

  DEPARTMENT ORDER MANUAL	ARIZONA DEPARTMENT OF CORRECTIONS	CHAPTER: 300  BUSINESS/BUDGET	OPR:  AS OPS
		DEPARTMENT ORDER: 302  <i><b>CONTRACTS AND          PROCUREMENT</b></i>	SUPERSEDES: (See Attachment I)  EFFECTIVE DATE: MARCH 26, 2003  REPLACEMENT PAGE EFFECTIVE DATE: APRIL 30, 2013

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## PURPOSE

This Department Order establishes procedures for purchasing equipment or supplies and contracting essential professional services, intergovernmental agreements and interagency service agreements. This Order further establishes authority levels for purchases and provides a method for the Department to enter into appropriate contracts for goods and services.

## APPLICABILITY

This Department Order applies to all purchases of materials, equipment, supplies and services for every office, activity, unit, facility and institution of the Department except:

- Application for federal grants, which are administered in accordance with Department Order #307, Federal Grants.
- The procurement of services from persons who are licensed as Technical Registrants (i.e, civil, structural, electrical, geological, mechanical or sanitary engineers, or surveyors, architects and landscape architects), which are administered in accordance with Department Order #401, Prison Construction.
- Purchase of raw materials and supplies to be used in the manufacture of products for sale by Arizona Correctional Industries, pursuant to A.R.S. 41-1622.

Private Prisons purchase of material, equipment, supplies and services shall be in accordance with and as specified in the Department contract.

## PROCEDURES

### 302.01 GENERAL PURCHASING GUIDELINES

- 1.1 The Chief Procurement Officer shall be responsible for all products and services procurement actions, and has the authority to issue determinations for the following:
  - 1.1.1 Sole Source Procurement - Used in the complete absence of competition for any product or service.
    - 1.1.1.1 Requests shall be submitted in writing, using Form SS101, (Attachment C) and approved before a procurement action is taken.
    - 1.1.1.2 Documentation provided shall support that there is only one company that can provide the product or service.
    - 1.1.1.3 Documentation of the steps performed to determine that other potential sources of the product or service do not exist shall be identified.
  - 1.1.2 Competition Impractical - Utilized when it is determined that there is a situation that makes bids impracticable, unnecessary or contrary to the public interest. Requests shall be submitted in writing, using Form CI 101, (Attachment D).

- 1.1.3 Emergency Procurement - Products or services are needed in response to a threat to public health, safety or welfare.
  - 1.1.3.1 Verbal approval may be given contingent upon the Chief Procurement Officer receiving a written explanation of the emergency, using Form EP-101 (Attachment E), within two days following the verbal approval.
  - 1.1.3.2 Limited competition shall be conducted, or as much as is feasible under the circumstances of the situation.
  - 1.1.3.3 The contract shall be limited to the duration of the emergency.
- 1.1.4 Brand Name Determination - May be used if it is determined that only an identified brand name item will satisfy the State's need.
  - 1.1.4.1 Requests shall be submitted in writing, using Determination, Types of Specification, Use of Brand Name, Form 302-6P.
  - 1.1.4.2 To the extent practicable, the sources of the designated brand name shall be identified.
  - 1.1.4.3 Each source shall be solicited to obtain the maximum practicable competition.
- 1.1.5 Determination to Utilize Requests for Proposal - If it is determined that the use of a bid process is not practicable or advantageous to the State, a contract may be entered into by means of competitive sealed proposals.
  - 1.1.5.1 Determination must be submitted in writing, using Determination, Use of Request for Proposals, Form 302-7P.
  - 1.1.5.2 A Request for Proposal shall not be used for the procurement of construction services.
- 1.2 The Chief Procurement Officer shall:
  - 1.2.1 Maintain written documentation regarding the nature and disposition of each request pertaining to the delegations listed in 1.1.1 through 1.1.5, of this section.
  - 1.2.2 Within 15 days of March 31, June 30, September 30 and December 31, furnish to the State Purchasing Office a report disclosing the number of each of the requests and disposition of each of the above delegations.
- 1.3 All procurement action taken shall be in accordance with the Department of Administration (DOA) Procurement Rules and Regulations Manual and the Business and Finance Technical Manual.
  - 1.3.1 The Chief Procurement Officer or designee shall provide manual changes to the manual holders as appropriate. All recipients shall update this manual as changes are distributed.

- 1.3.2 Not all staff involved in the purchasing processes shall be manual holders. The procurement policies and manual may be obtained by contacting the Chief Procurement Officer or designee.
- 1.4 Any single expenditure or renewal of at least \$100,000, regardless of the purpose or the funding source, shall be submitted through the chain-of-command for review and approval/disapproval by the appropriate Deputy Director/Assistant Director and the Assistant Director for Administrative Services.
- 1.5 The Chief Procurement Officer's delegation of authority shall be as follows:
  - 1.5.1 Offices without an assigned buyer may purchase up to \$1,000. Purchases that exceed this amount shall be sent to the Chief Procurement Officer or designee for purchasing actions.
  - 1.5.2 Offices with an assigned buyer may purchase up to \$2,500. Purchases that exceed this amount shall be sent to the Chief Procurement Officer or designee for purchasing actions.
  - 1.5.3 The Chief Procurement Officer has full purchasing authority.
- 1.6 The Budget Unit Supervisors or designee and/or buyers shall consult with the Chief Procurement Officer if any questions arise or if guidance or clarification is needed.
- 1.7 Requests for Purchase
  - 1.7.1 Only authorized Department personnel listed on file in the Financial Services Bureau shall be permitted to approve a Request for Purchase, Form 302-2P, to use Department funds.
  - 1.7.2 Prior to the ordering of any material or services by an authorized employee, a Request for Purchase shall be prepared.
  - 1.7.3 The completed Request for Purchase shall be presented to the Assistant Director, the appropriate Regional Operations Director, Warden, Deputy Warden or their designee and the Facility Health Administrator for approval.
  - 1.7.4 After approval, the Request for Purchase shall be forwarded to the institutional business office or the Procurement Services Bureau for review.
  - 1.7.5 If the Request for Purchase form is forwarded to a business office, institution staff shall follow the DOA Procurement Rules and Regulations Manual and the Business and Finance Technical Manual.
    - 1.7.5.1 Failure to follow this procedure shall result in the denial of payment for material and/or services ordered. The employee who ordered or caused the material and/or services to be ordered shall be held personally responsible.
  - 1.7.6 Upon review of the request and approval of the program unit manager, the Request for Purchase shall be forwarded to Procurement Services Bureau for processing. The requestor shall retain the goldenrod copy.

- 1.7.6.1 Upon receipt of the Request for Purchase the Chief Procurement Officer or designee shall review the document for content and compliance with the Department's Annual Contracts and State Procurement Contracts.
- 1.7.6.2 If the requested item necessitates a competitive quotation action, the Budget Unit shall be notified and the bid/purchase activity assigned. Further action on the Request for Purchase shall not be taken until this activity is completed.
- 1.7.7 After the Procurement Services Bureau has reviewed and completed the required competitive action, the Request for Purchase shall be forwarded to the Central Office/Complex Business Office Accounting Unit for approval and assignment of a Purchase Order and/or Claim Number.
  - 1.7.7.1 The requestor shall receive a copy of the bid package.
  - 1.7.7.2 The canary copy shall be returned to the requestor, serving as a confirmation of the issuance and processing of a Purchase Order. In the instance of a procurement of less than \$500, for which a claim shall be issued directly, the Procurement Services Bureau shall return only the canary copy to the Accounting Unit.
- 1.7.8 All capital equipment shall be procured through the Procurement Services Bureau and paid through the Financial Services Bureau.
- 1.7.9 Budget Unit Supervisors or designees shall use existing State and Department Contracts to purchase capital equipment needs covered by such contracts.
  - 1.7.9.1 If a Budget Unit Supervisor or designee determines that a particular State or Department contract does not meet the needs of the unit, the supervisor shall not purchase the materials or services without advance written approval from Purchasing/State Procurement.
  - 1.7.9.2 A completed Off-Contract Authorization, DOA Form 150 (Attachment A), shall be submitted to Procurement Services Bureau. A copy of the approval shall be retained in the procurement files.
- 1.8 Fiscal Year End Procurement
  - 1.8.1 Tangible Products - If the procurement process has not been initiated and the tangible products cannot be delivered before the close of business July 31, the ordering budget unit shall:
    - 1.8.1.1 Submit a written request to DOA, through the Financial Services Bureau, for approval to use the current year's appropriated funds to purchase the products.
    - 1.8.1.2 Obtain written DOA approval prior to initiating the procurement process.

- 1.8.2 If the procurement process has been initiated but the bid information shows that the tangible products cannot be delivered before the close of business July 31, the ordering budget unit shall:
  - 1.8.2.1 Submit a written request to DOA, through the Financial Services Bureau, for approval to use the current year's appropriated funds to purchase the products.
  - 1.8.2.2 Obtain written DOA approval prior to awarding the bid.
- 1.8.3 If the bid has been awarded and the original delivery date was on or before July 31, but the vendor subsequently notifies the ordering budget unit that the tangible products cannot be delivered before the close of business July 31, the ordering budget unit shall:
  - 1.8.3.1 Immediately submit a written request to DOA, through the Chief Financial Officer, for approval to use the current year's appropriated funds to purchase the products.
  - 1.8.3.2 Obtain written DOA approval to pay the vendor upon receipt of the invoices.
- 1.8.4 The written requests for approval, referenced in sections 1.8.1, 1.8.2 and 1.8.3, shall include a justification for the exception. Justifications may include but are not limited to unforeseen manufacturing delays, strikes, natural disasters, and specific appropriations or legislative intent related to the purchase of the tangible products.
- 1.8.5 These procedures apply to all tangible products to include office supplies, computers and buses, regardless of the dollar value of the items.
- 1.9 Services - Invoices for services rendered shall be paid from the appropriation granted for the fiscal year in which the services were performed.
  - 1.9.1 Examples:
    - 1.9.1.1 The bill for June 1998 (FY 98) electric service is not received until August 1998 (FY 99). The bill shall be paid with FY 98 funds.
    - 1.9.1.2 A contract is awarded for video services that will be provided in multiple fiscal years. The services rendered prior to June 30, 1998 shall be paid from the FY 98 appropriation. The services rendered between July 1, 1998 and June 30, 1999 shall be paid from the FY 99 appropriation.
  - 1.9.2 There shall be **no** exceptions for service invoices.

