



Procurement

Purchasing Information Exchange



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INTRODUCTION

The Arizona Department of Transportation spends approximately \$2 billion taxpayer dollars in federal and state funds each year. Of the \$2 billion, approximately 78 percent is exempt from the Arizona Procurement Code in the area of design, construction, and reconstruction of transportation facilities, and publication/sale of the Arizona Highways Magazine. The remaining 22 percent is spent in support of ADOT operations and must be processed in accordance with the Arizona Procurement Code. This document pertains to procurements that are subject to the Arizona Procurement Code ([APC](#)).

As state employees we all share a personal responsibility to ensure the most effective, efficient, economical, legal and ethical expenditure of taxpayer dollars. To facilitate this end all Arizona State Agencies must conduct their procurements in accordance with Arizona statutes, A.R.S 41-2501 et seq. and administrative rules and regulations A.A.C. R2-7-101 et seq. which constitute the Arizona Procurement Code (APC). The purpose of this document is to provide an overview of Procurement activities.

ETHICS

It is the intent of Procurement to promote ADOT's core values of accountability, integrity and respect. Each individual who participates in the procurement process is responsible for upholding these values. This includes customers, suppliers and procurement personnel.

Significant Procurement Role [§41-2517](#) and [§41-753](#)

This requirement ensures the integrity of the Procurement process. Individuals that are involved in any of the following activities are considered to have a Significant Procurement Role and are required to complete the Procurement Disclosure Statement:

- Participating in the development of procurement.
- Participating in the development of an evaluation tool.
- Approving procurement or an evaluation tool.
- Soliciting quotes greater than \$10,000.00 for the provision of materials, services or construction.
- Serving as a technical advisor or an evaluator who evaluates procurement.
- Recommending or selecting a vendor that will provide materials, services or construction to this state.
- Serving as a decision maker or designee on a protest or an appeal by a party regarding an agency procurement selection or decision.

This requirement does not include making decisions on developing specifications and the scope of work for a procurement as defined in section [§41-2503](#) if the decision is based on the application of commonly accepted industry standards or known published standards of the agency as applied to the project, services, goods or materials.

It is unlawful for a procurement officer or an employee having a significant procurement role to accept any position or have employment discussions with a person or firm lobbying or potentially responding to the solicitation beginning on signature of the first nondisclosure agreement pertaining to a particular solicitation or at the time of request for a sole source procurement or competition impracticable procurement and ending at the time of contract award. It is unlawful for a procurement officer or an employee having a significant procurement role to accept any position or have employment discussions with the successful offeror or offerors and their lobbyists beginning on signature of the first nondisclosure agreement pertaining to a particular solicitation or at the time of request for a sole source procurement or competition impracticable procurement and ending one year after the purchased materials are delivered or the purchase of services or construction begins, if the procurement officer or employee had a significant procurement role in the particular procurement.

Individuals who may simply be approving the expenditure of funds, verifying accounting codes, making phone calls to the suppliers for the quote information but do not determine the suppliers to call, or determine the awarded supplier would not be considered to have a significant procurement role.

For additional information regarding the Significant Procurement Role please refer to the State Procurement Office website: <https://spo.az.gov/reform-significant-procurement-role>.

Conflict of Interest A.R.S. [§38-503](#)

- A. Any public officer or employee of a public agency who has, or whose relative has, a substantial interest in any contract, sale, purchase or service to such public agency shall make known that interest in the official records of such public agency and shall refrain from voting upon or otherwise participating in any manner as an officer or employee in such contract, sale or purchase.
- B. Any public officer or employee who has, or who's relative has, a substantial interest in any decision of a public agency shall make known such interest in the official records of such public agency and shall refrain from participating in any manner as an officer or employee in such decision.
- C. Notwithstanding the provisions of subsections A and B of this section, no public officer or employee of a public agency shall supply to such public agency any equipment, material, supplies or services, unless pursuant to an award or contract let after public competitive bidding, except that:
 - 1. A school district governing board may purchase, as provided in sections 15-213 and 15-323, supplies, materials and equipment from a school board member.
 - 2. Political subdivisions other than school districts may purchase through their governing bodies, without using public competitive bidding procedures, supplies, materials and equipment not exceeding three hundred dollars in cost in any single transaction, not to exceed a total of one thousand dollars annually, from a member of the governing body if the policy for such purchases is approved annually.
- D. Notwithstanding subsections A and B of this section and as provided in sections 15-421 and 15-1441, the governing board of a school district or a community college district may not employ a person who is a member of the governing board or who is the spouse of a member of the governing board.

Gift Clause A.R.S. [§41-1231.9](#)

Acceptance of gifts, advertising novelties, and entertainment from Suppliers or their representatives in any form (including meals) by employees is prohibited. However, employees may attend functions that are not limited exclusively to ADOT employees (i.e., industry trade exhibitions or like functions). In addition, no ADOT employee involved in the purchase may have any financial interest in any potential purchase order or contract issued by ADOT. For further information refer to ADOT Policy PER-6.03 ADOT Policy on Gifts.

Customer/Procurement/Supplier Relationship

Procurement's role is to provide the customer with the right materials and services for the job, at the right place and time and at a price that is fair and reasonable. Procurement also has a responsibility to provide suppliers with a consistent, fair and equitable, and legal procurement process. The process requires the participation of three key

groups to be successful. These groups are the customer, procurement officers and suppliers. Each group’s business conduct in the matter of ethics and responsibilities is critical.

ADOT PROCUREMENTS

There are two types of procurements conducted by ADOT personnel:

- Procurements subject to the APC and
- Procurements “Exempt” from the APC.

