

HOW TO DO BUSINESS
WITH
THE
CITY OF CHANDLER

FEBRUARY 2009



Chandler • Arizona
Where Values Make The Difference

Purchasing Division
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Chandler, Arizona 85225-5550
Phone: (480) 782-2400
Chandler Web Site – www.chandleraz.gov

(Supersedes Booklet dated July 2007)

COOPERATIVE PURCHASING SUPPLY CONTRACTS

The City actively participates in multiple cooperative purchasing programs, both in state and out-of state; to help ensure “best value” goods and services are obtained by the City. The cooperatives used (e.g. State of Arizona, SAVE, Western States Contracting Alliance, US Communities, Mohave Educational Services Cooperative, and the Federal 1122 Program for Law Enforcement) are approved by the City’s Legal Department and/or the City Council.

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Therefore, it is recommended that vendor’s wishing to do business with the City also register with the State of Arizona (PH: 602-542-5511) and other local public sector entities (e.g. Cities, Maricopa County, School Districts).

APPLICATION OF TAXES

Individuals and firms are responsible for obtaining the appropriate privilege license tax (city sales tax).

The City of Chandler does pay sales tax for in-state purchases and a use tax for out-of-state purchases.

The City is exempt from paying federal excise tax. The City, upon request, will execute an exemption certificate in connection with orders when this tax would otherwise be due.

The City is exempt from paying sales tax and use tax for certain items such as chemicals used for processing drinking water, and pipes that are four (4) inches or larger used for transporting drinking water, to include fire hydrants and valves.

This handbook has been prepared as a brief introduction to acquaint you with the business procedures of the City of Chandler, Arizona. Familiarity with these procedures will aid you in presenting your product or services to the City.

Should you have any questions that are not answered herein, please call our Purchasing Office at (480) 782-2400, or visit our web site at www.chandleraz.gov/purchasing.

Robert Combs
Purchasing & Materials Manager

PURCHASING DIVISION OBJECTIVE DECLARATION

To maintain a Centralized Purchasing System consisting of the procurement and material control, which is designed to maximize the effectiveness of the tax dollar, while providing timely and adequate support of the City's needs for materials and services.

CODE OF ETHICS

Purchasing activities are of public interest and a matter of public record. We are governed by the highest ideals of honor and integrity in all public and personal relationships in order that we may merit the respect and inspire the confidence of the agency and of the public, which we serve.

GIFTS AND GRATUITIES

Under no circumstances will any City employee accept directly or indirectly, gifts or other items of value from individuals or firms. The City employees will not seek nor dispense personal favors. Administrative problems will be handled fairly, objectively, without discrimination, on the basis of principle and justice.

INVOICES

Invoices shall be prepared and submitted to the City for items purchased. No invoice shall be issued prior to shipment of goods and no payment will be made prior to receipt of goods. The City requests the following information be listed on invoices: Purchase Order number, item number, description of materials, supplies and/or services, quantities, unit price(s), extended totals, and applicable sales/use tax. The City is not subject to excise tax. The purchase order will indicate where invoices shall be sent for processing.

PURCHASING CARD

The City has issued, to select employees, a purchasing card that can be used to purchase a variety of items. Each card has the employee's name and the City of Chandler logo imprinted on the card. Purchases are generally limited to no more than \$2,000 per transaction.

DELIVERIES

All purchases are normally made F.O.B. Destination. Unless otherwise specifically stated, the City's title to goods occurs upon satisfactory delivery at the delivery point shown on the purchase order, unless otherwise indicated. Deliveries may be required to be made to different departments or divisions located in various parts of the City. The purchase order number must appear on all shipping documents. Failure to meet specified delivery schedules may result in cancellation of an order.

Deliveries normally must be made in the exact quantity called for on the purchase order; however, partial deliveries, if required, are accepted in some instances.

Proper labeling and material safety data sheet (MSDS) on all products covered by the Hazard Communication Act-29 CFR 1910.1200 are to be provided to the City at the time of delivery.