**302.02 USE OF APPROPRIATED FUNDS - Appropriated funds:**

- 1.1 May be used to purchase one microwave oven and one refrigerator for each prison control room. These appliances shall only be used by staff assigned to the control room and shall not be removed for use in other areas.
- 1.2 Shall not be used for the purchase, rental or lease-purchase of the following items for use by inmates. These items, if approved, shall be paid for with the Activities and Recreation (A&R) funds for Department institutions or the Welfare and Benefits Account for Private Prisons, in accordance with Department Order #303, Bank Accounts/Petty Cash System.
  - 1.2.1 Public Performance Licensing Agreement/Televisions and Monitors.
  - 1.2.2 Blanket Video License Fee Athletic and Recreation.
  - 1.2.3 Closed Circuit Television Equipment.
  - 1.2.4 Cable TV Rental of movies and other entertainment items.
  - 1.2.5 Radios.
  - 1.2.6 Videocassette Recorders.
  - 1.2.7 Ice Machines and ice (only ice machines or ice used in the kitchens or in food preparation may be purchased with appropriated monies.)
- 1.3 Shall not be used to purchase bottled water for personal use by state employees. Bottled/distilled water may be purchased for those functions that require special treatment. Examples are:
  - 1.3.1 State equipment that requires distilled water.
  - 1.3.2 Sterilization of medical instruments.
  - 1.3.3 Emergency situations when it is necessary to shut off the normal water supply.

**302.03 CAPITAL EQUIPMENT PURCHASE**

- 1.1 Budget Unit Supervisors or designees shall submit their Requests for Purchase for all Capital Equipment to the appropriate Deputy Director, Assistant Director or designee for review and approval.
- 1.2 Capital Equipment shall be purchased and recorded as follows:
  - 1.2.1 The Budget Unit Supervisor or designee shall ensure that a Request for Purchase is prepared and approved to purchase each item of capital equipment.
    - 1.2.1.1 The Request for Purchase shall include a description, estimated cost, and technical specifications.
    - 1.2.1.2 The Request for Purchase may also include suggested vendors and other information that may assist in the purchase of the item.

- 1.2.2 The completed and approved Request for Purchase shall be sent through the appropriate Business Office to the Procurement Services Bureau to begin the procurement process. A copy of the Request for Purchase shall be retained by the Budget Unit. The Procurement Services Bureau shall:
  - 1.2.2.1 Initiate appropriate competitive activity to purchase the item.
  - 1.2.2.2 Upon completion of the competitive activity, contact the requesting Budget Unit to obtain approval prior to the issuance of a purchase order if the price of an item differs from the original estimate.
  - 1.2.2.3 Indicate the vendor, actual pricing, delivery terms, etc. on the Request for Purchase and send it to the Accounting Manager.
- 1.3 The Accounting Manager shall encumber the funds to purchase the capital equipment item and prepare a purchase order. Copies of the purchase order shall be distributed to the following:
  - 1.3.1 The Vendor.
  - 1.3.2 The Budget Unit requesting the item.
  - 1.3.3 The Financial Services Bureau, Inventory Unit.
  - 1.3.4 The Financial Services Bureau, Accounting Unit.
  - 1.3.5 The Procurement Services Bureau.
- 1.4 The Budget Unit copy of the purchase order shall be signed and dated when the equipment item is received and forwarded to the Budget Unit's Property Manager. The Property Manager shall:
  - 1.4.1 Tag the item and complete a Fixed Asset Property Record. The tag shall be affixed to the item as specified in Department Order #304, Equipment and Inventory.
  - 1.4.2 Record the tag number on the receiving copy of the purchase order and send the Request for Purchase and the completed Fixed Asset Property Record, Form 304-6P, to the Accounting Manager.
- 1.5 The Accounting Manager shall match the receiving copy of the purchase order from the budget unit to the Accounting Unit copy of the purchase order and the corresponding invoice.
  - 1.5.1 A claim shall be prepared by the Accounting Unit to pay for the capital equipment. Claims to pay for all capital equipment shall be charged to the sub-object codes for capital equipment (8411-8499).
  - 1.5.2 After being received, a warrant shall be mailed to the vendor by the Accounting Unit.

- 1.5.3 A copy of the claim, receiving copy of the purchase order invoice and the Fixed Asset Property Record form shall be provided to the Inventory Unit.
- 1.6 After receiving a copy of the claim, the purchase order, the invoice and the Fixed Asset Property Record Form, the Inventory Unit shall add the equipment to the inventory with all the required information such as location, tag number, description and cost.
- 1.7 The Inventory Unit shall retain copies of financial records associated with the purchase of capital equipment in accordance with Department Order #103, Correspondence/Records Control. The original financial records generated with the purchase of land, building and improvements shall be retained indefinitely.

#### **302.04 RADIO EQUIPMENT PURCHASE**

- 1.1 Radio Equipment that is Inventorial Equipment - Shall be purchased from vendors by original written orders using the following procedures:
  - 1.1.1 The Business Administrator or designee shall send the Request for Purchase to the Communications Unit Manager for review and approval/denial.
    - 1.1.1.1 Purchase requests that are not approved shall be returned to the person who initiated the Request for Purchase with an explanation as to why the request was denied.
    - 1.1.1.2 The Communications Unit Manager shall notify all appropriate persons when requests are denied.
  - 1.1.2 The Communications Unit Manager shall return the approved Request For Purchase to the institution's Business Administrator. The Business Administrator or designee shall:
    - 1.1.2.1 Initial the approved Request for Purchase and obtain a Purchase Order number from the Accounting Unit if the amount of the purchase exceeds \$500.00. If the amount is less than \$500.00, a Purchase Order number is not required.
    - 1.1.2.2 Forward the Request for Purchase to the institution's Business Administrator or designee. All radio equipment shall be purchased from existing state procurement contracts, unless the Procurement Services Unit has completed a specific competitive action.
  - 1.1.3 The Business Administrator or designee, shall prepare the Purchase Order for distribution.
  - 1.1.4 The Communications Unit Manager shall inspect and program the radios after receipt of the equipment from the vendor.
  - 1.1.5 The Inventory Unit shall affix an inventory tag number(s) to the radio equipment and list the tag number(s) on the green Receiving Report.

- 1.1.6 Upon receipt of the radio equipment and the green Receiving Report, the Property Manager shall review the shipment to ensure receipt of equipment ordered.
  - 1.1.6.1 Those institutions or units with internal receiving records shall attach the receiving record to the Request for Purchase Green Receiving Report.
  - 1.1.6.2 Any discrepancies between the green Receiving Report and the actual radio equipment received shall be brought to the immediate attention of the Communications Unit Manager.
  - 1.1.6.3 The Property Manager shall then submit the green Receiving Report and internal Receiving Report, if any, to the institution's Business Administrator or designee for payment.
  - 1.1.6.4 The Inventory Unit shall distribute the radio equipment to the appropriate person.
- 1.1.7 The vendor's original invoice shall be sent directly to the Communications Unit Manager, who shall review the invoice to ensure that the radio equipment has been received and distributed to the appropriate institution and that the pricing is correct.
- 1.1.8 The Communications Unit Manager shall send the invoice to the institution's Business Administrator or designee, for processing and payment.
- 1.1.9 The Business Administrator or designee, shall match the invoice, Purchase Order and green Receiving Report and process payment to the vendor.
- 1.2 Radio Equipment that is Capital Equipment - Shall be purchased from vendors by original written orders using the following procedures:
  - 1.2.1 The institution shall send the Request for Purchase to the Prison Operations Business Administrator for approval or denial.
    - 1.2.1.1 Requests that are not approved shall be returned to the person initiating the Request for Purchase.
    - 1.2.1.2 Approved requests shall be sent to the Chief Procurement Officer or designee.
  - 1.2.2 Budget units, other than institutions, shall submit a Request for Purchase to the appropriate Business Administrator for approval or denial.
    - 1.2.2.1 Denied request shall be returned to the person initiating the Request for Purchase.
    - 1.2.2.2 Approved requests shall be sent to the Chief Procurement Officer or designee.

- 1.2.3 The Procurement Services Bureau shall retain the original Request for Purchase and submit a photocopy to the Communications Unit Manager for review and approval.
- 1.2.4 The Communications Unit Manager shall approve or deny the Request for Purchase. Approved requests shall be sent to the Chief Procurement Officer. A denied request shall be returned to the originator and the Procurement Services Bureau for their records.
- 1.2.5 If changes to the Request for Purchase are required, the Communications Unit Manager shall return the Request for Purchase, with changes, to the initiator.
  - 1.2.5.1 A copy of the Request for Purchase with changes shall be sent to the Procurement Services Bureau and to the appropriate Business Administrator.
  - 1.2.5.2 Changes to the Request for Purchase may cause the dollar amount to change, therefore the Request For Purchase shall be resubmitted with changes as appropriate.
- 1.2.6 The Procurement Services Bureau shall forward the approved request to the Accounting Manager or designee, who shall prepare and distribute copies.
- 1.2.7 The Communications Unit Manager shall approve or deny the invoice for payment and ensure the equipment is processed in accordance with section 302.04, 1.1.5 through 1.1.9. Documentation shall be forwarded to the Accounting Manager who shall process payment of the invoice and forward copies of the claim to the appropriate Business Administrator and the Inventory Unit.