Procurements Subject to the APC

1. Non-Construction Procurements

The purchase, rental, leasing, or otherwise acquiring materials and services (professional and non-professional) in support of ADOT operations. *Procurement Authority: ADOT Chief Procurement Officer*

2. Construction/Reconstruction of State Facilities

Includes all functions that pertain to obtaining any materials, services, construction or construction services, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. *Procurement Authority: ADOT Chief Procurement Officer*

THE PROCUREMENT PROCESS

- A. Customer defines the need by providing the solicitation package to procurement, which includes the following:
- a. [Procurement Request Form](#)
 - b. Specifications/Scope of Work
 - c. Original Drawings (if applicable)
 - d. Exhibits (i.e. maps, charts, graphs, pictures)
 - e. Additional information to support purchase
 - f. If federally funded, refer to Procurement Request Form for additional requirements.
- B. Procurement staff will:
1. Determine the sourcing method.
 2. Develop a timeline for the procurement process.
 3. Conduct procurement activity.

TYPES OF REQUISITION DOCUMENTS

Requisition Type	APC Reference	Dollar Threshold	Description	Source Method	Responsible
On Contract	R2-7-A301	Unlimited	On contract orders	Not Required	Customer
Off Contract	R2-7-D304	Less than \$10,000.00	Not on contract orders	Quotes recommended	Customer
*After the Fact	A.R.S. § 41-2616	Any amount	After the Fact	None	User and approved by Chief Procurement Officer

*The ATF (After the Fact) is utilized when the required statutory encumbrance was not created prior to goods being received or services performed. The ATF Requisition is routed to the Chief Procurement Officer or designee for review. If the violation warrants further action, a Procurement Advisory will be issued to the applicable Division.

TYPES OF SOURCING METHODS WHEN NO CONTRACT EXISTS

Source Method	APC Reference	Dollar Threshold	Required Documents	Responsible
Request for Quote	A.R.S. § 41-2535	\$10,000.00 - \$99,999.99	Procurement Request Form, Specifications or Scope of Work	Procurement Officer
Invitation for Bid	A.R.S. § 41-2533	\$100,000.00 or more	Procurement Request Form, Specifications or Scope of Work	Procurement Officer
Request for Proposal	A.R.S. § 41-2534	\$10,000.00 - \$99,999.99	Procurement Request Form, Specifications or Scope of Work	Procurement Officer
Sole Source	A.R.S. § 41-2536 and SUP-3.07	\$100,000.00 or more	Procurement Request Form, Specifications or Scope of Work, Sole Source Request Questionnaire Form	Procurement Officer
Emergency	A.R.S. § 41-2537 and SUP-3.04	\$100,000.00 or more	Procurement Request Form, Specifications or Scope of Work, Emergency Procurement Request Form	Procurement Officer
Competition Impracticable	A.R.S. § 41-2536	\$100,000.00 or more	Procurement Request Form, Specifications or Scope of Work, Limited Competition Justification	Procurement Officer

CONTRACT ADMINISTRATION

The Procurement Officer is responsible for scheduling and conducting a post award meeting with the Contractor(s) and applicable customers. At this meeting the Procurement Officer will address contract compliance by providing direction regarding the terms, conditions and contractual requirements. Additional guidance will be presented regarding how to address vendor performance and matters of contract interpretation. Only the Procurement Officer is authorized to execute changes or amendments to the specific terms, conditions or provisions of the contract and the actual signing of any contract documents.

Following award and execution of a contract the customer is required to attend the post award meeting. It is the customer’s responsibility to monitor and document vendor performance to ensure full compliance with contractual requirements. The customer shall contact the Procurement Officer for guidance or direction in matters of contract interpretation, supplier performance and problems regarding the terms, conditions or requirements of the contract. The customer shall complete a [Vendor Performance Report](#) and submit it to the assigned Procurement Officer. To identify the assigned Procurement Officer, refer to the Arizona Procurement Portal (APP). Additionally, the [Procurement Commodity Assignment List](#) may be referenced.

The contractor is also required to attend the post award meeting. It is the contractor’s responsibility to be in full compliance with contractual requirements. The Contractor shall contact the assigned Procurement Officer for guidance or direction in matters of contract interpretation or questions regarding the terms, conditions or scope of the contract. If the contractor receives a Vendor Performance Report, it must be addressed and responded to within the designated time frame.

For contracts administered by the State Procurement Office (SPO) the customer must contact the ADOT Procurement Officer assigned as a liaison. To locate assigned Procurement Officer refer to [ADOT Procurement Representative - Statewide Contracts](#).

RECEIPT AND PAYMENT PROCESS FOR GOODS AND SERVICES

Those individuals responsible for purchasing activities are required to complete a Receipt in the E-Procurement system upon receiving the goods or completion of the services ordered.

The detailed processes of submitting an invoice for payment can be found on the Accounts Payable webpage located at: <https://adotnet.az.gov/our-agency/financial-management-services/fiscal-operations/accounts-payable>.

Accounts Payable is responsible for the oversight of the Purchasing Card.

PROCUREMENT RESOURCE CENTER

The Procurement Resource Center is dedicated to providing users with training and user resources. In addition, it serves as a single point of contact for troubleshooting and resolving technical issues and errors. You may reach the team by submitting a ticket using the [Service Desk Self-Service Portal](#). Include 'AZAPP' and a brief description in the subject line.

Additional User Resources

- [ADOT APP Webpage](#)
- [ADOT Step-by-Step Guides \(under 'Reference Materials' tab on ADOT APP Webpage\)](#)
- [APP Quick Reference Guides \(on SPO website for all Agencies\)](#)
- [ADOT Procurement Home Page](#)
- [Procurement Commodity Assignment List](#)
- [ADOT Procurement Representative - Statewide Contracts](#)

Please visit the Procurement intranet page as a central source of forms, guides and links to assist you located at: <https://adotnet.az.gov/our-agency/administrative-services/procurement>.