OPEN MARKET PURCHASES

Informal quotations will be solicited by telephone, e-mail, facsimile (fax), or by mail. Informal purchases do not require public advertising. Generally, the quotation process takes from one (1) day to two (2) weeks to complete. This includes the evaluation and award process. Whenever possible, these purchases are based on competitive quotations.

PETTY CASH

Purchases that do not exceed \$100 may be made from petty cash. The City employee making such a purchase will pay in cash and must obtain a receipt marked "PAID" or cash register receipt.

BLANKET ORDER

The City of Chandler issues blanket purchase orders to firms so that the City staff may purchase items needed on a frequent basis. The blanket order will normally be for a total of \$5,000 and have a limited amount allowed per invoice. The purchase order shall also include the individuals authorized to order and receive goods on behalf of the City.

PROCUREMENT POLICIES

Purchasing is guided in its procurement procedures by several established policies.

These policies are:

1. To conduct all procurement in accordance with the Arizona State Law and the City of Chandler Charter, City Code, and Administrative Regulations.
2. To obtain the required quantity and quality of materials at the most cost effective price.
3. To maximize competition, and provide interested and qualified individuals or firms with the opportunity to offer their products or services to the City.

WHO PURCHASES FOR THE CITY

The City has a centralized Purchasing Division. The Purchasing Division is the authority for all material, service, construction and supply purchases. No purchase should be made without a properly authorized purchase order, unless purchased with petty cash or the City purchasing card.

HOURS OF BUSINESS

The Purchasing office is open for business from 8:00 a.m. to 5:00 p.m., Monday through Friday with the exception of holidays. Visitors may visit the Purchasing Office without appointment between these hours, although appointments are always welcomed. Appointments may be made by telephoning (480) 782-2400.

CONSTRUCTION AND PROJECT ENGINEERING

Major general construction projects are processed through Purchasing and the Contract Administration Office, Public Works, Engineering Division.

NON-PERFORMANCE

Should an individual or firm fail to meet any requirements of a contract specification or purchase order, they could be cited for non-performance. Each non-performance will be evaluated based upon the circumstances surrounding each violation. The City may terminate the contract for default if it is in the best interest of the City. An individual or firm may be suspended from doing business with the City for a period of one (1) year for not conforming to the terms of the City's contract or purchase order.

MINORITY AND WOMEN

Although the City does not have a "set aside" program, every effort is made to allow the opportunity for small, minority, and women owned businesses to do business with the City. The City actively participates in trade shows and other events to encourage small, minority, and women owned businesses to register as a vendor with the City and to submit responses to solicitations.

VENDOR SAMPLES

When deemed necessary, samples of supplies and/or materials may be requested by the City for analyzing and testing. These samples will normally be purchased by the City in small quantities to ensure that they meet the needs of the City.

REJECTION OF SOLICITATION

The City of Chandler reserves the right to reject any or all solicitations and to waive any informality in any solicitation submittal. Any provision, which, if waived, could effectively change the solicitation, cannot be waived. The City reserves the right to accept or reject any specific item or group of items on a solicitation unless the vendor states it is an “all or nothing bid”.

VENDOR REGISTRATION

The City of Chandler uses an on-line vendor registration system whereby individuals and/or firms can select areas of interest to receive notification (email, mail) of formal solicitations in those areas. Vendors are able to register on-line at www.chandleraz.gov. Select Customer Services, then Vendor Services. Next, select the Vendor Registration System link. Registration instructions and more information will be listed. The system will provide the ability to immediately notify you of any new solicitations within your registered commodity codes. Once registered, vendors will maintain their own information with any updates or changes. The vendor registration system will automatically post bid notices/packages/addendums to the City of Chandler Purchasing website, where you will be able to download these documents.

There is no cost to the vendor to register. You will be able to use your own computer, computers at any Public Library, or a computer located in the Purchasing Office.

