

## PROCUREMENT REQUIREMENTS FOR CARES ACT FUNDS

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

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

### PROCUREMENT DEFINITIONS

#### Price and Cost Analysis

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

#### Sole Source

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

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

#### Inventory Requirements

Any office equipment (e.g. printers, laptops, computers, tablets, office furniture, etc.) purchased with CARES Act funds must be tagged and inventoried. A copy of the inventory log and photographs of each tagged item must be submitted with the reimbursement request. Office equipment purchases will be evaluated, and a determination will be made if equipment will be returned to the City of Phoenix at the end of the contract term.

#### Small Purchases

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

Examples: Supplies (bulk orders), Printing Services (brochure), Office Equipment (printer), laptops, tablets, desks, office chairs

Method: Telephone Solicitations (Prior Approval Required; document information on the "Procurement Form")

Description: Price quotes are received by phone or online and documented. At least three vendors should be solicited; price, availability, and delivery information should be requested. The purchase order is awarded to the responsible vendor quoting the lowest price, all other factors considered. Exceptions must be documented in writing and approved by the City. Prior to incurring the cost, the organization must document the purchase activity and decisions on the Procurement Form and obtain approval from the assigned Project Manager. When submitting a reimbursement request to the assigned Project Manager, supporting documentation (e.g. vendor receipt and proof of payment) must be included.

#### Larger Purchases

Dollar limit: Over \$1,000

Examples: Professional/Consultants (Bookkeeping, CPA, Audit Services) Office Equipment (printer), laptops, tablets, desks, office chairs

Method: Written Quotation (Prior Approval Required; document information on the "Procurement Form")

Description: This procedure applies to more complex items when a quote in writing is required. Award is made to the responsible vendor quoting the lowest price and meeting the technical requirements. Exceptions must be documented in writing and approved by the City. Prior to incurring the cost, the organization must document the purchase activity and decisions on the Procurement Form, attach the written quotations, and forward to the assigned Project Manager for review and approval. When submitting a reimbursement request to the assigned Project Manager, supporting documentation (e.g. vendor receipt and proof of payment) must be included.