

HOW TO DO BUSINESS WITH THE CITY OF COTTONWOOD

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Administrative Services
Purchasing Division
821 N. Main Street
Cottonwood, Arizona 86236
Phone: (928) 340-2752

Thank you for your interest in doing business with the City of Cottonwood. This handbook has been prepared as a brief introduction to acquaint you with the business and purchasing procedures of the City of Cottonwood, Arizona. Familiarity with these procedures will aid you in presenting your product or services to the City.

Should you have any questions that are not answered herein, please call the Purchasing Division at (928) 340-2752, email us at llau@cottonwoodaz.gov or visit our web site at [Purchasing | Cottonwood, AZ \(cottonwoodaz.gov\)](http://Purchasing.Cottonwood.AZ(cottonwoodaz.gov)).

Jeff Cook
Accounting Manager, City of Cottonwood

CODE OF ETHICS

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

PURCHASING DIVISION OBJECTIVE DECLARATION

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

GIFTS AND GRATUITIES

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

HOURS OF BUSINESS

The Purchasing Division is open for business from 8:00 a.m. to 5:00 p.m., Monday through Friday with the exception of City Council approved holidays. Vendors may schedule appointments with the Purchasing Manager during these hours. Walk in visitors will be encouraged to make an appointment. Appointments may be made by calling (928) 340-2752.

INTRODUCING YOUR PRODUCT OR SERVICES

The City engages in various activities while providing municipal services for its residents. Some of these services include: police and fire protection, water production and distribution, traffic engineering, street maintenance, sewage collection and disposal, public planning and inspection services. A great variety of equipment, supplies and services must be purchased in support of these operations. The City also engages the services of Professional Consultants; for example, Auditing, Information Technology, Engineering, Studies and Surveys, as required. The Purchasing Manager should be contacted for an appointment to determine the City's need for your particular product or service. The Purchasing Manager can review with you the frequency, method, and pricing used to obtain the product and/or service.

VENDOR REGISTRATION

The City of Cottonwood uses an on-line vendor registration system whereby individuals and/or firms can select areas of interest to receive notification via email of formal solicitations in those areas. Vendors are able to register on-line at [Procurement Portal \(opengov.com\)](http://Procurement Portal (opengov.com)). Registration instructions and additional information can be found at [Vendor Registration \(site.com\)](http://Vendor Registration (site.com)). The system provides the ability to immediately notify you of any new solicitations issued within your registered commodity areas. Once registered, vendors are responsible to maintain their own information with any updates or changes. The vendor registration system will automatically post

bid notices/packages/addendums to the City of Cottonwood Purchasing website, where you will be able to download these documents. There is no cost to the vendor to register. You will be able to use your own computer or computers at any Public Library.

For questions concerning OpenGov Procurement, you may contact the Purchasing Manager for additional information by calling (928) 340-2752 or emailing at llau@cottonwoodaz.gov.

PROCUREMENT POLICIES

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

1. To conduct all procurement in accordance with the Arizona State Law and the City of Cottonwood Financial Operations Guide, Section IV – Procurement Policy. Also found on the City’s website at [Microsoft Word - IV Procurement Policy - 2011-08-16 \(cottonwoodaz.gov\)](#).
2. To obtain the required quantity and quality of materials at the most cost effective price.
3. To maximize competition, and provide interested and qualified individuals or firms with the opportunity to offer their products or services to the City.

WHO PURCHASES FOR THE CITY

Only persons who are authorized by the City are authorized to make purchases. Generally, Requests for Quotations will be issued by an operating department (less than \$50,000) or may be requested by the Purchasing Department. In all cases exceeding \$50,000, formal solicitations will be issued by the Purchasing Manager.

METHODS OF PURCHASING

Purchasing/Credit Card

Purchases up to \$5,000, depending on individual limits, may be made by authorized individuals for certain City operations, goods and services. (Please check with Finance Division). The City has issued, to select employees, a purchasing/credit card that can be used to purchase a variety of items. Each card has the employee’s name and the City of Cottonwood name imprinted on the card. Purchases are limited to no more than \$5,000 per transaction or the individual limit.

Construction Contracts

Construction project management and engineering are handled by the Public Works Office. Issuance of bids, advertisement, bid acceptance, tabulation, notice of award and all coordination will be done through the Purchasing Division using the City's website as well as the OpenGov Procurement website. Over state law limit requires an IFB and approval by City Council at certain levels.

