

PROCUREMENT REQUIREMENTS FOR PUBLIC SERVICE PROJECTS

When using CDBG funds to purchase materials, products, supplies or services, a free and open competitive process must be followed. Prior to incurring the cost, the agency must conduct a **Price and Cost or Sole Source Analysis** (see definitions). The purchase must be documented on the attached Procurement Form and submitted to the Project Manager for review and approval.

Procurement undertakings must make an effort to outreach/utilize Minority & Women Owned Business Enterprises (MBE/WBE) firms when applicable. Documentation must be maintained to verify the outreach efforts. The Project Manager can help you contact minority and women owned businesses through a directory published by the City of Phoenix Equal Opportunity Department.

Expenditures under \$500 for non-inventoried basic supplies necessary for operation of an office, i.e., pencils, pens, stationary, staples, pads, rubber stamps, and file folders are not subject to procurement requirements.

PROCUREMENT DEFINITIONS

Price and Cost Analysis

A price or cost analysis must be made in connection with every procurement action. *Price analysis* involves comparing the bottom line price quoted by the offeror with typical prices paid for the same or similar materials or services (does not apply to sole source contracts). *Cost analysis* involves an analysis of the individual elements of cost (as requested by the solicitation).

Sole Source

Procurement by noncompetitive process is solicitation from only one source. This process is rare and is acceptable only after solicitation of a number of sources is determined inadequate. *Extensive documentation and justification is required to reflect the actions taken.* City approval is required to establish the audit trail. The agency may make the determination that competition is not feasible if one of the following circumstances exists:

1. The item is unique and available only from a single source.
2. There is a public urgency or emergency that exists that will not permit a delay resulting from a competitive solicitation.

Small Purchases

Dollar limit: \$500- \$1,000

Examples: Supplies (bulk orders) Printing Services (brochure), Office Equipment (fax machine)

Method: Telephone Solicitations

Description: Price quotes are received by phone and documented. At least three vendors should be solicited and price, availability and delivery information should be requested. The purchase order is awarded to the responsible vendor quoting the lowest price, all other factors considered. Exceptions must be documented in writing and approved by the City. The Procurement Form and other supporting documentation must be submitted to the Project Manager with the payment request.

Larger Purchases

Dollar limit: Over \$1,000

Examples: Professional/Consultants (Bookkeeping, CPA, Audit Services) Office Equipment

Method: Written Quotation (Prior Approval Required)

Description: This procedure applies to more complex items when a quote in writing is required. Award is made to the responsible vendor quoting the lowest price and meeting the technical requirements. Exceptions must be documented in writing and approved by the City. Prior to incurring the cost, the agency must document the purchase activity and decisions on the Procurement Form, attach written quotations, and forward to the Project Manager for review and approval.