) The discount terms; (7) Name of department/division to which shipment was made. In addition, the invoice should include the vendor's invoice number.

HOW THE CITY PAYS

After a purchase order has been awarded to a vendor, four steps remain before a transaction is completed. These are (1) Delivery and acceptance of goods or services to the using agency; (2) Report verifying receipt of goods or services by using agency; (3) Invoicing by the vendor; and, (4) Payment by the City.

PAYMENT

The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

PAYMENT TERMS

Vendors must ensure that payment terms are specifically stated in their bid. In a competitive market, the offering of a discount for prompt payment is often a decisive factor as to whether a particular vendor is the low bidder. Cash discounts are deducted from the base bid in determining the low bidder, when such discounts are allowable for payments made in excess of 21 days. The City interprets a percentage discount for payment "within 21 days" to mean that a discount will be allowed if the materials are accepted and paid within 21 days after receipt of both the product and the vendor's invoice. When the terms are not specifically stated, the City shall assume a 2%-21 days payment discount.

LEGAL AND CONTRACTUAL REMEDIES

Protest

In accordance with Section 28-77 of the Tucson Procurement Code, any actual or prospective bidder may protest a solicitation, proposed award or the award of a contract. The protest must be submitted to Business Services in writing and must include the name, address and telephone number of the protestant; signature of the protestant; identification of the solicitation or contract number; a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and the form of relief being requested.

Specific information on filing, timing, resolution and the appeals process are addressed in the Tucson Procurement Code. It is the responsibility of the interested party to become familiar with the Code requirements. All requirements will be strictly adhered to by the Department of Procurement.

Debarment and Suspension

The Business Services Director has the sole authority to debar and suspend a person from participating in City procurements. Information regarding debarment and suspension is available in the Tucson Procurement Code.

SURPLUS/AUCTIONS

The City of Tucson is currently posting online auctions for the disposal of surplus property at www.citysurplus.org.

On some occasions, the City may utilize a formal Invitation for Bid to dispose of surplus items. Registering on the City's bidder list, under surplus sales, will insure interested bidders receive notifications of such sales.

Surplus, unclaimed, or lost property not needed by using departments, may be disposed of other than by competitive bid or public auction, provided that any such non-competitive disposition is made pursuant to a request submitted to the Business Services Director for review and approval of the City Attorney. Disposal of items that have a value of more than \$2,500.00 must be approved by the Mayor and Council. Mayor and Council shall consider the

monetary loss to the City and determine whether such disposition is in the public's best interest.

Questions regarding surplus and auctions may be directed to the SAMM (Surplus, Auction and Materials Management) operation at (520) 791-3167.