**302.05 INVENTORIAL EQUIPMENT PURCHASE** - Inventorial Equipment shall be purchased and recorded as follows:

- 1.1 The Budget Unit Supervisor or designee shall ensure that a Request for Purchase is prepared and approved to purchase all inventorial equipment.
  - 1.1.1 The receiving copy of the Request for Purchase shall be sent to the Warehouse Supervisor/Storekeeper or other employee responsible for the receipt of the equipment item.
  - 1.1.2 A copy of the Request for Purchase shall be sent to the Property Manager.
- 1.2 Upon receipt of the item, the receiving report shall be signed, dated and forwarded to the Property Manager so that the equipment may be tagged. The Property Manager, in coordination with the Property Custodian, shall tag the equipment and indicate the tag number on the receiving report. The receiving report shall then be sent to the appropriate Business Office. The Property Manager shall retain a copy of the receiving report.
  - 1.2.1 The tag number shall be affixed to the item and the information recorded before being issued to the user.

- 1.2.2 The tag shall be affixed to the front upper right hand area, when practical. Otherwise, the tag shall be affixed in such a manner that it is visible on the front. The tag shall not be affixed to an area on an item that can be removed and/or exchanged with a similar item, for example a desk drawer.
  - 1.2.3 The equipment tag number shall also be marked in another location with an indelible ink marker or engraver so the item may be identified if the tag is removed. This marking shall be done in such a manner so it does not deface the equipment item.
  - 1.3 The Business Office of the Budget Unit acquiring the inventorial equipment shall prepare the claim to pay for the item. Claims to pay for all inventorial equipment shall be charged to the sub-object codes for non-capital equipment.
  - 1.4 The Business Office shall send a copy of the invoice and claim to the Property Manager. The Property Manager shall:
    - 1.4.1 Use the information from the Purchase Order, receiving report, claim and invoice to complete the Fixed Asset Property Record.
    - 1.4.2 Retain a copy to verify that the item is included on the next computer printout.
  - 1.5 The Chief Financial Officer or designee shall ensure the items and other pertinent information are entered into the equipment inventory system from the information provided by the Property Manager.
- 302.06 SURPLUS PROPERTY** - The Department may acquire property from the DOA Surplus Property Unit using the following:
- 1.1 The institution authorized screener, as approved by DOA Surplus Property, shall perform an inspection at the disposal yard, freeze the property wanted and request that Surplus Property staff complete the Transfer Document and Invoice form at the time of inspection. The invoice may then be returned to the institution for completion.
  - 1.2 The Warden or Business Administrator shall enter the Request for Purchase or Purchase Order number being used in the "Customer Purchase Order" section of the invoice, and attach the original and one copy of the Request for Purchase/Purchase Order signed by the staff member having signatory authority.
    - 1.2.1 Institutions/units may hand-carry the completed Request for Purchase/Purchase Order and Transfer Document and invoice to the Chief Procurement Officer or designee, for processing.
  - 1.3 The Chief Procurement Officer or designee, shall:
    - 1.3.1 Verify the information on the Request for Purchase/Purchase Order and invoice and ensure that the signature(s) on the document is valid.
    - 1.3.2 Sign the invoice as the Department authorized agent on all correct documents. Incorrect/incomplete documents shall be returned to the institution/unit for necessary action.

- 302.07 CONTRACTS, AGREEMENTS, LEASES, RENTALS** - Shall be signed only by authorized personnel. The number of individuals authorized to obligate public monies shall be limited to ensure organizational and financial accountability and responsibility. Employees who implement contracts, agreements or leases without ensuring that appropriate signatures are acquired may be held personally responsible for any resulting liability.
- 1.1 Contracts, agreements and leases, including the lease or rental of real property, entered into on behalf of the Department shall require signatures of the following Executive Staff members before being considered fully executed:
- 1.1.1 The appropriate Deputy Director, Assistant Director, Regional Operations Director, Warden or designee for coordination and approval of the contract, agreement or lease.
- 1.1.2 The Director or Assistant Director for Administrative Services as the official signatories for the Department.
- 1.2 Contracts, agreements and leases, other than leases completed by Community Corrections, shall be processed through the Procurement Services Bureau for review, development, and preliminary approval of content and acquisition of final approvals and signatures. Those documents not approved by the Chief Procurement Officer shall be returned through the chain-of-command to the initiator.
- 1.3 Contracts, agreements and leases that do not contain the signature of the Assistant Director for Administrative Services shall be considered unauthorized obligations for the Department and shall not be honored.
- 1.4 Cancellation of Contracts - Budget Unit Supervisors or designees who determine that contract services are no longer required shall submit a memorandum to the appropriate Deputy/Assistant Director for review and approval/disapproval to cancel the contract. The memorandum shall detail the purpose and justification for such cancellation.
- 1.4.1 The Deputy/Assistant Director shall submit the written approval to the Chief Procurement Officer for action.
- 1.4.1.1 The Contracts Unit Manager or designee shall review the contract and memorandum to ensure that the reasons for contract cancellation are in the best interest of the State and the Department.
- 1.4.1.2 The Chief Procurement Officer or designee shall submit a written recommendation to the Assistant Director for Administrative Services explaining ramifications, if any, relative to the cancellation.
- 1.4.2 A request for contract cancellation that is denied by the Chief Procurement Officer shall be returned to the appropriate Deputy/Assistant Director with detailed reason(s) for denial.

- 1.4.3 A request for contract cancellation that is approved by the Chief Procurement Officer shall be returned to the Contracts Unit Manager with written direction to process the cancellation.
  - 1.4.3.1 The Contracts Unit Manager or designee, shall provide written notice of cancellation to the contractor in accordance with the terms and conditions of the contract.
  - 1.4.3.2 Copies of the written cancellation shall be provided to the appropriate Deputy/Assistant Director, the Budget Unit Supervisor, and the Procurement Services Bureau.
- 1.4.4 The Chief Financial Officer shall ensure that all final payments are made in accordance with the conditions of the cancellation and the contract.
- 1.4.5 The contract master file shall be retained in accordance with Department Order #103, Correspondence/Records Control.

**302.08 PROFESSIONAL AND GOVERNMENT AGENCY CONTRACTS/AGREEMENTS** - Acquisition of governmental services as an Intergovernmental Agreement (IGA) or Interagency Service Agreements (ISA) as well as procurement of professional services shall be obtained under the technical guidance of the Contracts Unit.

- 1.1 Requests for procurement actions or for contract/agreement preparation shall be submitted in a format approved by the Contracts Unit.
  - 1.1.1 Each request shall completely describe the desired action and shall include any supporting documentation.
  - 1.1.2 Incomplete or inadequate requests shall be returned to the sender.
- 1.2 Deputy/Assistant Directors shall:
  - 1.2.1 Be authorized to issue correspondence to governmental entities regarding the need for an IGA or ISA. The Contracts Unit shall prepare all IGAs and ISAs for the Department or review those prepared outside the Department.
  - 1.2.2 Make final decisions pertaining to contracts, including contract amendments, contract renewals, and responses to contract disputes involving programmatic issues.
  - 1.2.3 Appoint a Program Administrator for each contracted program.
- 1.3 The Director shall:
  - 1.3.1 Make final decisions when administrative concerns relative to procurement activities cannot be resolved through inter-Division discussion and cooperation.
  - 1.3.2 Have final authority to determine whether one request is to have priority over another and to override the order in which the requests shall be processed.

- 1.4 Requests for Outside Services in Excess of \$10,000 - Program Administrators shall:
- 1.4.1 Identify the needs for professional outside services in their area of operation.
  - 1.4.2 Develop and write scope of work Request for Quotations, Requests for Proposals, Requests for Advertising and Professional Service Contracts or as determined by the Assistant Director or contractual specifications.
  - 1.4.3 Develop IGAs, ISAs, Interstate Compact Agreements, Offender Work Contracts, land leases, and building leases for administrative office space and parole offices, or coordinate with the Contracts Unit to ensure that they are developed.
  - 1.4.4 Determine whether regulatory authorities have established specific licensing and certification requirements for providers of the professional services to be requested, and include such information in materials to be submitted to the Contracts Unit.
  - 1.4.5 Address precisely what shall be required of the contractor and the Department, in the Request for Proposal.
  - 1.4.6 Provide the names of qualified providers to the Contracts Unit, who shall forward the information to the Assistant Director.
  - 1.4.7 After review and approval by the Assistant Director, forward the Request for Proposal, Request for Advertising and related information to the Contracts Unit for finalization and publication. Where it is anticipated that the services may cost more than \$10,000, the Request for Proposals shall be submitted at least six months prior to the date the services are needed.
    - 1.4.7.1 Requests submitted in less than the indicated time may result in a delay of service delivery.
    - 1.4.7.2 In order to ensure timely completion, it is recommended that requests for solicitations or contract documents that are lengthy, complex or require the action or signature of a third party Board or Council be submitted in advance of the indicated time frames.
- 1.5 The Assistant Director for Administrative Services shall:
- 1.5.1 Ensure that any single expenditure or renewal of at least \$100,000 is submitted through the chain-of-command for review and approval/disapproval by the appropriate Deputy/Assistant Director prior to reviewing and approving or disapproving the expenditure.
  - 1.5.2 Sign all contracts that are approved for implementation, amendment, renewal or cancellation and submit them to the Attorney General's Office for approval.
  - 1.5.3 Ensure that any single expenditure of \$100,000 or more is submitted through the chain-of-command for review and approval/disapproval by the appropriate Deputy/Assistant Director prior to reviewing and approving/disapproving the expenditure.