Professional Services

Services generally requiring a state license are considered Professional Services and are procured using a Request for Qualifications. Contracts over \$20,000 but below \$50,000 may be approved by the City Manager and/or Administrative Services General Manager. Contracts exceeding \$50,000 are approved by the City Council. Typical examples of professional services include surveyors, architects, clergy, hydrologists, engineers, financial service providers, medical practitioners and others.

HOW THE BUYING PROCESS WORKS

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

Solicitation Procedures

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

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

Offers are solicited through "formal" and "informal" procedures. Formal procedures such as Invitation for Bids, Request for Proposals, and Request for Quotations are used to comply with the legal requirements when the value of the purchase exceeds \$50,000. Informal procedures, open market, verbal quotes, and written quotes are used when the value of the purchase is less than \$50,000, as per the City of Cottonwood Financial Operations Guide.

The formal competitive process from the issuance to opening generally takes approximately four (4) weeks. After solicitations are opened, the evaluation and approval process generally

takes an additional three (3) to four (4) weeks before an award recommendation is made. Some complex solicitations may take longer.

All solicitations are publicly opened and read aloud at the opening. Offerors are welcome to attend the opening at the date and time listed in the documents. For Invitation for Bids, dollar amounts are read aloud. For Request for Proposals and Request for Qualifications, only the names of the firms are read aloud.

Note: Solicitations are posted on the OpenGov Procurement website at [Procurement Portal \(opengov.com\)](http://ProcurementPortal.opengov.com). Contract awards can be found at [City of Cottonwood Procurement Portal \(opengov.com\)](http://CityofCottonwoodProcurementPortal.opengov.com).

Purchasing Limits

Small purchases up to \$5,000 – The City Manager, General Managers, and Directors/Department Heads may solicit, contract for, procure or lease goods, services, supplies and equipment with an estimated cost of up to \$5,000 in the open market, in any manner deemed appropriate and advantageous to the City, including direct negotiation, contract and/or purchase.

Purchases from \$5,000 up to \$20,000 – The City Manager and General Managers may solicit, contract for, procure or lease goods, services, supplies and equipment with an estimated cost of more than \$5,000 but less than \$20,000 in any manner deemed appropriate and advantageous to the City, but which at a minimum provides for the consideration of at least three (3) oral bids, quotes, or proposals. An approved purchase order is required for purchases of \$5,000 or more. The City may also use Invitation for Bid (IFB) and/or Request for Proposals (RFP) depending on item and/or services being purchased.

Purchases from \$20,000 up to \$50,000 – The City Manager and/or Administrative Services General Manager may solicit, contract for, procure or lease goods, services, supplies and equipment with an estimated cost of more than \$20,000 but less than \$50,000 in a manner deemed appropriate and advantageous to the City, but which at a minimum provides for the consideration of at least three (3) written bids, quotes or proposals. An approved purchase order is required for purchases of \$5,000 or more.

Purchases exceeding \$50,000 – All purchases exceeding \$50,000 shall follow a publicly advertised request for sealed competitive bids, proposals and/or statements of qualification, which request shall be posted on the City's website and published in a newspaper of general circulation published in the City no less than ten (10) days before the deadline for submissions of bids, proposals or statements of qualifications. Factors that may be considered when awarding a solicitation in addition to price are: experience/expertise, method of satisfying the scope of work, payment terms, quality, delivery time, freight charges and shipping point. An approved purchase order is required for purchases of \$5,000 or more.

Cooperative Purchasing Supply Contracts

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

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

OPEN MARKET PURCHASES

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

PETTY CASH

Purchases that do not exceed \$20 may be made from petty cash. The City employee making such a purchase will pay in cash and must obtain a receipt marked “PAID” or a cash register receipt.

BLANKET PURCHASE ORDER

The City of Cottonwood issues blanket purchase orders to firms so that the City staff may purchase items needed on a frequent basis. The blanket purchase order will normally be for a total of \$50,000 or less and have a limited amount allowed per invoice. The blanket purchase order shall also include the name of the individual(s) authorized to order and receive goods on behalf of the City.

INVOICES

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

DELIVERIES

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

Deliveries normally must be made in the exact quantity called for on the purchase order; however, partial deliveries, if required, are accepted in some instances. Proper labeling and safety data sheet (SDS) on all products covered by the Hazard Communication Act-29 CFR 1910.1200 are to be provided to the City at the time of delivery.

REJECTION OF SOLICITATION

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

NON-PERFORMANCE

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

APPLICATION OF TAXES

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

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

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

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

MINORITY AND WOMEN

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

VENDOR SAMPLES

When deemed necessary, samples of supplies and/or materials may be requested by the City for analyzing and testing. These samples shall be provided at no cost to the City in small quantities to ensure that they meet the needs of the City.