Requests for Qualifications (RFQ's) are initiated by the Contract Administration office, Public Works, Engineering Division. RFQ advertisements are issued by the Purchasing Office through the City's vendor registration system. The Contract Administration office maintains a separate Statement of Qualifications (SOQ) library for direct selection. Qualified registered consultants are invited to submit their SOQ's for projects under \$50,000.

In addition to registering with the Purchasing Office, you may contact Contract Administration for additional information by calling (480) 782-3308.

INTRODUCING YOUR PRODUCT OR SERVICES

The City engages in various activities while providing municipal services for its residents. Some of these services include: police and fire protection, water production and distribution, traffic engineering, street maintenance, sanitation and trash collection, sewage disposal, public planning and inspection services. A great variety of equipment, supplies and services must be purchased in support of these operations. The City also engages the services of Professional Consultants; for example, Information Technology and Human Resources consultants.

If you sell a commodity or provide a service needed by the City, and your prices and/or services are competitive with those who are currently obtaining the City's business, the Purchasing Office is interested in you.

The appropriate procurement officer should be contacted for an appointment to determine the City's need for your particular product or service. The procurement officer can review with you the frequency, method, and pricing used to obtain the product and/or service.

HOW THE BUYING PROCESS WORKS

The information provided here describes, in simplified form, the purchasing process used by the City. The process begins with the development of a requisition by the using department and ends with the processing of a purchase order by the Purchasing Office.

PURCHASING LIMITS

Small purchases - \$1 to \$5,000 – Use petty cash up to \$100, purchasing card and purchase orders.

Medium purchases - \$5,000 to \$50,000 - Require three (3) quotes, verbal or written, depending on complexity. Use purchase orders. May also use Invitation for Bid (IFB) and/or Request for Proposals (RFP) depending on item and/or services being purchased.

High purchases – Over \$50,000 - Requires formal solicitation or use of other approved contracts (e.g. State of Arizona, SAVE, Maricopa County) using IFB and/or RFP. Requires approval by City Council.

Construction Contracts – Over state law limit (\$18,058 for FY 2007/08) - Require IFB and approval by City Council at certain levels.

Professional Services

- Under \$30,000 informal selection process and approval by Department Director(s) and Purchasing Office.
- Over \$30,000 Request for Qualifications and Experience (RFQ&E) or RFP packages are solicited and recommendation made by evaluation committee and approved by City Council.

HOW OFFERS ARE SOLICITED

Offers are solicited through “formal” and “informal” procedures. Formal procedures, competitive sealed bids and request for proposals are used to comply with the legal requirements when the value of the purchase exceeds \$50,000. Informal procedures, open market, verbal quotes, and written quotes are used when the value of the purchase is less than \$50,000.

Factors that may be considered when awarding a solicitation in addition to price are: experience/expertise, method of satisfying scope of work, payment terms, quality, delivery time, freight charges and shipping point.

SOLICITATION PROCEDURES

Solicitations will be issued through an Invitation for Bid (IFB), Request for Proposal (RFP) or Request for Qualifications & Experience (RFQ&E). Solicitations are usually advertised in a local newspaper. The advertisement will state the date the offers are due, the general nature of the goods and/or services to be purchased, where the solicitation package may be obtained, and the time and place solicitations will be opened. In addition, a notification of the availability of the solicitation will be sent to vendors via the Vendor Registration system for the goods or services sought.

In some solicitations, pre-bid/proposal conferences are held where bidders/offerors may attend to ask questions, get clarification or receive additional information. Most pre-bid/proposal conferences are not mandatory.

The formal competitive process from the issuance to opening generally takes approximately four (4) weeks. After solicitations are opened, the evaluation and approval process generally takes an additional three (3) weeks before an award recommendation is made. Some complex solicitations may take longer.

All solicitations are publicly opened and read aloud at the opening. Offerors are welcome to attend the opening at the date and time listed in the documents. In bids, certain dollar amounts are read aloud. For proposals and RFQ&Es, only the names of the firms are read aloud.

Note: Solicitations and awards are posted on the City’s web site, under Purchasing at: www.chandleraz.gov/purchasing.