- 1.5.4 Review and approve/disapprove all proposed Request for Proposals for amounts of \$100,000 or more, and contracts for \$100,000 or more that are approved for implementation, amendment or renewal.
- 1.6 When submitting requests for action to the Contracts Unit, the respective Deputy/Assistant Director is indicating that:
- 1.6.1 A Needs Assessment has verified the necessity for the service.
  - 1.6.2 The request is in support of established Department Goals and Legislative intent.
  - 1.6.3 Funds are available to purchase the requested service(s).
  - 1.6.4 The requirements relative to each request have been determined and are clearly iterated in the document(s).
  - 1.6.5 Each request is complete and accurate in its content and description.
  - 1.6.6 Division staff are available to participate in procurement activities as required as well as contract management and monitoring activities necessary to ensure that services are acquired and delivered as specified.
- 1.7 The Contracts Unit - All Request for Proposals submitted, for locations whose accounting functions are maintained by the Central Office Accounting Unit and those non-contracted commodities requiring expenditures above the authorized level of the requestor's location, the Contracts Unit shall:
- 1.7.1 Provide technical guidance for the acquisition of governmental services IGAs or ISAs.
  - 1.7.2 Assist in the development and preparation of IGAs, ISAs, Interstate Compact Agreements, Offender Work Contracts, requests for quotations, Professional Service Contracts, land leases and building leases for administrative office space and parole offices.
  - 1.7.3 Provide training and instruction, consistent with this Order, in the contracting process, periodically and/or as needed by Program Administrators.
  - 1.7.4 Provide technical guidance for procurement of professional services to be paid from appropriated professional service dollars.
  - 1.7.5 Provide assistance to Program Administrators in developing and preparing Request for Proposals and Request for Advertising as approved by the Deputy/Assistant Director.
  - 1.7.6 Prepare formats for Request for Proposals; Request for Advertising; contractual specifications; Professional Service Contracts; IGAs; ISAs; Interstate Compact Agreements; Offender Work Contracts; and building leases for administrative office space and parole offices.

- 1.7.7 Prepare recommended contract amendments, recommended emergency and sole source procurement, responses to protests of solicitations, and responses to contract disputes, consistent with the Deputy/Assistant Director's decisions.
  - 1.7.8 Develop IGAs or ISA, or if IGAs or ISAs are prepared outside the Department, review the contracts prior to execution.
  - 1.7.9 Process all other solicitations to acquire professional services from non-governmental entities.
  - 1.7.10 Ensure that Request for Proposals are legally advertised.
  - 1.7.11 Ensure that all requested activities and actions shall be conducted in accordance with established Arizona Revised Statutes to include the State Procurement Code and its associated Administrative Rules and Regulations.
  - 1.7.12 Mail the Request for Proposal to providers identified by the Program Administrator, and other known providers who are qualified, on the first date of the advertisement.
- 1.8 Evaluating Proposals for Outside Services in Excess of \$10,000 - Contracts Unit and Program Administrators shall:
- 1.8.1 Assemble a Proposal Evaluation Committee, which shall include a representative of the Contracts Unit to serve as the Co-Chairperson, who shall be responsible for ensuring technical (contracts) requirements are met.
  - 1.8.2 Conduct an in-depth evaluation of all proposals determined by the Assistant Director to be appropriate for consideration.
  - 1.8.3 Conduct reference checks of offerers and record them, if required in the Request for Proposal.
  - 1.8.4 Verify that bidders and contractors meet the licensing/certification requirements.
  - 1.8.5 Ensure that the Proposal Evaluation Committee:
    - 1.8.5.1 Prepares complete information required by the Arizona State Procurement Code and the Attorney General's Office, in consultation with Contracts Unit and subject to the Deputy/Assistant Director's approval.
    - 1.8.5.2 Determines raw scores.
    - 1.8.5.3 Calculates cumulative scores.
    - 1.8.5.4 Uses evaluation criteria that match the criteria in the Request for Proposal.
  - 1.8.6 Conduct all negotiations with offerers, as scheduled in conjunction with the Contracts Unit, and maintain a record of all discussions, in accordance with the Arizona State Procurement Code.

- 1.8.7 After review and approval by the Deputy/Assistant Director, forward the following documents to the Contracts Unit:
  - 1.8.7.1 Proposals that the Deputy/Assistant Director has determined to be acceptable or unacceptable.
  - 1.8.7.2 The justification of contract award.
  - 1.8.7.3 Documentation prepared by the Proposal Evaluation Committee.
  - 1.8.7.4 The results of reference checks.
- 1.9 The Contracts Unit shall:
  - 1.9.1 Review the materials submitted by the Program Administrator.
  - 1.9.2 Assist the Program Administrator by determining if the requirements in this Order are addressed, by participating in the Proposal Evaluation Committee.
  - 1.9.3 Recommend to the appropriate Program Administrator, through the Assistant Director for Administrative Services, that a Request for Proposal be canceled and re-advertised when procurement infractions occur.
- 1.10 Preparing Service Contracts for Outside Services in Excess of \$10,000 - Program Administrators shall:
  - 1.10.1 Ensure that each request has a complete description of the desired action and is accompanied by supporting documentation that reflects necessary organizational authorizations as well as other information as specified.
  - 1.10.2 Ensure that all requests contain information that adequately describes who, what, when, where, why and how as relevant to each request.
  - 1.10.3 Develop a Professional Service Contract or contractual specifications, as determined by the Program Administrator's Deputy/Assistant Director.
  - 1.10.4 Ensure that the Professional Service Contract draft or contractual specifications do not go beyond the parameters in the Request for Proposal.
  - 1.10.5 Ensure that all points agreed upon after negotiations required by this Order are included in the contract.
  - 1.10.6 Submit the Professional Service Contract or contractual specifications approved by the Deputy/Assistant Director to the Contracts Unit.
  - 1.10.7 Subject to the Deputy/Assistant Director's approval, ensure that legal issues raised by the Office of the Attorney General are reviewed and that appropriate comments are incorporated.
  - 1.10.8 Evaluate changes suggested by the Contracts Unit and report to the Deputy/Assistant Director.

- 1.10.9 Make changes approved by the Deputy/Assistant Director required by technicalities of the procurement process and initiate the Professional Service Contract after it is fully executed.
- 1.11 The Contracts Unit shall:
- 1.11.1 Prepare and disseminate forms for submitting requests for procurement actions or for contract/agreement preparation information.
  - 1.11.2 Review the draft Professional Service Contract or contractual specifications submitted by the Program Administrator.
  - 1.11.3 Prepare a draft Professional Service Contract in accordance with the contractual specifications, if a draft contract was not submitted.
  - 1.11.4 When requested by the Program Administrator, required by statute or otherwise deemed appropriate, ensure that the Attorney General's Office reviews contracts. The Contracts Unit Manager shall determine whether technical requirements have been met and the appropriateness of the contract.
  - 1.11.5 Recommend reasonable changes, but defer to the Deputy/Assistant Director for changes that are operational or Executive Staff matters.
  - 1.11.6 Revise draft contracts only after the Deputy/Assistant Director has reviewed the drafts and decided what revisions are required to ensure that the technicalities of the contract are correct, for example, that the contract is legal, substantive and complies with the Arizona State Procurement Code.
  - 1.11.7 Provide the Program Administrator a final contract that is technically correct.
  - 1.11.8 Track the development process and prepare monthly reports to the Deputy/Assistant Directors of the status of pending contracts.
  - 1.11.9 Ensure that insurance and warranties are appropriately specified.
  - 1.11.10 Provide assistance to Deputy/Assistant Directors and Program Administrators in the renewal and the canceling of contracts, consistent with contract provisions.
  - 1.11.11 Initiate the signature process and ensure that contracts for \$100,000 or more are forwarded to the Assistant Director for Administrative Services for approval/signature.
  - 1.11.12 Notify the Program Administrator of the final disposition of the contract within three work days after the contract is completed, modified or rejected.
  - 1.11.13 Distribute the fully executed contract to all parties.
  - 1.11.14 Maintain central master files of original records of each Request for Proposal, contract, lease, agreement or grant, in accordance with Department Order #103, Correspondence/Records Control.

