

ORDINANCE NO. 2017-08

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA AMENDING CHAPTER 2 AND ENACTING CHAPTER 26 OF THE PEORIA CITY CODE (1992) BY AMENDING SECTION 2-301 AND RENUMBERING IT AS SECTION 26-101 PERTAINING TO PROCUREMENT CODE; TITLE; BY AMENDING SECTION 2-302 AND RENUMBERING IT AS SECTION 26-102 PERTAINING TO PROCUREMENT CODE; PURPOSE; BY RENUMBERING SECTION 2-302.1 AS SECTION 26-102.1 PERTAINING TO SUPPLEMENTARY GENERAL PRINCIPLES OF LAW APPLICABLE; BY RENUMBERING SECTION 2-302.2 AS SECTION 26-102.2 PERTAINING TO REQUIREMENT OF GOOD FAITH; BY AMENDING SECTION 2-302.3 AND RENUMBERING IT AS SECTION 26-102.3 PERTAINING TO EFFECTIVE DATE; BY REPEALING SECTION 2-303 PERTAINING TO PROCUREMENT; GENERAL POLICY; BY AMENDING CHAPTER 26 OF THE PEORIA CITY CODE BY RESERVING SECTION 26-103; BY AMENDING SECTION 2-304 AND RENUMBERING IT AS SECTION 26-104 PERTAINING TO PROCUREMENT CODE; APPLICATION; BY REPEALING SECTION 2-305 PERTAINING TO PROCUREMENT; CONFIDENTIAL INFORMATION; BY AMENDING CHAPTER 26 OF THE PEORIA CITY CODE BY RESERVING SECTION 26-105; BY AMENDING SECTION 2-306 AND RENUMBERING IT AS SECTION 26-106 PERTAINING TO PROCUREMENT; DEFINITIONS; BY RENUMBERING SECTION 2-306.1 AS SECTION 26-106.1 PERTAINING TO PUBLIC ACCESS TO PROCUREMENT INFORMATION; BY REPEALING SECTION 2-306.2 PERTAINING TO AUTHORIZATION FOR THE USE OF ELECTRONIC TRANSMISSIONS; BY REPEALING SECTION 26-106.2 IN ITS ENTIRETY PERTAINING TO AUTHORIZATION FOR THE USE OF ELECTRONIC TRANSMISSIONS; BY AMENDING SECTION 2-307 AND RENUMBERING IT AS SECTION 26-107

PERTAINING TO PROCUREMENT; MATERIALS MANAGEMENT; BY AMENDING SECTION 2-307.1 AND RENUMBERING IT AS SECTION 26-107.1 PERTAINING TO AUTHORITY TO CONTRACT FOR LEGAL SERVICES; BY AMENDING SECTION 2-307.2 AND RENUMBERING IT AS SECTION 26-107.2 PERTAINING TO EXEMPTIONS FROM THE PROCUREMENT CODE; BY REPEALING SECTION 2-307.3 PERTAINING TO CITY PROCUREMENT GUIDELINES; BY AMENDING CHAPTER 26 OF THE PEORIA CITY CODE BY RESERVING SECTION 26-107.3; BY AMENDING SECTION 2-307.4 AND RENUMBERING IT AS SECTION 26-107.4 PERTAINING TO METHODS OF SOURCE SELECTION; BY AMENDING SECTION 2-307.5 AND RENUMBERING IT AS SECTION 26-107.5 PERTAINING TO DELEGATION OF AUTHORITY BY THE MATERIALS MANAGER; BY AMENDING SECTION 2-308 AND RENUMBERING IT AS SECTION 26-108 PERTAINING TO PROCUREMENT STANDARDS AND SPECIFICATIONS; BY REPEALING SECTION 2-308.1 PERTAINING TO DUTIES OF THE MATERIALS MANAGER; BY AMENDING CHAPTER 26 OF THE PEORIA CITY CODE BY RESERVING SECTION 26-108.1; BY AMENDING SECTION 2-308.2 AND RENUMBERING IT AS SECTION 26-108.2 PERTAINING TO MAXIMUM PRACTICABLE COMPETITION; BY AMENDING SECTION 2-308.3 AND RENUMBERING IT AS SECTION 26-108.3 PERTAINING TO SPECIFICATIONS PREPARED BY OTHER THAN CITY PERSONNEL; BY REPEALING SECTION 2-309 PERTAINING TO PROCUREMENT; INSPECTION AND TESTING; BY AMENDING CHAPTER 26 OF THE PEORIA CITY CODE BY RESERVING SECTION 26-109; BY REPEALING SECTION 2-309.1 PERTAINING TO RIGHT TO AUDIT RECORDS; BY AMENDING CHAPTER 26 OF THE PEORIA CITY CODE BY RESERVING SECTION 26-109.1; BY RENUMBERING SECTION 2-310 AS RESERVED SECTION 26-110; BY AMENDING SECTION 2-311 AND RENUMBERING IT AS SECTION 26-111 PERTAINING TO PROCUREMENT CODE; PROMULGATION; MODIFICATION OF FORMS AND CONTRACTUAL PROVISIONS; BY RENUMBERING SECTION 2-312 AS RESERVED SECTION 26-112; BY AMENDING SECTION 2-313 AND RENUMBERING IT AS SECTION 26-113

PERTAINING TO PROCUREMENT; FORMAL APPROVED PURCHASE PROCEDURE; BY AMENDING SECTION 2-313.1 AND RENUMBERING IT AS SECTION 26-113.1 PERTAINING TO COMPETITIVE SEALED PROPOSALS; BY AMENDING SECTION 2-313.2 AND RENUMBERING IT AS SECTION 26-113.2 PERTAINING TO CANCELLATION OF INVITATIONS FOR BIDS OR REQUESTS FOR PROPOSALS; BY AMENDING SECTION 2-313.3 AND RENUMBERING IT AS SECTION 26-113.3 PERTAINING TO RESPONSIBILITY OF BIDDERS AND OFFERORS; BY REPEALING SECTION 2-313.4 IN ITS ENTIRETY PERTAINING TO PREQUALIFICATION OF SUPPLIERS; BY REPEALING SECTION 2-313.5 IN ITS ENTIRETY PERTAINING TO SUBSTANTIATION OF OFFERED PRICES; BY REPEALING SECTION 2-313.6 IN ITS ENTIRETY PERTAINING TO MULTI-YEAR CONTRACTS; BY AMENDING SECTION 2-314 AND RENUMBERING IT AS SECTION 26-114 PERTAINING TO PROCUREMENT; SMALL DOLLAR PURCHASE PROCEDURES; BY AMENDING SECTION 2-314.1 AND RENUMBERING IT AS SECTION 26-114.1 PERTAINING TO SOLE SOURCE PROCUREMENT; BY AMENDING SECTION 2-315 AND RENUMBERING IT AS SECTION 26-115 PERTAINING TO PROCUREMENT; EMERGENCY AND EXEMPT PROCUREMENT; BY AMENDING SECTION 2-315.1 AND RENUMBERING IT AS SECTION 26-115.1 PERTAINING TO PROCUREMENT OF INFRASTRUCTURE FACILITIES AND SERVICES; GENERAL; BY REPEALING SECTION 2-316 PERTAINING TO PROCUREMENT; RETENTION OF PROFESSIONAL SERVICES; BY AMENDING CHAPTER 26 OF THE PEORIA CITY CODE BY RESERVING SECTION 26-116; BY AMENDING SECTION 2-317 AND RENUMBERING IT AS SECTION 26-117 PERTAINING TO LIMITED SOURCE PROCUREMENT; BY RENUMBERING SECTION 2-318 AS SECTION 26-118 PERTAINING TO PROCUREMENT; COOPERATIVE PURCHASING; BY RENUMBERING SECTION 2-318.1 AS SECTION 26-118.1 PERTAINING TO SALE, ACQUISITION, OR USE OF SUPPLIES BY A PUBLIC PROCUREMENT UNIT; BY RENUMBERING SECTION 2-318.2 AS SECTION 26-118.2 PERTAINING TO COOPERATIVE USE OF SUPPLIES OR SERVICES; BY AMENDING

