

INTEROFFICE MEMO

OFFICE OF THE CITY ATTORNEY

TO: Honorable Mayor and
Members of City Council

DATE: June 7, 2018

FROM: R. Joel Stern
City Attorney

SUBJECT: SUGGESTED PROCUREMENT CODE AMENDMENTS; OUR FILE NO.
18-024

Over the last year and a half, a management team composed of critical staff was convened by the city manager to review the city's procurement code under Apache Junction City Code, Vol. I, Chapter 3: Administration, Article 3-7, since it is outdated and somewhat of a challenge to use. After multiple team meetings, an amended procurement code draft was developed (*see* attached redlined copy). The more significant modifications are as follows:

- 1) § 3-7-1 Purposes – new section defines the reason for having a procurement procedure.
- 2) § 3-7-2 Definitions – new definitions added include: city manager, commodity, formal written quote, informal written quote, invitation for bids, and technical registrant; definitions that should be deleted include: manager and notice inviting bids.
- 3) §§ 3-7-3 through 3-7-6 Procurement levels - the current code has two procurement levels by dollar amount (> \$25,000, < \$25,000 and > \$1,000). Four new levels are being created (< \$5,000, > \$5,000 but < \$10,000, > \$10,000 but < \$50,000, and > \$50,000).
- 4) § 3-7-7 Exemptions – expands the list of professional services; increases the limit for materials and equipment from \$1,000 to \$5,000; and new sub-sections for job-order-contracting and development agreements.
- 5) § 3-7-8 Bid protest and appeal – gives the city manager authority to consider circumstances of the procurement procedure in the event of a protest.
- 6) § 3-7-9 Disposal of personal property – allows the city to dispose of property in a competitive manner and ensure the city receives fair market value for the property.

- 7) § 3-7-10 Bid disqualification – allows disqualification for bidders as well as principal employees convicted of an expanded list of crimes as well as a failure to pay taxes.
- 8) § 3-7-11 Change orders - \$25,000 limit on change orders has been eliminated.
- 9) § 3-7-13 Online bidding – allows for 21st century online bidding process.
- 10) §§ 3-7-14 Conflict of interest and penalties, 3-7-15 Ethical standards and violations, and 3-7-16 Unauthorized purchases – reminds staff of the ethical responsibilities in handling bids and solicitations.
- 11) § 3-7-17 Upfront cooperative and piggyback purchasing - allows city to take advantage of procurement effort already perfected by other organizations which increases efficiencies and avoids duplication and labor commitments.
- 12) § 3-7-18 Debarments and suspensions – clarifies when a prospective vendor may be excluded from the city's procurement process.

This item is for discussion and direction to staff.



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Attachment