## 1.12 Procuring Outside Services Not Exceeding \$10,000

- 1.12.1 Subject to the Deputy/Assistant Director's approval, Program Administrators shall, when appropriate, enter into contracts with vendors for amounts not exceeding \$10,000 by soliciting at least three vendors to provide verbal or written quotations and fully documenting this action, in accordance with the following restrictions:
- 1.12.1.1 This process shall not be used in an attempt to fragment the overall cost of an expenditure over several fiscal years.
  - 1.12.1.2 For purchases of less than \$1,000, attempt to obtain the best price, but without necessarily soliciting verbal or written quotations.
  - 1.12.1.3 For purchases estimated to cost between \$1,000 and \$4,999, solicit at least three vendors to submit verbal or written quotations. If unable to obtain three verbal or written quotations, explain why in a memorandum attached to the Request for Quotation and forwarded to the Contracts Unit.
  - 1.12.1.4 For purchases estimated to cost between \$5,000 and \$10,000, prepare a Request for Quotation and mail it to at least three vendors to obtain quotations. If unable to obtain three written quotations, explain why in a memorandum attached to the completed Request for Quotation and forwarded to the Chief Procurement Officer.
- 1.12.2 Requests for IGAs, ISA or for solicitations where it is anticipated that the service may cost less than \$10,000 shall be submitted at least three months prior to the date the services are needed.
- 1.12.2.1 Requests submitted in less than the indicated time, may result in a delay of service delivery.
  - 1.12.2.2 In order to ensure timely completion, it is recommended that requests for solicitations or contract documents that are lengthy or complex or require the action or signature of a third party board or council be submitted in advance of the indicated time frames.
- 1.12.3 Document the competitive action on a Request for Quotation by recording the name of the vendor, the date of the activity, the quotes provided by the vendor and the name of the person giving the quote (or submit the Request for Quotation completed by the vendor).
- 1.12.4 Submit the Request for Quotation, attached to the related Request for Purchase, to the Contracts Unit for final approval and insurance certification.
- 1.12.5 Subject to the Deputy/Assistant Director's approval, renew contracts executed with a Request for Quotation when appropriate to do so. (Renewal of Request for Quotations is not authorized if the renewal increases the authorized expenditure limit beyond \$10,000.)

- 1.13 The Contracts Unit shall:
- 1.13.1 Assist Program Administrators to ensure that contracts executed with a Request for Quotation are technically correct.
  - 1.13.2 Ensure that insurance and warranties are appropriately specified.
  - 1.13.3 Maintain a file of all contracts executed with a Request for Quotation.
- 1.14 Implementing Approved Contracts - The Program Administrator shall:
- 1.14.1 Ensure that the Contracts Unit has obtained required reviews and signatures prior to the purchase of professional services.
  - 1.14.2 Require specific performance by the parties of each contract, agreement or lease; report exceptions; and take the appropriate remedial action for unresolved noncompliance.
  - 1.14.3 Monitor the specific performance of each contractor and the Department.
  - 1.14.4 Document, audit, report and maintain records of the operational activities of each contract, agreement, lease or grant, in accordance with Department Order #103, Correspondence/Records Control System.
- 1.15 Renewing Contracts
- 1.15.1 Deputy/Assistant Directors are authorized to approve a contract for renewal for up to four consecutive years if so stipulated in the terms of the Request for Proposal and if the renewal does not increase the authorized expenditure limit beyond \$10,000. Private Prison contracts shall be for ten years with two five year renewal options.
  - 1.15.2 Four months prior to the end of a contract, the Contracts Unit shall submit a memorandum to Deputy/Assistant Directors, to determine whether they desire to renew a contract, and whether it shall include the same terms and conditions.
  - 1.15.3 Deputy/Assistant Directors shall ensure that Program Administrators:
    - 1.15.3.1 Initiate all negotiations with the contractor at least four months before the end of the contract.
    - 1.15.3.2 Ensure that the contractor responds to all negotiations in writing.
    - 1.15.3.3 Forward a letter of intent to renew the contract to the Contracts Unit at least four months before the end of the contract, specifying any terms and conditions of the contract that differ from the existing contract.
  - 1.15.4 The Contracts Unit shall ensure that the contract is renewed, and then notify the signers.

**302.09      PROCUREMENT CARD PROCEDURES** - The procurement (purchasing) card program is under state contract and is authorized by the DOA State Procurement Office.

1.1      The purchasing card is a commercial credit card, which allows selected activities and selected employees to purchase items with State funds for OFFICIAL GOVERNMENT USE ONLY directly from vendors in lieu of the normal requisition process and is subject to limitations. State funds may also include cooperative agreement funds, other revenue funds as well as federal grants.

1.2      Procurement Services Bureau Responsibilities - The Procurement Services Bureau shall be responsible for the establishment and monitoring of the Department purchasing card program.

1.2.1      Responsibilities include:

1.2.1.1      Coordinating with DOA State Procurement Office on matters relating to the purchasing card contract and implementing procedures within the Department.

1.2.1.2      Providing training to cardholders, to include the Standards of Conduct/Ethics.

1.2.1.3      Acting as a liaison with the credit card issuer (i.e. bank) to obtain cards for Department employees and to resolve card disputes with the credit card issuer and/or retailers.

1.2.1.4      The issuance and monitoring of cards issued to Department employees and to obtaining and destroying cards no longer needed.

1.2.1.5      Monitoring monthly invoices to ensure card issuer remains in compliance with DOA guidelines and the Arizona Procurement Code rules and procedures.

1.2.1.6      Documenting invoice reviews on the Purchasing Card Statement Checklist, Form 302-9P.

1.2.2      The purchasing cards shall be issued by the Procurement Services Bureau to Department employees authorized by the Director, the Deputy Director for Administration and the Assistant Director for Administrative Services. Only State of Arizona employees may be authorized cardholders.

1.2.2.1      An employee wishing to be issued a procurement card shall submit a written request and a completed Purchasing Card Cardholder Information, Form 302-10P, through their chain-of-command to the appropriate Deputy/Assistant Director. The Deputy/Assistant Director shall make a written request to the Procurement Services Bureau.

1.2.2.2      The Procurement Services Bureau shall review the request and, if approved, forward it to the card issuer.

- 1.2.2.3 Prior to release and activation of the procurement card Procurement Services shall provide training to the cardholder.
- 1.2.2.4 Upon completion of training the cardholder shall sign the ADC Cardholder Agreement, Form 302-8P, and the DOA State of Arizona Purchasing Card Cardholder Agreement. (Attachment G, DOA Form PC-100.)
- 1.2.3 The card shall be assigned only to the cardholder and shall be embossed with the cardholder's name.
  - 1.2.3.1 Use by any other individual is prohibited.
  - 1.2.3.2 Purchasing cards are not part of the cardholder's personal credit file and do not affect the cardholder's personal credit, except in cases where the card is misused, in cases of fraud and theft by the cardholder.
  - 1.2.3.3 Purchases made under these circumstances shall not be honored by the State.
- 1.2.4 Spending Limits - All Department purchasing cards have a maximum limit of \$1,000 per purchase and total credit limit of \$15,000 per month. The Deputy/Assistant Director and/or Procurement Services may impose lower limits to the individual cardholders.
  - 1.2.4.1 Exceptions may be made for exceptional circumstances. For example state active duty call-up and/or emergencies declared by the Governor.
  - 1.2.4.2 The cardholder may be limited by the card issuer on the types of items authorized for purchase. A retailer may reject a card if inappropriate purchases are attempted.
- 1.2.5 The following items are **not** authorized for purchase:
  - 1.2.5.1 Items and services that must be back ordered. Receipt of the items shall be prior to the end of the billing cycle.
  - 1.2.5.2 Travel - All travel shall be completed through the Diner's Club card and the travel reimbursement process.
  - 1.2.5.3 Cash advances.
  - 1.2.5.4 Fuel - The "Voyager" card shall be used to purchase fuel for Department vehicles.
  - 1.2.5.5 Items and services not authorized by the normal purchase order process.

- 1.2.6 State Contracts - All items and services available on State of Arizona contracts (such as office supplies, furniture, etc.) which meet the minimum order quantities shall be purchased from the contracted vendor only.
  - 1.2.6.1 Those that do not meet minimum order quantities may be purchased from the contracted vendor but is not mandatory.
  - 1.2.6.2 Purchases shall not be “split” to circumvent card, credit dollar limits or completion of competitive actions required by the Procurement Rules.
- 1.3 Cardholder Procedures - The cardholder shall maintain a log of purchases that includes a date, vendor, dollar amount, work order number, a Facility Number or any other information deemed necessary by the Business Administrator to determine which Index and PCA numbers to apply to the purchase at the end of the billing cycle.
  - 1.3.1 The cardholder is responsible for ensuring that each charge customer copy and/or cash register receipt contains enough information to properly identify the purchase.
    - 1.3.1.1 Information shall include the date, nomenclature, dollar amount and brief description.
    - 1.3.1.2 If the above information is not included, the cardholder shall write the information on the paperwork.
  - 1.3.2 The cardholder shall retain the charge customer copy and cash register receipt for all purchases made until they receive the cardholder monthly statement. The cardholder shall reconcile the charge customer copies and the cash register receipts with the monthly statement at the end of the billing cycle.
    - 1.3.2.1 The customer copy and cash register receipt shall be attached to the cardholder monthly statement.
    - 1.3.2.2 If the customer copy or cash register receipt is lost or unavailable, a memorandum containing the appropriate information shall be substituted along with an explanation of the reason.
  - 1.3.3 At the close of the billing cycle, the cardholder shall receive the cardholder’s monthly statement of purchases. The cardholder shall review this statement and match it with the customer copies and cash register receipts of the charges.
    - 1.3.3.1 Within three business days of receiving the cardholder monthly statement, the cardholder shall:
      - 1.3.3.1.1 Attach the customer copies and cash register receipts to the statement, along with any credit memos.
      - 1.3.3.1.2 Sign the back to certify that it is accurate.