SECTION 2-318.3 AND RENUMBERING IT AS SECTION 26-118.3 PERTAINING TO CONTRACT CONTROVERSIES; BY AMENDING SECTION 2-318.4 AND RENUMBERING IT AS SECTION 26-118.4 PERTAINING TO FEDERAL GRANT PROCUREMENTS; BY AMENDING SECTION 2-318.5 AND RENUMBERING IT AS SECTION 26-118.5 PERTAINING TO FEDERAL TRANSIT ADMINISTRATION'S (FTA) STANDARDS OF CONDUCT; BY AMENDING SECTION 2-319 AND RENUMBERING IT AS SECTION 26-119 PERTAINING TO PROCUREMENT; WAREHOUSING STORES; BY REPEALING SECTION 2-320 IN ITS ENTIRETY AND RENUMBERING IT AS RESERVED SECTION 26-120; BY AMENDING SECTION 2-321 AND RENUMBERING IT AS SECTION 26-121 PERTAINING TO PROCUREMENT CODE; PROTESTS; INFORMAL AND FORMAL; BY AMENDING SECTION 2-321.1 AND RENUMBERING IT AS SECTION 26-121.1 PERTAINING TO AUTHORITY TO DEBAR OR SUSPEND; BY AMENDING SECTION 2-321.2 AND RENUMBERING IT AS SECTION 26-121.2 PERTAINING TO AUTHORITY TO RESOLVE CONTRACT AND BREACH OF CONTRACT CONTROVERSIES; BY RENUMBERING SECTION 2-321.3 AS SECTION 26-121.3 PERTAINING TO DETERMINATIONS; BY AMENDING SECTION 2-322 AND RENUMBERING IT AS SECTION 26-122 PERTAINING TO PROCUREMENT; SALE, LEASE OR DISPOSAL OF SURPLUS OR OBSOLETE CITY OR PERSONAL PROPERTY; BY RENUMBERING SECTION 2-323 AS RESERVED SECTION 26-123; BY RENUMBERING SECTION 2-324 AS RESERVED SECTION 26-124; BY AMENDING SECTION 2-325 AND RENUMBERING IT AS SECTION 26-125 PERTAINING TO PROCUREMENT DUTIES OF MATERIALS MANAGER; ABANDONED, UNCLAIMED SURPLUS PROPERTY DISPOSAL PROCEDURES; BY AMENDING SECTION 2-326 AND RENUMBERING IT AS SECTION 26-126 PERTAINING TO PROCUREMENT; ASSISTANCE TO SMALL, MINORITY, DISADVANTAGED AND WOMEN OWNED BUSINESS ENTERPRISES; BY AMENDING SECTION 2-326.1 AND RENUMBERING IT AS SECTION 26-126.1 PERTAINING TO COMPLIANCE WITH FEDERAL REQUIREMENTS; BY AMENDING SECTION 2-327 AND RENUMBERING IT AS

SECTION 26-127 PERTAINING TO PROCUREMENT; CODE OF ETHICS; BY AMENDING SECTION 2-327.1 AND RENUMBERING IT AS SECTION 26-127.1 PERTAINING TO GENERAL STANDARDS OF ETHICAL CONDUCT; BY RENUMBERING SECTION 2-327.2 AS SECTION 26-127.2 PERTAINING TO CRIMINAL SANCTIONS; BY AMENDING SECTION 2-327.3 AND RENUMBERING IT AS SECTION 26-127.3 PERTAINING TO EMPLOYEE CONFLICT OF INTEREST; BY AMENDING SECTION 2-327.4 AND RENUMBERING IT AS SECTION 26-127.4 PERTAINING TO EMPLOYEE DISCLOSURE REQUIREMENTS; BY AMENDING SECTION 2-327.5 AND RENUMBERING IT AS SECTION 26-127.5 PERTAINING TO GRATUITIES AND KICKBACKS; BY AMENDING SECTION 2-327.6 AND RENUMBERING IT AS SECTION 26-127.6 PERTAINING TO PROHIBITION AGAINST CONTINGENT FEES; BY AMENDING SECTION 2-327.7 AND RENUMBERING IT AS SECTION 26-127.7 PERTAINING TO RESTRICTIONS ON EMPLOYMENT OF PRESENT AND FORMER EMPLOYEES; BY RENUMBERING SECTION 2-327.8 AS SECTION 26-127.8 PERTAINING TO USE OF CONFIDENTIAL INFORMATION; BY REPEALING SECTIONS 2-328 THROUGH 2-403; AND PROVIDING FOR SEVERABILITY AND FOR AN EFFECTIVE DATE.

THEREFORE, it is ordained by the Mayor and Council of the City of Peoria as follows:

SECTION 1. Chapter 26 of the Peoria City Code (1992) is enacted pertaining to the Procurement Code.

SECTION 2. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-301 and renumbering it as Section 26-101 pertaining to Procurement code; title and which shall read as follows:

Sec. ~~26-1301~~. Procurement code; title.

Sections ~~26-3101~~ through ~~26-3127~~ shall be known and may be cited as the "Procurement Code of the City of Peoria, Arizona."

SECTION 3. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-302 and renumbering it as Section 26-102 pertaining to Procurement code; purpose and which shall read as follows:

Sec. ~~26-302~~102. Procurement code; purpose.

The purpose of the Procurement Code is:

(1) Interpretation.

This Code shall be construed and applied to promote its underlying purposes and policies.

(2) Purposes and Policies.

The underlying purposes and policies of this Code are:

- (a) to simplify, clarify, and modernize the law governing procurement by the City;
- (b) to permit the continued development of procurement policies and practices;
- (c) to make as consistent as possible the procurement laws among the various jurisdictions;
- (d) to provide for increased public confidence in the procedures followed in public procurement;
- (e) to ensure the fair and equitable treatment of all persons who deal with the procurement system of the City;
- (f) to provide increased economy in City procurement activities and to maximize to the fullest extent practicable the purchasing value of public funds of the City;
- (g) to foster effective broad-based competition within the free enterprise system;
- (h) to provide safeguards for the maintenance of a procurement system of quality and integrity; and
- (i) to obtain in a cost-effective and responsive manner the materials, services, and construction required by the City in order for those departments to better serve the City's businesses and residents.

(3) Singular-Plural and Gender Rules.

In this Code, unless the context requires otherwise:

- (a) words in the singular number include the plural, and those in the plural include the singular; and
- (b) words of a particular gender include any gender and the neuter, and when the sense so indicates, words of the neuter gender may refer to any gender.

SECTION 4. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-302.1 as Section 26-102.1 pertaining to Supplementary general principles of law applicable and which shall read as follows:

Sec. ~~26-302~~102.1. Supplementary general principles of law applicable.

Unless displaced by the particular provisions of this Code, the principles of law and equity, including the Uniform Commercial Code of this State, the law merchant, and law relative to capacity to contract, agency, fraud, misrepresentation, duress, coercion, mistake, or bankruptcy shall supplement the provisions of this Code.

SECTION 5. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-302.2 as Section 26-102.2 pertaining to Requirement of good faith and which shall read as follows:

Sec. ~~26-302~~102.2. Requirement of good faith.

This Code requires all parties involved in the negotiation, performance, or administration of City contracts to act in good faith.

SECTION 6. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-302.3 pertaining to Effective date and which shall read as follows:

Sec. ~~2-302.3.~~ ~~Effective date.~~

~~This Code shall become effective thirty (30) days after Council action to adopt.~~

SECTION 7. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-303 pertaining to Procurement; general policy and Chapter 26 of the Peoria City Code is amended by reserving Section 26-103 and which shall read as follows:

Sec. ~~2-303.~~ ~~Procurement; general policy.~~

~~————The city shall procure all supplies, materials, equipment and services, deemed necessary for the delivery of quality services to its citizens, using best procurement practices. A history of each procurement transaction will be maintained through the use of purchase requisitions, purchase orders, petty cash vouchers, procurement cards and/or automated procurement system. Every effort will be made to obtain all supplies, materials, equipment and services at the most economical prices available.~~

Sec. 26-103. Reserved.

SECTION 8. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-304 and renumbering it as Section 26-104 pertaining to Procurement; application and which shall read as follows:

Sec. ~~26-304~~104. Procurement Code; application.

(1) General Application.

This Code applies only to contracts solicited or entered into after the effective date of this Code unless the parties agree to its application to a contract solicited or entered into prior to the effective date.

(2) Application to City Procurement.

This Code shall apply to agreements, revenue generating contracts and every expenditure of public funds irrespective of their source, including federal assistance monies except as otherwise specified in compliance with Federal Requirements, by this City, acting through a governmental body as defined herein, under any contract, except that this Code shall not apply to either grants, or contracts between the City or other governments, except as provided herein. It shall also apply to inventory and the disposal of City supplies, materials and equipment. Nothing in this Code or in the procurement guidelines promulgated hereunder shall prevent the City from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement.

(3) Requisitions.

A department shall file with materials management, requisitions stating the requirements for supplies and services. Requisitions for capital outlay shall be in accordance with the City's adopted budget guidelines and codes. The approval shall certify that there is to the credit of the using agency a sufficient unencumbered appropriation balance to defray the amount of such order. Materials Management may not issue an order for delivery until the department has filed the requisition for the requirement.

The City Manager or ~~his~~their designee may promulgate policies or guidelines requiring justification of expenditures prior to the processing of requisitions for capital outlay and any other services not approved within a departmental budget.

(4) Unauthorized purchases, violation, enforcement

Except as provided in this code, it shall be improper for any ~~city~~City employee to order the purchase of supplies or services or to attempt to enter into contracts within the purview of this code other than through materials management and purchase orders or contracts made contrary to the provisions hereof shall not be approved by Materials Management and the ~~city~~City shall not be bound thereby. Further, the City Manager or ~~his~~their designee may impose discipline on employees who violate this code in accordance with the City's codes and personnel administrative regulations.

A person who contracts for or purchases any materials, services or construction in a manner contrary to the requirements of this code or violates the ethical standards contained in this code shall be personally liable for the recovery of

all public monies paid, together with legal interest and all costs, attorney's fees and damages arising out of the violation. Further, the City Manager or ~~his~~their designee may impose discipline on employees who contracted for or purchased any materials, services of construction in a manner contrary to the requirements of this code or engages in violations of the ethical standards contained in this code in accordance with the City's codes and personnel administrative regulations. The City Attorney shall assist Materials Management in enforcing the provisions of this code.

SECTION 9. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-305 pertaining to Procurement; confidential information and Chapter 26 of the Peoria City Code is amended by reserving Section 26-105 and which shall read as follows:

~~Sec. 2-305. Procurement; confidential information.~~

~~_____ (a) If a person believes that a bid, proposal, offer, or specification contains information that should be withheld from public disclosure, a statement advising the materials manager of this fact and the basis for exemption from such disclosure shall accompany this submission and the information shall be specifically identified wherever it appears.~~

~~_____ (b) The materials manager shall make a determination whether the information shall be subject to public disclosure and shall advise in writing the party submitting the information of their determination.~~

Sec. 26-105. Reserved.

SECTION 10. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-306 and renumbering it as Section 26-106 pertaining to Procurement; definitions and which shall read as follows:

~~Sec. 26-306~~106. Procurement; definitions.

The words defined in this Section shall have the meanings set forth below whenever they appear in this Code, unless:

- (a) the context in which they are used clearly requires a different meaning; or
- (b) a different definition is prescribed for a particular Article or provision.

~~*Blind Trust*~~ means aAn independently managed trust in which the employee-beneficiary has no management rights and in which the employee-beneficiary is not given notice of alterations in, or other dispositions of, the property subject to the trust.

~~*Business*~~ means aAny corporation, partnership, individual, sole proprietorship,

joint stock company, joint venture, or any other private legal entity.

Change Order: ~~means a~~ written order signed by the Procurement Officer, directing the contractor to make changes which the Changes clause of the contract authorizes the Procurement Officer to order without the consent of the contractor.

Code: ~~means t~~ This Procurement Code, Peoria City Code Sections 2-301 to 2-399.

Cooperative Purchasing: ~~means p~~ Procurement conducted by, or on behalf of, one or more Public Procurement Units, as defined in this Code.

Confidential Information: ~~means a~~ Any information which is available to an employee only because of the employee's status as an employee of this ~~city~~ City and is not a matter of public knowledge or available to the public on request.

Conspicuously: ~~means w~~ Written in such special or distinctive format, print, or manner that a reasonable person against whom it is to operate ought to have noticed it.

Construction: ~~means t~~ The process of building, altering, repairing, improving, or demolishing any public infrastructure facility, including any public structure, public building, or other public improvements of any kind to real property. It does not include the routine operation, routine repair, or routine maintenance of any existing public infrastructure facility, including structures, buildings, or real property.

Contract: ~~means a~~ All types of ~~city~~ City agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction.

Contract Modification: ~~means a~~ Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

Contractor: ~~means a~~ Any person having a contract with a governmental body.

Cost-Reimbursement Contract: ~~means a~~ A contract under which a contractor is reimbursed for costs which are allowable and allocable in accordance with the contract terms and the provisions of this Code, and a fee, if any.

Data: ~~means r~~ Recorded information, regardless of form or characteristic.

Designee: ~~means a~~ A duly authorized representative of a person holding a superior position.

Debarment: ~~t~~ The disqualification of a vendor to receive invitations for bids or the award of a contract by the ~~city~~ City for a specified period of time, not to exceed three (3) years, commensurate with the seriousness of the offense resulting from conduct or failure or inadequacy of performance.

Direct or Indirect Participation: ~~means~~ involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

Electronic: ~~means~~ Electrical, digital, magnetic, optical, electromagnetic, or any other similar technology.

Employee: ~~means~~ a An individual drawing a salary from a governmental body, whether elected or not, and any non-compensated individual performing personal services for any governmental body.

Emergency purchase: ~~p~~ Procurement when supplies or services are needed for a situation where the health, safety or welfare of the public is endangered if immediate corrective or preventative action is not taken.

Exempt Purchase: ~~means~~ a A procurement that the City Manager or ~~his~~ their designee, up to an amount specified in this code, has determined that the best interest of the ~~city~~ City requires being exempt from this code.

Established Catalogue Price: ~~means~~ t The price included in a catalogue, price list, schedule, or other form that:

- (a) is regularly maintained by a manufacturer or contractor;
- (b) is either published or otherwise available for inspection by customers;
and
- (c) states prices at which sales are currently or were last made to a significant number of any categories of buyers or buyers constituting the general buying public for the supplies or services involved.

Excess Supplies: ~~means~~ a Any supplies other than expendable supplies having a remaining useful life but which are no longer required by the Using Agency in possession of the supplies.

Expendable Supplies: ~~means~~ a All tangible supplies other than nonexpendable supplies.

Financial Interest means:

- (a) ownership of any interest or involvement in any relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive compensation
- (b) ownership of such interest in any property or any business or

(c) holding a position in a business such as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

Governmental Body: ~~means a~~ Any department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other establishment or official of the executive, legislative, or judicial branch of this City.

Grant: ~~means~~ The furnishing by the City of assistance, whether financial or otherwise, to any person to support a program authorized by law. It does not include an award whose primary purpose is to procure an end product, whether in the form of supplies, services, or construction; a contract resulting from such an award is not a grant but a procurement contract.

Gratuity: ~~means a~~ payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

Immediate Family: ~~means a~~ spouse, partner in a civil union, children, step-children residing in the person's household, parents, brothers and sisters, etc.

Invitation for Bids: ~~means a~~ All documents, whether attached or incorporated by reference, utilized for soliciting bids.

Local Public Procurement Unit: ~~means a~~ Any county, city, town, and any other subdivision of the State or public agency of any such subdivision, public authority, educational, health, or other institution, and to the extent provided by law, any other entity which expends public funds for the procurement of supplies, services, and construction, and any nonprofit corporation operating a charitable hospital.

Local vendor: ~~means a~~ a vendor having an office within the corporate limits of the city City.

Materials Manager: ~~means~~ The person holding the position of the Materials Manager, as the head of the central procurement office of the City.

May: ~~d~~ Denotes the permissive.

Nonexpendable Supplies: ~~means a~~ All tangible supplies having an original acquisition cost of over \$100 per unit and a probable useful life of more than one year.

Official Responsibility: ~~means~~ Direct administrative or operating authority, whether intermediate or final, either exercisable alone or with others, either personally or through subordinates, to approve, disapprove, or otherwise direct city City action.

Person: ~~means a~~ Any business, individual, union, committee, club, other organization, or group of individuals.

Procurement: ~~means~~ b Buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Procurement Officer: ~~means~~ a Any person duly authorized to enter into and administer contracts and make written determinations with respect thereto. The term also includes an authorized representative acting within the limits of authority.

Professional Service: ~~s are~~ s Services of those individuals, regardless of whether self employed or employed within a business entity, who through special learning or attainment have acquired intellectual skills and qualifications in a particular area of endeavor that has been generally accepted as a profession and which requires a prolonged course of specialized instruction and study, including: architects; attorneys; certified public accountants; clergy; construction and project managers; dentists; engineers; geologists; physicians; nurses; psychologists; teachers; veterinarians and health care facilities which provide a combination of professional and para-professional services.

Public Notice: ~~means~~ t The distribution or dissemination of information to interested parties using methods that are reasonably available. Such methods will often include publication in newspapers of general circulation, electronic or paper mailing lists, and web site(s) designated by the city and maintained for that purpose.

Public Procurement Unit: ~~means~~ a Any one of the following:

- (a) a Local Public Procurement Unit,
- (b) a State Public Procurement Unit, and
- (c) any not-for-profit entity comprised of more than one Unit or Activity listed in subparagraphs (a), (b), or (c)
- (d) any Federal Agency.

Purchase Request: ~~means~~ t That document whereby a Using Agency requests that a contract be entered into for a specified need, and may include, but is not limited to, the technical description of the requested item, delivery schedule, transportation, criteria for evaluation, suggested sources of supply, and information supplied for the making of any written determination required by this Code.

Purchasing Agency: ~~means~~ a Any department other than Materials Management which is authorized by this Code or its implementing regulations, or by way of delegation from the Materials Manager, to enter into contracts.

Purchase Description: ~~means~~ t The words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to, or made a part of the solicitation.

Regulation: ~~means~~ a governmental body's statement, having general or particular

applicability and future effect, designed to implement, interpret, or prescribe law or policy, or describing organization, procedure, or practice requirements, which has been promulgated in accordance with the City Procurement Code.

Request for Proposals: ~~means a~~ All documents, whether attached or incorporated by reference, utilized for soliciting proposals.

Responsible Bidder or Offeror: ~~means a~~ A person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.

Responsive Bidder: ~~means a~~ A person who has submitted a bid which conforms in all material respects to the Invitation for Bids or Request for Proposals.

Services: ~~means t~~ The furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.

Shall: ~~d~~ Denotes the imperative.

Signature: ~~means a~~ A manual or electronic identifier, or the electronic result of an authentication technique attached to or logically associated with a record that is intended by the person using it to have the same force and effect as a manual signature.

Specification: ~~means a~~ Any description of the physical or functional characteristics, or of the nature of a supply, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

Supplies means ~~a~~ All property, including but not limited to equipment, materials, printing, insurance, and leases of real property, excluding land or a permanent interest in land.

Surplus Supplies: ~~means a~~ Any supplies other than expendable supplies no longer having any use to the city City. This includes obsolete supplies, scrap materials, and nonexpendable supplies that have completed their useful life cycle.

State Public Procurement Unit: ~~means t~~ The Office of the Chief Procurement Officer of this or any other State and any other Purchasing Agency of this State or any other State.

Using Agency: ~~means a~~ Any governmental body of the city City which utilizes any supplies, services, or construction procured under this Code.

Written or In Writing: ~~means t~~ The product of any method of forming characters on paper, other materials, or viewable screens, which can be read, retrieved, and

reproduced, including information that is electronically transmitted and stored.