- 1.3.3.1.3 Forward it to the appropriate Business Administrator.
- 1.3.3.2 If the cardholder is unavailable to sign the monthly statement (e.g. leave, training, travel), the customer copies and register receipts shall be forwarded to the appropriate Business Administrator prior to leaving, if possible.
  - 1.3.3.2.1 The Business Administrator shall indicate “Not available to Sign” the statement and sign in the cardholder’s place.
  - 1.3.3.2.2 The Business Administrator is responsible for obtaining the monthly statements from the cardholders.
- 1.4 Business Administrator Procedures - Within three business days after receiving the Budget Unit monthly statement from the bank, the Business Administrator shall:
  - 1.4.1 Review, approve and sign the monthly statement.
  - 1.4.2 Provide a breakdown by Index, PCA and Comp Object of the dollar amounts to be encumbered and paid on this statement. Breakdown by individual charges are not necessary but may be grouped together as totals by Index, PCA and Comp Object.
  - 1.4.3 Forward the Budget Unit monthly statement to Central Office Accounting for reconciliation with and payment of the actual invoice.
  - 1.4.4 Review and audit any 5% use tax charges added for all items for which an Arizona Privilege Tax (sales tax) was not charged, for example out-of-state or catalog sales.
  - 1.4.5 Obtain, review, approve and sign all cardholder monthly statements with original cash register receipts and charge customer copies. The Business Administrator shall not delay the forwarding of the monthly invoice to Central Office Accounting for payment while waiting for the cardholder monthly statements.
  - 1.4.6 Send the original cardholder monthly statements with customer and cash register receipts to the Department Procurement Services Bureau.
  - 1.4.7 Resolve any disputed items and bring them to the attention of the retailer.
    - 1.4.7.1 The Business Administrator shall, through the Procurement Services Bureau, make an official dispute to the card issuer using the issuer’s applicable form if unable to resolve the dispute with the vendor.
    - 1.4.7.2 Disputes shall be handled as “pay and chase.” The invoice shall be paid as usual and refunds/credits applied at the time of resolution.

1.5 Central Office Accounting Procedures - Within three business days of receipt of the Department statewide monthly statement, the Central Office Accounting shall process the actual invoice for payment.

1.5.1 Discrepancies in the breakdown by Index and PCA shall be immediately referred to the Business Administrator.

1.5.2 If an adequate response is not obtained within two business days, the Central Office Accounting may process the invoice for payment using other appropriate funds belonging to the Business Administrator. Central Office Accounting shall notify the Business Administrator to adjust the budget as necessary.

1.6 Year End Closeout

1.6.1 To facilitate year-end closeout of the financial records, procurement cards shall not be used after the last day of the billing cycle during the last month of the fiscal year. Normally June 15 for State Appropriated Funds and September 15 for Federal Cooperative Agreement funds.

1.6.2 Purchases after the billing cycle date shall be done on an emergency basis only, through the normal requisition process.

1.6.3 Use of the procurement cards shall not recommence until Central Office Accounting has received funding and authorized the expenditure of funds. Central Office Accounting shall notify the Procurement Services Bureau when purchases may begin, who shall notify the Business Administrators.

### **302.10 TECHNOLOGY TRANSFER AND PRODUCT REVIEW COMMITTEE**

1.1 The Committee shall identify and validate the most appropriate equipment and products to meet institutional needs, while achieving standardization in a cost-effective manner.

1.1.1 Institutions shall only purchase security-related equipment and products, which have been approved through the Committee process.

1.1.2 This does not apply to information technologies or health-related equipment and products.

1.2 Responsibilities - The Committee shall:

1.2.1 Serve as the Department forum for assessing potential technological and off-the-shelf product applications.

1.2.2 Seek out new/improved technological applications and products that are operational in other law enforcement and correctional settings.

1.2.3 Upon approval, collaborate with other law enforcement and correctional agencies in soliciting development or adaptation of products and technologies to meet specific security needs.

1.2.4 Establish standards and specifications for use by administrators and managers in purchasing security-related equipment, products and systems.

- 1.2.5 Publish a Department "users guide" that compiles information and specifications on equipment and products approved for purchase.
- 1.3 Evaluation Priorities - The Committee shall review requests using the following criteria:
  - 1.3.1 Technologies, products and systems which support or improve:
    - 1.3.1.1 Employee Safety.
    - 1.3.1.2 Specific zero tolerance initiatives.
  - 1.3.2 Contraband detection.
  - 1.3.3 Improved lethal and non-lethal weapons systems and munitions.
- 1.4 Review Process
  - 1.4.1 Individuals and entities that wish to have a technology, product or system evaluated and approved for purchase, shall complete and forward the Technology Research, Review or Deviation Request, Form 302-5P.
    - 1.4.1.1 If a technology, product or system is not currently in use within the Department, the requester shall provide all available information, for example; brochures, technical data sheets, vendor information, etc.
    - 1.4.1.2 Individuals that request the Committee to seek out an unidentified technology, product or system to meet a particular requirement or need, shall be as specific in their request as possible, to include an explanation of benefit to the Department.
    - 1.4.1.3 When it is uncertain if a technology, product or system warrants Committee review, the Technology Research, Review or Deviation Request shall be completed, to include recommendations, and forwarded to the appropriate Deputy Director.
  - 1.4.2 When the Committee has identified technologies, products or systems that appear to meet the requester descriptions or needs, it may, consistent with State of Arizona procurement rules, invite manufacturer and/or vendor representatives to appear and make a presentation. These appearances shall be stipulated in writing so as to incur no obligation on the part of the Department to purchase or endorse the offering.
  - 1.4.3 When seeking out new technologies, products and systems, the Committee shall coordinate with other law enforcement and correctional agencies, or equivalent organizations, to determine their experience.
  - 1.4.4 The Committee may, with the approval of the appropriate Deputy Director, act to establish specific-term demonstration (pilot) projects as part of the formal evaluation process.

- 1.4.4.1 In accordance with A.R.S. 41-2556, the State Procurement Services Bureau must approve each demonstration project.
- 1.4.4.2 Written requests for State approval of a demonstration project, which includes a complete description, shall be submitted to the State Procurement Services Bureau through the Procurement Services Unit.
- 1.4.5 Recommendations for the development of technologies or procurement of specific products or services shall be forwarded through the appropriate Deputy Director, through the Chief Procurement Officer, to the Director for approval.
- 1.4.6 When appropriate, a specific evaluation may be assigned to an ad hoc sub-committee established and specifically tailored for that purpose.
- 1.4.7 When an evaluative process is completed, a detailed report shall be provided to the requester which approves, disapproves or provides a qualified response regarding whether or not the product/service should be considered for purchase.
  - 1.4.7.1 The report shall be provided within 30 days of the Committee meeting considering the issue, unless further in-depth research is required.
  - 1.4.7.2 Information on approved technologies, products and systems shall be widely disseminated, and incorporated in an update to the Department "users guide".
- 1.4.8 Individuals who wish to purchase a product, service or system that does not conform to the standard established for that particular product, service or system, shall submit the Technology Research, Review or Deviation Request to the Committee with appropriate justification.
  - 1.4.8.1 The Committee shall evaluate the request and provide a recommendation(s) through the appropriate Deputy Director, through the Chief Procurement Officer, to the Director for approval.
- 1.5 Committee Membership - Shall consist of:
  - 1.5.1 Voting members:
    - 1.5.1.1 Operations Officer for Security, Prison Operations, who shall serve as the Committee Chairperson.
    - 1.5.1.2 Two Wardens appointed by the Deputy Director for Prison Operations, with a one year tenure and a 'staggered' replacement.
    - 1.5.1.3 Facilities Activation Bureau Administrator, or designee.
    - 1.5.1.4 Assistant Director for Community Corrections, or designee.
    - 1.5.1.5 Assistant Director for Arizona Correctional Industries, or designee.

- 1.5.1.6 Assistant Director for Administrative Services, or designee (when relevant issues are under consideration).
- 1.5.1.7 Deputy Director for Health Services, or designee (when relevant issues are under consideration).
- 1.5.1.8 Assistant Director for Human Resources Development/Division, or designee.
- 1.5.2 The Chief Procurement Officer or designee shall attend all meetings as a non-voting advisory member.
- 1.5.3 Other agencies who may be invited to participate as non-voting members are a:
  - 1.5.3.1 Representative of the Department of Juvenile Corrections.
  - 1.5.3.2 Representative of the Arizona Department of Public Safety.
  - 1.5.3.3 Representative of the Federal Bureau of Prisons.
  - 1.5.3.4 Representative of the Department of Administration.
  - 1.5.3.5 Representatives of local law enforcement jurisdictions.
  - 1.5.3.6 Representatives of other state correctional agencies as determined to be appropriate by the Committee.
  - 1.5.3.7 Representative of the Arizona National Guard.
- 1.5.4 Wardens and other Department administrators are encouraged to participate as observers.
- 1.6 Affiliation with other agencies - The Committee may coordinate, consult and cooperate with the evaluative members of other agencies, in and out-of-state, to include:
  - 1.6.1 The National Institute of Justice Technology Advisory Council.
  - 1.6.2 The Federal Bureau of Prisons.
  - 1.6.3 The National Institute of Corrections.
  - 1.6.4 Others, as deemed appropriate.
- 1.7 Meetings - The Committee shall meet in formal session in the second month of each fiscal quarter. Special interim meetings may be convened as deemed necessary.
  - 1.7.1 The Chairperson shall announce the meeting date 45 work days in advance, and publish a meeting agenda not less than 15 work days in advance of the meeting date.
  - 1.7.2 Individuals or entities wishing to appear on the agenda shall make application not less than 30 work days in advance of the announced meeting date.

- 1.7.3 A report of proceedings and recommendations shall be forwarded to the Director through the appropriate Deputy Director, within 15 work days following the meeting.
- 1.7.4 Vendor or manufacturing representatives shall not participate in Committee deliberations.