SECTION 11. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-306.1 as Section 26-106.1 pertaining to Public Access to Procurement Information and which shall read as follows:

Sec. ~~26-306~~106.1. Public Access to Procurement Information.

Procurement information shall be a public record to the extent provided in Arizona Revised Statutes Title 39 and shall be available to the public as provided in such statute.

SECTION 12. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-306.2 pertaining to Authorization for the Use of Electronic Transmissions and which shall read as follows:

Sec. ~~2-306.2.~~ ~~Authorization for the Use of Electronic Transmissions.~~

~~The use of electronic media, including acceptance of electronic signatures, is authorized consistent with best business practices, applicable statutory, regulatory or other guidance for use of such media, so long as such guidance provides for:~~

~~(a) appropriate security to prevent unauthorized access to the bidding, approval, and award processes; and~~

~~(b) accurate retrieval or conversion of electronic forms of such information into a medium which permits inspection and copying.~~

SECTION 13. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-307 and renumbering it as Section 26-107 pertaining to Procurement; materials management and which shall read as follows:

Sec. ~~26-307~~107. Procurement; materials management.

Except as otherwise provided in this code, all rights, powers, duties, and authority relating to the procurement of supplies, services, and construction, and the management, control, warehousing, sale, and disposal of supplies, services, and construction now vested in, or exercised by the ~~city~~City are hereby transferred to the Materials Manager, as provided in this Code.

There shall be a section within the Finance Department that shall be designated Materials Management. Materials Management shall in accordance with the provisions of this code manage and procure all materials and services on behalf of the ~~city~~City. Materials Management shall be responsible for the inventory and disposal of materials, supplies and equipment.

The Materials Manager shall have general supervision of the materials

management and inventory control divisions, and shall have the responsibility and authority to:

- (1) Procure and contract for supplies and services including rentals, service agreements, and leases needed by any city governmental unit, in accordance with purchasing procedures as prescribed by this code and such guidelines as the Materials Manager shall adopt for the internal management and operation of the materials management and inventory control divisions and such other rules and regulations as shall be prescribed by the cityCity ~~m~~Manager. The authority of the Materials Manager to make procurement and contract for all using agencies shall not be abridged by exempting any using agency, except in accordance with the provisions of this code.
- (2) To establish and amend, all guidelines, forms and rules authorized by this code and any others necessary to its operation.
- (3) To provide signature authority for cityCity generated purchase orders.
- (4) To execute small dollar and other administratively executed contracts on behalf of the cityCity.

Budgeted line items specifically identifying products or services, which have been approved by the City Council in the formal review and adoption process of the annual budget of the cityCity, and for which an award is within the allocated expenditure, may be administratively executed by the Materials Manager.

Awards that exceed the allocated expenditure or deviate from the identified description and/or scope within the annual budget of the cityCity shall require Council approval.

- (5) To have the authority to suspend or debar vendors.
- (6) To have the authority to resolve disputes related to contracts
- (7) To cooperate with City functions in all procurement subject to the provisions of the Arizona Public Works Statutes contained in Title 34, Arizona Revised Statutes.
- (8) To inform cityCity employees and contractors of the ethical standards for public contracting contained in this code and to enforce these standards as provided in this code.
- (9) The Materials Manager shall have the authority to refuse an award to any vendor or contractor who is in default on the payment of taxes, licenses or other moneys due the cityCity, state, or federal government or that has litigation or threatened litigation at the time set for opening the bid or

proposal. All vendors and contractors must be in compliance, at the time set for opening the bid or proposal, with all applicable state licensing laws, rules and regulations.

State Law Reference, A.R.S. §§34-101, et seq., Public Buildings and Improvements.

SECTION 14. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-307.1 and renumbering it as Section 26-107.1 pertaining to Authority to contract for legal services and which shall read as follows:

Sec. ~~26-307~~107.1. Authority to contract for legal services.

This code is not applicable to contracts for professional witnesses or legal services, if the purposes of such services are to provide for professional services relating to an existing or probable lawsuit in which this ~~city~~City is or may become a party or to contract for special investigative services for law enforcement or administrative investigation purposes.

SECTION 15. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-307.2 and renumbering it as Section 26-107.2 pertaining to Exemptions from the procurement code and which shall read as follows:

Sec. ~~26-307~~107.2. Exemptions from the procurement code.

This code does not apply to contracts between this ~~city~~City, other political subdivisions and the State of Arizona, except as provided in this code.

This code does not apply to development agreements, as defined in Arizona Revised Statutes or contracts for the purchase or sale of real property and ancillary services related thereto, such as title insurance, appraisals or environmental assessments ~~to the extent that they are negotiated as part of the contract for purchase or sale of real property.~~

State Law Reference A.R.S. §9-500.05. Development Agreements

SECTION 16. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-307.3 pertaining to City procurement guidelines and Chapter 26 of the Peoria City Code is amended by reserving Section 26-107.3 and which shall read as follows:

Sec. ~~2-307.3.~~ ~~City procurement guidelines.~~

~~The Materials Manager may promulgate standard forms and contractual provisions to facilitate and standardize compliance with this code. The Materials Manager may modify or delete existing and add new contractual provisions and clauses for all forms of supply and service contracts utilized by the city, provided that such modifications are consistent with this code.~~

~~_____The Materials Manager may modify the contractual provisions and clauses for any individual contract, provided that any modifications are supported by a written determination that states the circumstances justifying the modification and that notice of any material modification are stated in the solicitation.~~

Sec. 26-107.3. Reserved.

SECTION 17. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-307.4 and renumbering it as Section 26-107.4 pertaining to Methods of source selection and which shall read as follows:

Sec. ~~26-307~~107.4. Methods of source selection.

No contract or procurement shall be subdivided to avoid the requirements of this section. Unless otherwise authorized by code, all ~~city~~City contracts shall be awarded by one of the following methods:

- (a) Section ~~3-202~~26-113 (Competitive Sealed Bidding);
- (b) Section ~~3-203~~26-113.1 (Competitive Sealed Proposals);
- (c) Section ~~3-204~~26-114 (Small Purchases);
- (d) Section ~~3-205~~26-114.1 (Sole Source Procurement);
- (e) Section ~~3-206~~26-115 (Emergency Procurements);
- (f) Section ~~3-207~~26-117 (Single/Limited Source Procurements);

The Materials Manager shall have the authority to determine the method of source selection that will be most practicable and advantageous to the ~~city~~City for all procurements and may incorporate new procurement methods and processes as they become available.

SECTION 18. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-307.5 and renumbering it as Section 26-107.5 pertaining to Delegation of authority by the Materials Manager and which shall read as follows:

Sec. ~~26-307~~107.5. Delegation of authority by the Materials Manager.

Subject to regulations, the Materials Manager may delegate authority to designees or to any department, agency, or official.

SECTION 19. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-308 and renumbering it as Section 26-108 pertaining to Procurement; standards and specifications and which shall read as follows:

Sec. ~~26-308~~108. Procurement; standards and specifications.

The procurement guidelines shall set standards for the preparation, maintenance, and content of specifications for supplies, services, and construction required by the ~~city~~City.

SECTION 20. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-308.1 pertaining to Duties of the Materials Manager and Chapter 26 of the Peoria City Code is amended by reserving Section 26-108.1 which shall read as follows:

~~Sec. 2-308.1. Duties of the Materials Manager.~~

~~—The Materials Manager shall monitor the use of specifications for supplies, services, and construction required by the City.~~

Sec. 26-108.1. Reserved.

SECTION 21. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-308.2 and renumbering it as Section 26-108.2 pertaining to Maximum practicable competition and which shall read as follows:

Sec. ~~26-308~~108.2. Maximum practicable competition.

All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the ~~city~~City's needs, and shall not be unduly restrictive. ~~There exists opportunities for applying standardization in the procurement of equipment or product.~~

SECTION 22. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-308.3 and renumbering it as Section 26-108.3 pertaining to Specifications Prepared by Other Than City Personnel and which shall read as follows:

Sec. ~~26-308~~108.3. Specifications Prepared by Other Than City Personnel.

The requirements of this Article regarding the purposes and non-restrictiveness of specifications shall apply to all specifications assisted in or prepared other than by ~~city~~City personnel, including, but not limited to, those prepared by architects, engineers, and designers.

Any one participating in the preparation of plans and/or specifications for solicitations can not be a party to the bidding or proposing on that particular solicitation where those plans and specifications are included.

SECTION 23. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-309 pertaining to Procurement; inspection and testing and Chapter 26 of the Peoria City Code is amended by reserving Section 26-109 and which shall read as follows:

~~Sec. 2-309. Procurement; inspection and testing.~~

~~—The city may, at reasonable times, inspect the part of the plant or place of business of a contractor or any subcontractor which is related to the performance of~~

~~any contract awarded or to be awarded by the city.~~

~~—The Materials Manager shall have authority to require chemical and physical tests of samples submitted and sample of deliveries, which are necessary to determine their quality and conformance with the specifications. In the performance of such tests, the Materials Manager shall have the authority to make use of laboratory facilities of any agency of the city or any outside laboratory.~~

~~—The Materials Manager shall have authority to monitor and inspect the performance of a contractor at the using agency to determine compliance to service specifications.~~

~~—The Materials Manager shall have authority to require the supplier to submit certificates of compliance or conformance as evidence of acceptability.~~

~~—Inspections and testing related to construction projects shall be the responsibility of the using department.~~

Sec. 26-109. Reserved.

SECTION 24. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-309.1 pertaining to Right to Audit Records and Chapter 26 of the Peoria City Code is amended by reserving Section 26-109.1 and which shall read as follows:

~~Sec. 2-309.1. —Right to Audit Records.~~

~~—The city may, at reasonable times and places, audit the books and records of any person who has submitted data in substantiation of offered prices to the extent that such books and records relate to that data. Any person who receives a contract, change order, or contract modification for which such data is required, shall maintain such books and records that relate to such cost or pricing data for three years from the date of final payment under the contract, unless a shorter period is otherwise authorized in writing.~~

~~—The city shall be entitled to audit the books and records of a contractor or any subcontractor under any negotiated contract or subcontract other than a firm fixed price contract to the extent that such books and records relate to the performance of such contract or subcontract. Such books and records shall be maintained by the contractor for a period of three years from the date of final payment under the prime contract and by the subcontractor for a period of three years from the date of final payment under the subcontract, unless a shorter period is otherwise authorized in writing.~~

Sec. 26-109.1. Reserved.

SECTION 25. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-310 as Reserved Section 26-110 which shall read as follows:

Sec. ~~26-340~~110. Reserved.

SECTION 26. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-311 and renumbering it as Section 26-111 pertaining to Procurement code; promulgation; modification of forms and contractual provisions and which shall read as follows:

Sec. ~~26-341~~111. Procurement code; promulgation; modification of forms and contractual provisions.

The Materials Manager may promulgate standard forms and contractual provisions to facilitate and standardize compliance with this code. The Materials Manager may modify or delete existing and add new contractual provisions and clauses for all forms of supply and service contracts utilized by the ~~city~~City, provided that such modifications are consistent with this code and any other applicable laws.

~~The Materials Manager may modify the contractual provisions and clauses for any individual contract; provided that any modifications are supported by reasons that justify the modification and that the modifications are included in the solicitation.~~

SECTION 27. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-312 as Reserved Section 26-112 which shall read as follows:

Sec. ~~26-342~~112. Reserved.

SECTION 28. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-313 and renumbering it as Section 26-113 pertaining to Procurement; formal approved purchase procedure and which shall read as follows:

Sec. ~~26-343~~113. Procurement; formal approved purchase procedure.

(1) *Invitation for Bids*: An Invitation for Bids shall be issued for acquisitions and shall include a purchase description, and all contractual terms and conditions applicable to the procurement.

(2) *Public Notice*: Adequate public notice of the Invitation for Bids shall be given at a minimum of five (5) business days prior to the date set forth therein for the opening of bids, in accordance with the procurement guidelines.

(3) *Bid Opening*: Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid, and such other relevant information as may be specified by regulation, together with the name of

each bidder shall be recorded; the record and each bid shall be open to public inspection.

(4) *Bid Acceptance and Bid Evaluation*:- Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The Invitation for Bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that are not set forth in the Invitation for Bids.

(5) *Correction or Withdrawal of Bids; Cancellation of Awards*:- Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted in accordance with regulations. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the cityCity or fair competition shall be permitted. Except as otherwise provided by regulation, all decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Materials Manager.

(6) *Rejection of Bids*:- Prior to opening or after opening of the bids, the IFB may be delayed or canceled, or any or all bids may be rejected, in whole or in part, by the Materials Manager in the best interest of the cityCity.

(7) *Award*:- The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids.

(8) *Multi-Step Sealed Bidding*:- When it is considered impractical to initially prepare a purchase description to support an award based on price, an Invitation for Bids may be issued requesting the submission of unpriced offers to be followed by an Invitation for Bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

SECTION 29. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-313.1 and renumbering it as Section 26-113.1 pertaining to Competitive Sealed Proposals and which shall read as follows:

Sec. ~~26-313~~113.1. Competitive Sealed Proposals.

(1) *Conditions for Use*:-

(a) A contract may be entered into for acquisitions by competitive sealed proposals when the Materials Manager determines, pursuant to the code

and guidelines, that the use of competitive sealed bidding is either not practicable or not advantageous to the cityCity.

(b) The code or guidelines may provide that it is either not practicable or not advantageous to the cityCity to procure specified types of supplies, services, or construction by competitive sealed bidding.

(c) Contracts for the design-build, design-build-operate-maintain, design-build-finance-operate-maintain or other project delivery methods for professional services shall be entered into by following Arizona Revised Statutes Title 34.

(2) *Request for Proposals*: Proposals shall be solicited through a Request for Proposals.

(3) *Public Notice*: Adequate public notice of the Request for Proposals shall be given at a minimum of five (5) business days prior to the date set forth therein for the opening of proposals, in accordance with the procurement guidelines.

(4) *Receipt of Proposals*: Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A Register of Proposals shall be prepared in accordance with the procurement guidelines, and shall be open for public inspection after contract award. Except to the extent the offeror designates, and the cityCity concurs, trade secrets or other proprietary data contained in the proposal shall remain exempt from public disclosure to the extent permitted by law.

(5) *Evaluation Factors*: The Request for Proposals shall state the relative importance of price and other factors and subfactors, if any. The Materials Manager may appoint a committee to review qualifications. The committee shall consist of a materials management staff member and one or more individuals.

(6) *Discussion with Responsible Offerors and Revisions to Proposals*: As provided in the Request for Proposals, and under regulations, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

(7) *Award*: Award shall be made to the responsive and responsible offeror whose proposal conforms to the solicitation and is determined in writing to be the most advantageous to the cityCity taking into consideration price and the

evaluation factors set forth in the Request for Proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made. Written notice of the award of a contract to the successful offeror shall be promptly given to all offerors.

(8) *Debriefings*: The Procurement Officer is authorized to provide debriefings that furnish the basis for the source selection decision and contract award.

SECTION 30. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-313.2 and renumbering it as Section 26-113.2 pertaining to Cancellation of invitations for bids or requests for proposals and which shall read as follows:

Sec. ~~26-343~~113.2. Cancellation of invitations for bids or requests for proposals.

An Invitation for Bids, a Request for Proposals, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the ~~city~~City in accordance with the code and in accordance with the procurement guidelines.

SECTION 31. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-313.3 and renumbering it as Section 26-113.3 pertaining to Responsibility of bidders and offerors and which shall read as follows:

Sec. ~~26-343~~113.3. Responsibility of bidders and offerors.

(1) *Determination of Nonresponsibility*: A written determination of nonresponsibility of a bidder or offeror shall be made in accordance with regulations. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of nonresponsibility with respect to such bidder or offeror.

(2) *Right of Nondisclosure*: Confidential information furnished by a bidder or offeror pursuant to this Section shall not be disclosed outside of the Office of the Materials Manager. The Materials Manager shall make a determination whether the information shall be subject to public disclosure.

SECTION 32. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-313.4 in its entirety pertaining to Prequalification of suppliers as follows:

~~Sec. 2-313.4. Prequalification of suppliers.~~

~~Prospective suppliers may be prequalified for particular types of supplies, services, and construction. The method of submitting prequalification information~~

~~and the information required in order to be prequalified shall be determined by the Materials Manager.~~

SECTION 33. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-313.5 in its entirety pertaining to Substantiation of offered prices as follows:

~~Sec. 2-313.5. Substantiation of offered prices.~~

~~_____ The Procurement Officer may request factual information reasonably available to the bidder or offeror to substantiate that the price or cost offered, or some portion of it, is reasonable, if:~~

- ~~_____ (1) the price is not:~~
 - ~~_____ (a) based on adequate price competition;~~
 - ~~_____ (b) based on established catalogue or market prices; or~~
 - ~~_____ (c) set by law or regulation; and~~
- ~~_____ (2) the price or cost exceeds an amount established in the regulations.~~

SECTION 34. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-313.6 in its entirety pertaining to Multi-Year Contracts as follows:

~~Sec. 2-313.6. Multi-Year Contracts.~~

~~_____ Unless otherwise provided by law, a contract for supplies or services may be entered into for any period of time deemed to be in the best interests of the city provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefore. A multi-year contract is authorized where:~~

- ~~_____ (a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and~~
- ~~_____ (b) such a contract will serve the best interests of the city by encouraging effective competition or otherwise promoting economies in city procurement.~~

~~_____ When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be cancelled and the contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the supplies or services delivered under the contract. The cost of cancellation may be paid from any appropriations available for such purposes.~~

SECTION 35. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-314 and renumbering it as Section 26-114 pertaining to Procurement; small dollar purchase procedures and which shall read as follows:

Sec. ~~26-314~~114. Procurement; small dollar purchase procedures.

(1) A procurement that is less than ~~fifty~~ One hundred thousand dollars (~~\$50,000.00~~100,000.00) may be made in accordance with small purchase procedures, provided, however, that procurement requirement shall not be artificially divided so as to constitute a small purchase under this Section. All small dollar purchases will be conducted in accordance with established procurement guidelines.

(2) The City Manager has the discretionary authority to enter into contracts/agreements that are less than fifty thousand dollars (\$50,000.00) and based upon the best interest of the ~~city~~City, taking into account factors such as need, confidentiality, and ~~city~~City requirements shall be exempt from the competitive procurement requirements of this code.

(3) All other procurements exceeding a value of ~~fifty~~ one hundred thousand (~~\$50,000~~100,000.00) dollars will be accomplished through the formal solicitation process.

SECTION 36. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-314.1 and renumbering it as Section 26-114.1 pertaining to Sole source procurement and which shall read as follows:

Sec. ~~26-314~~114.1. Sole source procurement.