{Original Signature on File}

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Charles L. Ryan  
Acting Director

### **ATTACHMENTS**

- Attachment A - Off-Contract Purchase Authorization, SPO Form 150
- Attachment B - Sample IGA Technical Manual
- Attachment C - Procurement Determination: Sole Source (SS 101)
- Attachment D - Procurement Determination: Competition Impractical (CI 101)
- Attachment E - Procurement Determination: Emergency Procurement (EP 101)
- Attachment F - Procurement Determination: Off-Contract Purchase Authorization (SPO 150)
- Attachment G - State of Arizona Purchasing Card Cardholder Agreement
- Attachment H - Purchasing Card Hierarchy
- Attachment I - Supersedes

### **IMPLEMENTATION**

The Assistant Director for Administrative Services shall ensure that the Business and Finance Technical Manual is maintained and includes information on:

- The procurement of professional outside services or other professional contracts.
- The maintaining of appropriate IGAs and ISAs.
- Appropriate purchasing levels of authority.
- Procedures for purchasing goods, materials and equipment, including both capital and inventorial equipment.
- Procedures for entering into appropriate contracts, agreements or leases.

Any area entering into a new Intergovernmental Agreement shall develop a Technical Manual describing the agreement and governing its operation (see Attachment B). The Technical Manual shall address the following topics, at a minimum:

- A summary of the agreement.
- A memo of understanding between all participants.
- The contract/agreement.
- Specific procedures unique to the agreement.

- Forms/documents associated with the agreement.
- A question and answer format for clarification of issues.
- Recommendations made by responsible parties.
- Equipment recommendations and sources/costs.
- Back-up information relating to the development of the agreement.
- A lesson plan for any training requirements of the agreement.
- Identification of any relevant Post Orders.

The Technology Transfer and Product Review Committee shall develop a technical manual within 90 days of the effective date of this Department Order that addresses:

- Procedures for the conduct of meeting and evaluation processes.
- The process to achieve standardization while ensuring cost-effectiveness in the appropriation of equipment and products which meet institutional needs.
- Committee responsibilities and the procedures to be used in the research of new/improved technological applications and products used by other agencies.
- The development and maintenance of the Department's "User Guide" to ensure that information and specification of equipment and products is correct and up to date.

The Contracts Unit shall coordinate with the Staff Development/Training Bureau to develop and provide training in the contracting process and procurement code requirements, periodically and/or as determined by Deputy/Assistant Directors and consistent with this Order and written procedures.

- Deputy/Assistant Directors shall ensure that Program Administrators attend/receive the training provided.

## DEFINITIONS

**BUDGET UNIT** - A Division, institution, bureau or other section with capital equipment funds allocation.

**BUDGET UNIT SUPERVISOR** - A Deputy Director, Assistant Director, Bureau Administrator or Warden.

**CAPITAL EQUIPMENT** - An item, acquired through purchase, donation, lease-purchase or assembly, having a unit cost of \$1,000.00 or more and a useful life of at least one-year. Unit cost includes applicable sales tax, freight and other ancillary costs to place the asset in its intended location.

**CONTRACT/AGREEMENT** - A written agreement between the Department and an individual, agency, corporation, partnership or professional organization for the purchase of services that includes sufficient detail to require accountability and specific performance from the parties of the contract, and remedies for violation of its terms. A Contract/Agreement, whether for governmental or professional services, is based on an offer and acceptance.

**CONTRACTOR** - The individual, agency, corporation, partnership or professional organization that has the legal capacity to contract with the Department.

**CONTRACTUAL SPECIFICATIONS** - A request for a contract, in a format established by the Contracts Unit, used by the Program Administrator to enable the Contracts Unit to assist with the preparation of a contract document.

**GRANT** - A written agreement between the Department and other governmental entities or the private sector to acquire funds and/or resources, other than federal grants, to enable the Department to provide specific services or programs.

**INTERAGENCY SERVICE AGREEMENT (ISA)** - A contract for services between the Department and one or more State agencies for service or the joint exercise of powers common to the contracting parties, including joint or cooperative action.

**INTERGOVERNMENTAL AGREEMENT (IGA)** - A contract for services between the Department and one or more political subdivisions, for service or the joint exercise of powers common to the contracting parties, including joint or cooperative action.

**INVENTORIAL EQUIPMENT** - Any item with a unit cost of \$300 to \$1,000 that has a useful life of at least one year. Any item, with a value of \$100 to \$1,000, in the following categories shall also be considered inventorial equipment:

- Electronic Data Processing.
- Weapons.
- Communications equipment.

**LAND LEASES** - A written agreement to lease land as sites for prisons.

**LEASE** - A written agreement between the Department and an individual, corporation, partnership or professional organization for rental buildings and office space for a specified rent and period of time.

**PROFESSIONAL OUTSIDE SERVICES** - Contracted service from providers (such as consultants, counselors, physicians, medical specialists, psychologists, psychiatrists, physical therapists, dentists and technicians), paid from budgeted professional and outside services funds.

**PROGRAM ADMINISTRATOR** - An employee designated by a Deputy/Assistant Director to develop and manage contracted services.

**PROPOSAL EVALUATION COMMITTEE** - An ad hoc group of staff, comprised of the Program Administrator, a representative of the Contracts Unit, who serves as Co-Chair, and others selected by the Program Administrator, who meet to evaluate appropriate proposals submitted by offerers in response to an Request for Proposal.

**REQUEST FOR ADVERTISING (RFA)** - A form used by Program Administrators to direct the Contracts Unit to purchase advertising of an Request For Proposal.

**REQUEST FOR PROPOSAL (RFP)** - The Department's solicitation for procurement of professional services.

**REQUEST FOR QUOTATION (RFQ)** - A form used to document solicitations for or to obtain quotations from vendors for services.

**SPECIFIC PERFORMANCE** - Compliance with the terms of a contract or an agreement.

**TECHNOLOGY TRANSFER AND PRODUCT REVIEW COMMITTEE** - A standing committee that is to guide and coordinate the identification and adaptation of existing and new technologies and products that will, through prescribed evaluative processes, strengthen security operations and management.

## **AUTHORITY**

A.R.S. 11-952 et seq, Intergovernmental Agreements and Contracts.

A.R.S. 31-204, Interest of Employees in Contracts; Gifts to or From Prisoner; Penalty.

A.R.S. 35-148, Payment for Interagency Services.

A.R.S. 41-2501 et seq, Arizona Procurement Code.

A.A.C. R2-7-101 et seq, Arizona Procurement Code.

(This is not the actual form and is provided only as a reference.)  
Use SPO Form 150 (10/923)

Seal of the Great State of Arizona	OFF-CONTRACT PURCHASE AUTHORIZATION	STATE PROCUREMENT OFFICE Capital Center Building 15 South 15 <sup>th</sup> Avenue Phoenix, Arizona 85007 (602) 542-5511
	Use this form to request the authorization to purchase off-contract items and services as a substitute for contract items	

1. Reference Applicable Commodity Code:
2. Reference current Arizona Contract Number:
3. Describe current contract equipment or service, including model number, manufacturer and available vendor, as applicable:
4. Describe requested equipment or service, including model number, manufacturer and available vendor(s), as applicable:
5. What specialized work, additional advantages and benefits will be performed by the requested equipment that cannot be performed by equipment now on contract? (Note: Price alone is not sufficient justification.)
6. Suggested vendor(s) for proposed equipment/service:  
  
Name:  
Address:  
Phone No.:  
Contact:
7. Price Comparison:  
  
Current Contract Item:  
Requested Item:
8. NOTE: If competitive quotations have been received, please include copy of vendor's quote.

(This is not the actual form and is provided only as a reference.)

Seal of the Great State of Arizona	OFF-CONTRACT PURCHASE AUTHORIZATION	STATE PROCUREMENT OFFICE Capital Center Building 15 South 15 <sup>th</sup> Avenue Phoenix, Arizona 85007 (602) 542-5511
	(CONTINUATION)	

TO BE COMPLETED BY REQUESTOR

Name of Agency:

Address:

Requested by:

Phone Number:

Fax #

Approved by: (Agency or Department Head)

Date:

STATE PROCUREMENT ACTION

Procurement Specialist's Comments:

Buyer Signature

State Procurement Approval \_\_\_\_\_ Yes or \_\_\_\_\_ No

By: (State Procurement Office, Arizona Department of Administration)

Date:

## SAMPLE IGA TECHNICAL MANUAL

*ACI - MVD CALL - IN CENTER AT ASPC-PERRYVILLE*

### Table of Contents

1. Summary
2. Memo of Understanding
3. MVC/ACI Agreement
4. Screening/Selection Procedure
5. Standards of Conduct and Work Agreement
6. Inmate Interview Questions
7. Work Program Rules and Regulations
8. Operations Information
9. Phone Statement and Facility Sign
10. Recording Equipment Recommendation
11. Lesson Plans for Contractor Training

Attachment C  
Department Order 302

(This is not the actual form and is provided only as a reference.)

State Procurement Office  
15 S. 15<sup>th</sup> Ave., Ste 103  
Phoenix, AZ 85007

Date Received:

**PROCUREMENT DETERMINATION: Sole Source**

**Sections 1 through 3 MUST be completed  
Use Attachments as Necessary**

1.

Agency:

Name:

Title:

Phone;

Fax:

Subject Materials or Services:

Estimated Cost:

2. Provide full description of materials or services:

3. Provide justification: (efforts to locate other sources/evidence of one source)

NOTE: In accordance with the Procurement Rules, the Arizona Uniform Terms and Conditions must be made a part of all contracts. If you will be required to sign a software licensing agreement or sign any other agreement containing terms and conditions, which will be made a part of the final contract, you must receive prior approval from the Office of the Attorney General.