A contract may be awarded for a supply or service item without competition when, under regulations, the Materials Manager, in writing that there is only one source for the required supply or service item. Sole Sources in excess of ~~fifty~~ one hundred thousand dollars (~~\$50,000~~100,000.00) shall be approved by Council.

SECTION 37. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-315 and renumbering it as Section 26-115 pertaining to Procurement; Emergency and Exempt Procurement and which shall read as follows:

Sec. ~~26-315~~115. Procurement; Emergency and Exempt Procurement.

Notwithstanding any other provision of this Code, the Materials Manager, the City Manager, or Mayor and Council may make or authorize others to make emergency procurements when there exists a threat to public health, welfare, or safety under emergency conditions as defined in this code; provided that such emergency procurements shall be made with such competition as is practicable

under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

SECTION 38. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-315.1 and renumbering it as Section 26-115.1 pertaining to Procurement of infrastructure facilities and services; general and which shall read as follows:

Sec. ~~26-315~~115.1. Procurement of infrastructure facilities and services; general.

Any solicitations issued for new construction or renovation of existing infrastructure or the repair and maintenance related to public works shall be accomplished through the requirements of the appropriate Arizona Revised Statute. In the event of a conflict between the provisions of this code and the provisions of Title 34, Arizona Revised Statutes, the provisions of Title 34 shall govern. The provisions of Title 34, Arizona Revised Statutes allow cities to establish limits on projects delivered under the Job Order Contracting delivery method. Therefore, the ~~city~~City adopts through this code a single project limit of three million (\$3,000,000) dollars for work accomplished under a JOC.

SECTION 39. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-316 pertaining to Procurement; retention of professional services and Chapter 26 of the Peoria City Code is amended by reserving Section 26-116 and which shall read as follows:

~~Sec. 2-316. Procurement; retention of professional services.~~

~~_____ (a) _____ The City may procure professional services, such as appraisers, real estate and property services; engineers, assayers, geologists and hydrologists, landscape architects, land surveyors, clergy, physicians, attorneys or dentists by developing a list of qualified providers through soliciting statements of qualifications and expressions of interest in providing such services. Such lists of qualified providers shall be updated as Materials Management determines to be reasonable.~~

~~(a) _____ The materials manager may appoint a committee to review qualifications. The committee shall consist of the materials manager and one or more professionals licensed, registered or admitted to the profession which is the subject of the procurement. Discussions with offerors who submit proposals may be conducted to determine qualifications for further consideration. Award shall be made to the offeror determined in writing to be the best qualified. Compensation shall be negotiated after an award is made.~~

Sec. 26-116. Reserved.

SECTION 40. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-317 and renumbering it as Section 26-117 pertaining to Limited source procurement and which shall read as follows:

Sec. ~~26-317~~117. Limited/Single source procurement.

Notwithstanding any other provision of this Code, the Materials Manager may initiate a procurement less than the small purchase amount of ~~fiftyone hundred~~ thousand dollars (~~\$50,000.00~~100,000.00) where the officer determines that an unusual or unique situation exists that makes the application of all requirements of competitive sealed bidding or competitive sealed proposals contrary to the public interest. Any special procurement under this Section shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the procurement and for the selection of the particular contractor shall be included by the Materials Manager in the contract file. On purchases above the ~~fiftyone hundred~~ thousand (~~\$50,000~~100,000.00) dollar thresholds the Mayor and Council must authorize the use of a Limited/Single Source Procurement.

SECTION 41. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-318 as Section 26-118 pertaining to Procurement; cooperative purchasing and which shall read as follows:

Sec. ~~26-318~~118. Procurement; cooperative purchasing.

(1) Any Public Procurement Unit may either participate in, sponsor, conduct, or administer a Cooperative Purchasing agreement for the procurement of any supplies, services, or construction with one or more Public Procurement Units in accordance with an agreement entered into between the participants. Such Cooperative Purchasing may include, but is not limited to, joint or multi-party contracts between Public Procurement Units and open-ended Public Procurement Unit contracts that are made available to other Public Procurement Units.

(2) All Cooperative Purchasing conducted under this Article shall be through contracts awarded through full and open competition, including use of source selection methods substantially equivalent to those specified in this Code.

SECTION 42. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-318.1 as Section 26-118.1 pertaining to Sale, acquisition, or use of supplies by a public procurement unit and which shall read as follows:

Sec. ~~26-318~~118.1. Sale, acquisition, or use of supplies by a public procurement unit.

Any Public Procurement Unit may sell to, acquire from, or use any supplies belonging to another Public Procurement Unit independent of the requirements of Code Sections affecting Source Selection, Contract Formation, and Supply Management.

SECTION 43. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-318.2 as Section 26-118.2 pertaining to Cooperative use of supplies or services and which shall read as follows:

~~Sec. 2-3~~Sec. 26-118.2. Cooperative use of supplies or services.

Any Public Procurement Unit may enter into an agreement, independent of the requirements of Code Sections affecting Source Selection, Contract Formation, and Supply Management, with any other Public Procurement Unit for the cooperative use of supplies or services under the terms agreed upon between the parties.

SECTION 44. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-318.3 as Section 26-118.3 pertaining to Contract controversies and which shall read as follows:

~~Sec. 2-3~~Sec. 26-118.3. Contract controversies.

Under a Cooperative Purchasing agreement, controversies arising between an administering Public Procurement Unit and its bidders, offerors, or contractors shall be resolved between the ordering Public Procurement Unit and the supplying bidders, offerors, or contractors in accordance with Public Procurement Unit's existing procedures.

SECTION 45. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-318.4 and renumbering it as Section 26-118.4 pertaining to Federal grant procurements and which shall read as follows:

~~Sec. 2-3~~Sec. 26-118.4. Federal grant procurements.

Any public procurement made by the city City using federal funds, in whole or part, must meet the requirements of the Common Grant Rule (Code of Federal Regulations) and/or federal transit law. Specifically, funds from the Federal Transit Administration shall meet those requirements set forth in FTA Circular 4220.1E. Any additional requirements for these acquisitions may be promulgated in the procurement guidelines.

SECTION 46. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-318.5 and renumbering it as Section 26-118.5 pertaining to Federal Transit Administration's (FTA) Standards of Conduct and which shall read as follows:

~~Sec. 2-3~~Sec. 26-118.5. Federal Transit Administration's (FTA) Standards of Conduct.

A. No employee, officer, agent, immediate family member, or Board member of the grantee (or company) shall participate in the selection, award, or administration of a contract supported by the FTA funds if a conflict of interest, real or apparent, would be involved.

B. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

- (1) The employee, officer, agent, or Board member,
- (2) Any member of his/her immediate family
- (3) His or her partner, or
- (4) An organization that employs, or is about to employ, any of the above.

C. The grantee's (or company's) officers, employees, agents, or Board members will neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. Grantees (or company's) may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by state or local law or regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary action for violation of such standards by the grantee's (or company's) officers, or agents, or by contractors or their agents.

SECTION 47. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-319 and renumbering it as Section 26-119 pertaining to Procurement; warehousing stores and which shall read as follows:

~~Sec. 2-3~~Sec. 26-119. Procurement; warehousing stores.

(1) The Materials Manager shall control and supervise warehouses and bulk storage facilities, and shall administer the warehouse inventories. The City Council may budget sufficient funds annually to provide for a fund, which shall function as the warehouse revolving fund.

(2) Supplies to be added into an inventory may be charged against the revolving fund. Requisitions for withdrawal of supplies in an inventory shall be credited to the revolving agency. The Materials Manager shall maintain a perpetual inventory record of warehouse and bulk storage facilities, and be responsible for the receipt, storage, issuance and distribution of supplies contained therein.

(3) All using agencies shall submit to the Materials Manager at such times and in such form as he shall prescribe, reports showing stocks of all surplus supplies. The Materials Manager shall have the authority to transfer and administer surplus supplies into a pool stock to be maintained in an inventory for use by requesting agencies on a temporary basis. Using such forms as shall be established, pool stock will be issued to a department. All pool stock shall be returned to inventory at designated time. The Materials Manager shall maintain pool stock in such condition that it is fit for its intended purpose.

SECTION 48. Chapter 2 of the Peoria City Code (1992) is amended by repealing Section 2-320 in its entirety and renumbering it as Reserved Section 26-120 and which shall read as follows:

~~Sec. 2-3~~Sec. 26-120. Procurement; pool stock Reserved.

~~All using agencies shall submit to the Materials Manager at such times and in such form as he shall prescribe, reports showing stocks of all surplus supplies. The Materials Manager shall have the authority to transfer and administer surplus supplies into a pool stock to be maintained in an inventory for use by requesting agencies on a temporary basis. Using such forms as shall be established, pool stock will be issued to a requesting agency. All pool stock shall be returned to inventory at designated time. The Materials Manager shall maintain pool stock in such condition that it is fit for its intended purpose.~~

SECTION 49. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-321 and renumbering it as Section 26-121 pertaining to Procurement code; protests; informal and formal and which shall read as follows:

~~Sec. 2-3~~Sec. 26-121. Procurement code; protests; informal and formal.

(1) *Right to Protest*: Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the Materials Manager. The protest shall be submitted in writing within five (5) business days after contract award. A formal protest shall be in writing signed by an authorized party, containing their name, address and telephone number, identification of the contract, a detailed statement of the legal and factual grounds of the protest, including copies of all relevant documents and the specific relief requested.

(2) *Authority to Resolve Protests*: The Materials Manager or ~~his~~their designee shall have the authority, prior to the commencement of an action in court concerning the controversy, to settle and resolve a protest of an aggrieved bidder, offeror, or contractor, actual or prospective, concerning the solicitation or award of a contract. This authority shall be exercised in accordance with this code and the procurement guidelines promulgated by the Materials Manager.

(3) *Decision*: If the protest is not resolved by mutual agreement, the Materials Manager shall promptly issue a decision in writing within fifteen (15) business days. The decision shall,

- (a) state the reasons for the action taken; and
- (b) inform the protestant of its right to judicial or administrative review as provided in this Article.

(4) *Notice of Decision*: A copy of the decision under Subsection (3) of this Section shall be mailed or otherwise furnished immediately to the protestant and any other interested party.

(5) *Finality of Decision*: A decision under Subsection (3) of this Section conclusive, unless an appeal is filed within five (5) business days following the date of the receipt of the decision by the Materials Manager that is the subject of the

protest.

(6) *Formal Appeal Process*:- The formal appeal shall be heard by the cityCity's hearing officer or any other hearing officer appointed by the cityCity for such purposes within fifteen (15) business days or as reasonably possible after filing of the date of appeal, unless extended by the hearing officer. The hearing officer may reject the protest, sustain the protest or reject or sustain in part and shall provide for an appropriate remedy. In determining an appropriate remedy, the hearing officer shall consider the circumstances surrounding the procurement or proposed procurement including, but not limited to the seriousness of the procurement deficiency, the degree of prejudice to other interested parties or to the integrity of the procurement system, the good faith of the parties, the extent of performance, costs to the cityCity, the urgency of the procurement and the impact of the relief upon the cityCity.

An appropriate remedy may include one or more of the following:

- (a) Decline to exercise an option to renew under the contract;
- (b) Terminate the contract;
- (c) Reissue the solicitation;
- (d) Issue a new solicitation;
- (e) Award a contract consistent with cityCity codes and policies;
- (f) Such other relief as is determined necessary to ensure compliance with the procurement code, procurement guidelines, and procedures.

SECTION 50. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-321.1 and renumbering it as Section 26-121.1 pertaining to Authority to Debar or Suspend and which shall read as follows:

~~Sec. 2-3~~Sec. 26-121.1. Authority to Debar or Suspend.

(1) *Authority*:- After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the Materials Manager, after consultation with the City Attorney's Office, shall have authority to debar a person for cause from consideration for award of contracts. The debarment shall not be for a period of more than three years. The same officer, after consultation with the City Attorney's Office, shall have authority to suspend a person from consideration for award of contracts if there is probable cause for debarment. The suspension shall not be for a period exceeding twelve months. The authority to debar or suspend shall be exercised in accordance with regulations or procurement guidelines.

(2) *Causes for Debarment or Suspension*:- The causes for debarment or suspension include the following:

(a) conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

(b) conviction under State or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a city contractor;

(c) conviction under state or federal antitrust statutes arising out of the submission of bids or proposals,

(d) violation of contract provisions, as set forth below, of a character which is regarded by the Materials Manager to be so serious as to justify debarment action:

(i) deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or

(ii) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment;

(e) any other cause the Materials Manager determines to be so serious and compelling as to affect responsibility as a city contractor, including debarment by another governmental entity for any cause listed in regulations; and

(f) for violation of the ethical standards set forth in this code (Ethics in Public Contracting).

(3) *Decision.* The Materials Manager shall issue a written decision to debar or suspend. The decision shall:

(a) state the reasons for the action taken; and

(b) inform the debarred or suspended person involved of its rights to judicial or administrative review as provided in this code.

(4) *Notice of Decision:* A copy of the decision under Subsection (3) of this Section shall be mailed or otherwise furnished immediately to the debarred or suspended person and any other party intervening.

(5) *Finality of Decision:* A decision under Subsection (3) of this Section

shall be final and conclusive, unless fraudulent, or

- (a) the debarred or suspended person commences an action in court or
- (b) the debarred or suspended person appeals administratively to the Hearing Officer in accordance with this code and procurement guidelines.

SECTION 51. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-321.2 and renumbering it as Section 26-121.2 pertaining to Authority to Resolve Contract and Breach of Contract Controversies and which shall read as follows:

~~Sec. 2-3~~Sec. 26-121.2. Authority to Resolve Contract and Breach of Contract Controversies.

(1) *Applicability*: This Section applies to controversies between the city~~City~~ and a contractor and which arise under, or by virtue of, a contract between them. This includes without limitation controversies based upon breach of contract, mistake, misrepresentation, or other cause for contract modification, rescission or termination.

(2) *Authority*: The Materials Manager or a designee is authorized, prior to commencement of an action in a court concerning the controversy, to settle and resolve a controversy described in Subsection (1) of this Section. This authority shall be exercised in accordance with this code and the procurement guidelines. The City Manager or the Materials Manager have the authority to terminate contracts for cause.

(3) *Decision*: If such a controversy is not resolved by mutual agreement, the Materials Manager or the designee shall promptly issue a decision in writing. The decision shall:

- (a) state the reasons for the action taken; and
- (b) inform the contractor of its right to judicial or administrative review as provided in this Article.

(4) *Notice of Decision*: A copy of the decision under Subsection (3) of this Section shall be mailed or otherwise furnished immediately to the contractor and any other interested party.

(5) *Finality of Decision*: The decision under Subsection (3) of this Section shall be final and conclusive, unless fraudulent, or:

- (a) the contractor commences an action in court or
- (b) the contractor appeals administratively to the Procurement Hearing

Officer in accordance with the code and procurement guidelines.

(6) *Failure to Render Timely Decision*:- If the Materials Manager or the designee does not issue the written decision required under Subsection (3) of this Section within 120 days after written request for a final decision, or within such longer period as may be agreed upon by the parties, then the contractor may proceed as if an adverse decision had been received.

SECTION 52. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-321.3 as Section 26-121.3 pertaining to Determinations and which shall read as follows:

~~Sec. 2-3~~Sec. 26-121.3. Determinations.

Written determinations required by this Code shall be retained in the appropriate official contract file of the Materials Manager or the Materials Management Division.

SECTION 53. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-322 and renumbering it as Section 26-122 pertaining to Procurement; sale, lease or disposal of surplus or obsolete City or personal property and which shall read as follows:

~~Sec. 2-3~~Sec. 26-122. Procurement; sale, lease or disposal of surplus or obsolete City or personal property.

(a) Unless otherwise provided by law, the Materials Manager shall be empowered, pursuant to regulations, to allocate proceeds from the sale, lease, or disposal of surplus supplies, with the exception of firearms, dangerous instruments or explosives which will be disposed of and such proceeds allocated in accordance with federal and state law. City agencies which originally purchased a material with general fund monies shall not be reimbursed for its transfer or sale. All such monies received shall be deposited in the ~~city~~City's general fund. Firearms will be disposed of in accordance with federal and state laws.

(b) ~~The Materials Manager shall not sell any deadly weapon, dangerous instrument or explosive that was used or displayed in any criminal offense regardless of whether a conviction was obtained or any explosive displayed, used or possessed by any person. The Materials Manager may transfer weapons to the Police Department for Law Enforcement training purposes.~~

(c) Upon forfeiture of any deadly weapon, dangerous instrument or explosive by order of any court, the item which is the subject of the forfeiture shall be turned over to the Materials Manager for sale, trade or destruction. ~~The Materials Manager may transfer weapons to the Police Department for Law Enforcement training purposes.~~

(d) The Materials Manager may delegate to the Police Department the

destruction, in accordance with federal and state law of any deadly weapon, dangerous instrument or explosive. If the deadly weapon, dangerous instrument or explosive cannot be destroyed or is determined to have historic value, it ~~shall be rendered inoperable and~~ may be otherwise disposed of as permitted by law.

- (1) For purposes of this section, Historic is defined as a weapon of which the model is not available for retail sale due to no longer being manufactured or having historical significance ~~in the community as~~ determined by the Police Department.

SECTION 54. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-323 as Reserved Section 26-123 which shall read as follows:

~~Sec. 32-326-123.~~ Reserved.

SECTION 55. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-324 as Reserved Section 26-124 which shall read as follows:

~~Sec. 2-326-124.~~ Reserved.

SECTION 56. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-325 and renumbering it as Section 26-125 pertaining to Procurement duties of Materials Manager; abandoned, unclaimed surplus property disposal procedures and which shall read as follows:

~~Sec. 2-325.~~ Procurement duties of Materials Manager; abandoned, unclaimed surplus property disposal procedures.

(1) The Materials Manager shall promulgate regulations or procurement guidelines governing:

- (a) the management of supplies during their entire life cycle;
- (b) the sale, lease, or disposal of surplus supplies by public auction, competitive sealed bidding, or other appropriate method determined to be most advantageous to the ~~city~~City, provided that no employee of the ~~city~~City or disposing agency shall be entitled to purchase any such supplies;
- (c) transfer of excess supplies; and
- (d) trade-in of excess or surplus materials.

(2) The ~~city~~City may acquire surplus materials from state government and may distribute surplus materials as may be usable and necessary for public purposes of the ~~city~~City. No ~~city~~City government unit shall acquire state or political

subdivision surplus material without approval of the Materials Manager.