Approval of this request does not allow for agencies to exceed their dollar acquisition amount of delegated authority.

Procurement Authority

APPROVAL

AG Request Authorized Pursuant to ARS 41-2536

AG Request Denied:

AG Request Returned for Additional Information:

AG See Comments:

Approved by:

Signature:

Title:

Date:

AGENCY NOTICE: This is your official written determination in response to your procurement authorization request. The original request shall be maintained in the State Procurement Office.

cc: Agency File

Attachment D  
Department Order 302

(This is not the actual form and is provided only as a reference.)

State Procurement Office  
15 S. 15<sup>th</sup> Ave., Ste 103  
Phoenix, AZ 85007

Date Received:

**PROCUREMENT DETERMINATION: Competition Impractical**

**Sections 1 through 3 MUST be completed  
Use Attachments as Necessary**

1.

Agency:

Name:

Title:

Phone;

Fax:

Subject Materials or Services:

Estimated Cost:

2. Provide full description of materials or services:

3. Provide justification:

NOTE: In accordance with the Procurement Rules, the Arizona Uniform Terms and Conditions must be made a part of all contracts. If you will be required to sign a software licensing agreement or sign any other agreement containing terms and conditions, which will be made a part of the final contract, you must receive prior approval from the Office of the Attorney General.

Approval of this request does not allow for agencies to exceed their dollar acquisition amount of delegated authority.

Procurement Authority

APPROVAL

AG Request Authorized Pursuant to ARS 41-2537

AG Request Denied:

AG Request Returned for Additional Information:

AG See Comments:

Approved by:

Signature:

Title:

Date:

AGENCY NOTICE: This is your official written determination in response to your procurement authorization request. The original request shall be maintained in the State Procurement Office.

cc: Agency File

Attachment E  
Department Order 302

(This is not the actual form and is provided only as a reference.)

State Procurement Office  
15 S. 15<sup>th</sup> Ave., Ste 103  
Phoenix, AZ 85007

Date Received:

**PROCUREMENT DETERMINATION: Emergency Procurement**

**Sections 1 through 3 MUST be completed  
Use Attachments as Necessary**

1.  
Agency:  
Name: Title:  
Phone; Fax:  
Subject Materials or Services:  
Estimated Cost:
2. Provide full description of materials or services:
3. Provide justification:

NOTE: In accordance with the Procurement Rules, the Arizona Uniform Terms and Conditions must be made a part of all contracts. If you will be required to sign a software licensing agreement or sign any other agreement containing terms and conditions, which will be made a part of the final contract, you must receive prior approval from the Office of the Attorney General.

Approval of this request does not allow for agencies to exceed their dollar acquisition amount of delegated authority.

Procurement Authority

APPROVAL

AG Request Authorized Pursuant to ARS 41-2537  
AG Request Denied:  
AG Request Returned for Additional Information:  
AG See Comments:

Approved by:

Signature: Title: Date:

AGENCY NOTICE: This is your official written determination in response to your procurement authorization request. The original request shall be maintained in the State Procurement Office.

cc: Agency File

Attachment F  
Department Order 302

(This is not the actual form and is provided only as a reference.)

State Procurement Office  
15 S. 15<sup>th</sup> Ave., Ste 103  
Phoenix, AZ 85007

Date Received:

**PROCUREMENT DETERMINATION: Off-Contract Purchase Authorization**

**Sections 1 through 5 MUST be completed  
Use Attachments as Necessary**

1.

Agency:

Name:

Title:

Phone:

Fax:

Subject Materials or Services:

Estimated Cost:

2. Provide full description of materials or services:

3. Description of requested equipment or service, including price, model number, manufacturer and available vendor(s), as applicable:

4. Specialized work, additional advantages and benefits to be performed by the requested equipment that cannot be performed by the equipment currently on contract:

5. Suggested Vendor Name & Address Information:

Procurement Authority

APPROVAL

Request Authorized Pursuant to A.A.C. R2-7-311(B)

Request Denied:

Request Returned for Additional Information:

See Comments:

Approved by:

Signature:

Title:

Date:

AGENCY NOTICE: This is your official written determination in response to your procurement authorization request. The original request shall be maintained in the State Procurement Office.

cc: Agency File

**(This is not the actual form and is provided only as a reference.)**

STATE OF ARIZONA  
PURCHASING CARD  
CARDHOLDER AGREEMENT

I, (Name), hereby agree to comply with the terms and conditions for the use of the State of Arizona Purchasing Card as follows:

The Purchasing Card is available only to employees authorized by agency management to be assigned cards.

Understand that I am being delegated the authority to purchase on behalf of the State of Arizona using the Purchasing Card. The card is to be used solely for authorized purchases incurred for a valid public purpose while conducting State business.

I agree that this card will be used for approved purchases only. All purchases must be made in accordance with applicable laws and regulations, including by not limited to the Arizona Procurement code, applicable State of Arizona statutes, the Arizona Administrative Code, and the State of Arizona Purchasing Card Policy.

I understand that my failure to follow established procedures may result in disciplinary action against me, including suspension, termination or employment, and/or criminal prosecution.

I agree that the Purchasing Card may not be used for travel and travel related expenses.

ATM cash advances, the purchase of travel's checks and/other related instruments are prohibited.

I will not charge any personal purchases to this card for either others or myself.

Purchasing Card privileges may be canceled at any time for any reason by agency management.

I agree to return the card immediately upon suspension and/or termination (including retirement) or upon reassignment to another agency or cost center. I agree to return the card immediately upon request of my supervisor and that disciplinary action may apply for failure to do so.

I am responsible for complying with the agency Purchasing Card policies as stated by my agency.

If the card is lost or stolen, I understand that I must immediately notify the Agency Program Coordinator and the State Purchasing Card Agent.

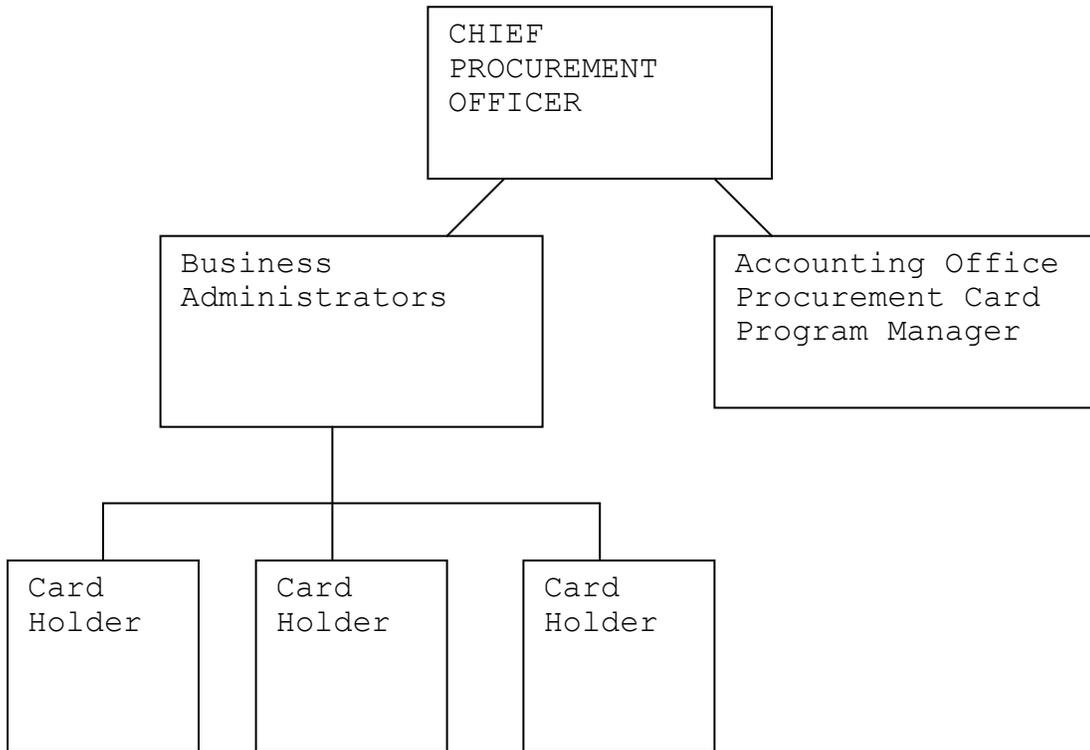
I have been given copies of the State Purchasing Card Policy and my agency's Purchasing Card Policy, have received training, and understand the Purchasing Card requirements.

I have received, read, understand and agree to comply with the policies governing the use of the Purchasing Card. I hereby authorize the State to deduct from my payroll check (and from any other payments to me) up the amount of my Purchasing Card limit, the amount of any unauthorized purchases made on the Purchasing Card issued to me; or withhold the amount of any Purchasing Card limit if I fail to return the Purchasing Card upon separation from State employment.

Employee Signature:  
GAO Form PC-100 (Issued 4-00)

Date:

### PURCHASING CARD HIERARCHY



DEPARTMENT ORDER 302  
ATTACHMENT I

**SUPERSEDES**

*Department Order 302, Contracts and Procurement, supersedes the following:*

DO 302, contracts and Procurement (9/1/98)

DI 69, Fiscal Year End Procurement/Contracting Requirements (4/9/98)

DI 89, Technology Transfer and Product Review Committee (10/1/98)

DI 117, Purchase of Microwaves and Refrigerators for Prison Control Rooms (6/10/99)

DI 149, Increased Delegation of authority (7/21/00)

DI 161, Procurement Card Procedures (10/16/00)