(3) The cityCity shall have the right to sell, lease, trade, exchange or otherwise dispose of cityCity property for the best interests of the cityCity. The disposal of surplus or obsolete property shall be done in as competitive a manner as the Materials Manager determines to be practicable. Procedures shall be prescribed prohibiting the conversion of surplus and obsolete cityCity property for personal use by cityCity employees unless the cityCity receives fair market value for such property and the property is disposed of in a commercially reasonable manner. This section excludes the disposition of land and/or easements.

SECTION 57. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-326 and renumbering it as Section 26-126 pertaining to Procurement; assistance to small, minority, disadvantaged and women owned business enterprises and which shall read as follows:

~~Sec. 2-3~~Sec. 26-126. Procurement; assistance to small, minority, disadvantaged and women owned business enterprises.

(1) The Materials Manager shall take affirmative steps to locate small, minority, disadvantaged and women business enterprises interested in doing business with the cityCity. This policy will also include local vendors that have offices within the corporate limits for the City of Peoria. These steps shall include notification in appropriate publications for solicitations.

(2) It is the policy of the cityCity that suppliers of goods or services adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire and promote regardless of race, color, religion, gender, national origin, age or disability.

(3) The Materials Manager shall develop and include as part of the solicitations for professional and consultant services a request for firms to indicate whether they have been certified by any jurisdiction in this state as a minority or woman owned business enterprise.

SECTION 58. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-326.1 and renumbering it as Section 26-126.1 pertaining to Compliance with federal requirements and which shall read as follows:

~~Sec. 2-3~~Sec. 26-126.1. Compliance with federal requirements.

Where a procurement involves the expenditure of federal assistance or contract funds, the Materials Manager shall comply with such federal law and authorized regulations which are mandatorily applicable and which may not presently be reflected in this Code and the procurement guidelines.

SECTION 59. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-327 and renumbering it as Section 26-127 pertaining to Procurement; code of ethics and which shall read as follows:

~~Sec. 2-3~~Sec. 26-127. Procurement; code of ethics.

(1) Public employment is a public trust. It is the policy of the ~~city~~City to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by the ~~city~~City. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

(2) Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the ~~city~~City procurement organization.

(3) To achieve the purpose of this Code, it is essential that those doing business with the ~~city~~City also observe the ethical standards prescribed herein.

SECTION 60. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-327.1 and renumbering it as Section 26-127.1 pertaining to General standards of ethical conduct and which shall read as follows:

~~Sec. 2-3~~Sec. 26-127.1. General standards of ethical conduct.

(1) *General Ethical Standards for Employees*:- Any attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the employee's duties is a breach of a public trust.

In order to fulfill this general prescribed standard, employees must also meet the specific standards including Employee Conflict of Interest; Employee Disclosure Requirements; Gratuities and Kickbacks; Prohibition Against Contingent Fees; Restrictions on Employment of Present and Former Employees; and Use of Confidential Information.

(2) *General Ethical Standards for Non-Employees*:- Any effort to influence any public employee to breach the standards of ethical conduct set forth in this code and procurement guidelines is also a breach of ethical standards.

SECTION 61. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-327.2 as Section 26-127.2 pertaining to Criminal sanctions and which shall read as follows:

~~Sec. 2-3~~Sec. 26-127.2. Criminal sanctions.

To the extent that violations of the ethical standards of conduct set forth in this Part constitute violations of the Arizona Revised Statutes Section 38-501

through Section 38-511, they shall be punishable as provided therein. Such sanctions shall be in addition to the civil remedies set forth in this Article.

SECTION 62. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-327.3 and renumbering it as Section 26-127.3 pertaining to Employee conflict of interest and which shall read as follows:

~~Sec. 2-3~~Sec. 26-127.3. Employee conflict of interest.

(1) *Conflict of Interest*: It shall be a breach of ethical standards for any employee to participate directly or indirectly in a procurement when the employee knows that:

- (a) the employee or any member of the employee's immediate family has a financial interest pertaining to the procurement;
- (b) a business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
- (c) any other person, business, or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

(2) *Financial Interest in a Blind Trust*: Where an employee or any member of the employee's immediate family holds a financial interest in a blind trust, the employee shall not be deemed to have a conflict of interest with regard to matters pertaining to that financial interest, provided that disclosure of the existence of the blind trust has been made to the Materials Manager.

(3) *Discovery of Actual or Potential Conflict of Interest, Disqualification, and Waiver*: Upon discovery of an actual or potential conflict of interest, an employee shall promptly file a written statement of disqualification and shall withdraw from further participation in the transaction involved. The employee may, at the same time, request to the Materials Manager for an advisory opinion as to what further participation, if any, the employee may have in the transaction.

(4) *Notice*: Notice of this prohibition shall be provided in the procurement file.

SECTION 63. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-327.4 and renumbering it as Section 26-127.4 pertaining to Employee disclosure requirements and which shall read as follows:

~~Sec. 2-3~~Sec. 26-127.4. Employee disclosure requirements.

(1) *Disclosure of Benefit Received from Contract*: Any employee who

has, or obtains any benefit from, any contract with a business in which the employee has a financial interest shall report such benefit to the Materials Manager; provided, however, this Section shall not apply to a contract with a business where the employee's interest in the business has been placed in a disclosed blind trust.

(2) *Failure to Disclose Benefit Received*:- Any employee who knows or should have known of such benefit, and fails to report such benefit to the Materials Manager, is in breach of the ethical standards of this Section.

SECTION 64. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-327.5 and renumbering it as Section 26-127.5 pertaining to Employee disclosure requirements and which shall read as follows:

~~Sec. 2-3~~Sec. 26-127.5. Gratuities and kickbacks.

(1) *Gratuities*:- It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor.

(2) *Kickbacks*:- It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

(3) *Contract Clause*:- The prohibition against gratuities and kickbacks prescribed in this Section shall be conspicuously set forth in every contract and solicitation therefor.

SECTION 65. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-327.6 and renumbering it as Section 26-127.6 pertaining to Prohibition Against Contingent Fees and which shall read as follows:

~~Sec. 2-3~~Sec. 26-127.6. Prohibition Against Contingent Fees.

It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a ~~city~~City contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.

SECTION 66. Chapter 2 of the Peoria City Code (1992) is amended by amending Section 2-327.7 and renumbering it as Section 26-127.7 pertaining to Restrictions on employment of present and former employees and which shall read as follows:

~~Sec. 2-3~~Sec. 26-127.7. Restrictions on employment of present and former employees.

(1) *Contemporaneous Employment Prohibited*:- Except as may be permitted by this code or procurement guidelines, it shall be a breach of ethical standards for any employee who is participating directly or indirectly in the procurement process to become or be, while such an employee, the employee of any person contracting with the governmental body by whom the employee is employed. Notice of this provision shall be provided in accordance with regulations promulgated by the Materials Manager.

(2) *Restrictions on Former Employees in Matters Connected with Their Former Duties.*

(a) *Permanent Disqualification of Former Employee Personally Involved in a Particular Matter*:- It shall be a breach of ethical standards for any former employee knowingly to act as a principal, or as an agent for anyone other than the cityCity, in connection with any:

- (i) judicial or other proceeding, application, request for a ruling, or other determination;
- (ii) contract;
- (iii) claim; or
- (iv) charge or controversy,

in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee, where the cityCity is a party or has a direct and substantial interest.

(b) *One Year Representation Restriction Regarding Matters for Which a Former Employee Was Officially Responsible*:- It shall be a breach of ethical standards for any former employee, within one year after cessation of the former employee's official responsibility, knowingly to act as a principal, or as an agent for anyone other than the cityCity, in connection with any:

- (i) judicial or other proceeding, application, request for a ruling, or other determination;
- (ii) contract;

- (iii) claim; or
- (iv) charge or controversy,

in matters which were within the former employee's official responsibility, where the cityCity is a party or has a direct or substantial interest.

(3) *Disqualification of Business When an Employee Has a Financial Interest.* It shall be a breach of ethical standards, Arizona Revised Statutes Section 38-502, for a business in which an employee has a financial interest knowingly to act as a principal, or as an agent for anyone other than the cityCity, in connection with any:

- (a) judicial or other proceeding, application, request for a ruling, or other determination;
- (b) contract;
- (c) claim; or
- (d) charge or controversy,

in which the employee either participates personally and substantially through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which is the subject of the employee's official responsibility, where the cityCity is a party or has a direct and substantial interest.

SECTION 67. Chapter 2 of the Peoria City Code (1992) is amended by renumbering Section 2-327.8 as Section 26-127.8 pertaining to Use of confidential information and which shall read as follows:

~~Sec. 2-3~~Sec. 26-127.8. Use of confidential information.

It shall be a breach of ethical standards for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

SECTION 68. Chapter 2 of the Peoria City Code (1992) is amended by repealing Reserved Sections 2-328 through 2-403 and which shall read as follows:

~~Secs. 2-328. through 2-399. Reserved.~~
~~Sec. 2-400. Reserved.~~
~~Sec. 2-401. Reserved.~~
~~Sec. 2-402. Reserved.~~
~~Sec. 2-403. Reserved.~~

SECTION 69. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any Court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 70. This Ordinance shall become effective in the manner provided by law.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 7th day of March, 2017.

Dated: March 8, 2017

Cathy Carlat
Cathy Carlat, Mayor

ATTEST:

Rhonda Geriminsky
Rhonda Geriminsky, City Clerk



APPROVED AS TO FORM:

Stephen J. Burg
Stephen J. Burg, City Attorney

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