

PURCHASING POLICY

City Code Chapter 135

Section 135.010: General Provisions

- A. This Chapter provides guidelines to be followed in purchasing goods and services for the City. These policies and procedures supersede all prior purchasing directives, memoranda, and practices. The City Manager shall be responsible for enforcing this policy.
- B. **Lowest Best Quality Competition.** All purchasing will demonstrate a reasonable and good faith effort to obtain goods and services at the lowest possible cost with the optimum quality needed. Competition among suppliers shall be encouraged.
- C. **Preference Area Vendors.** Vendors will be treated in a fair and professional manner with preference given to area vendors, if all other things are equal.
- D. **Conflict Of Interest.** Any officer or employee of the City is expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any purchase order or contract is, or might be awarded, any rebate, gift, money, or anything of value whatsoever, except where given for the use and benefit of the City. No City employee or official shall have a financial interest in any purchase or contract issued by the City. Violation of this provision is basis for dismissal.
- E. **Budget Goal.** The City Council sets goals, priorities, and standards for the City programs and services through adoption of the annual budget. The budget establishes expenditure levels for each department. No further Council action is required to initiate purchases within the budget limits.
- F. **Department Director Authority.** Department Directors are granted full responsibility and broad discretion by the City Manager to make purchases within the scope of their departmental appropriations subject to the rules contained within these regulations. Budget appropriations do not mandate expenditure unless the need continues to exist at the time of purchase. The City Manager may establish spending levels below those budgeted if revenue collections are inadequate to fulfill budgetary needs.
- G. **Sales Tax Exemption.** All City purchases are exempt from the sales taxes of Missouri and its political subdivisions.

Section 135.020: Competitive Quotes and Bids

- A. **Items Over Five Hundred Dollars.** Any item which exceeds five hundred dollars (\$500.00) purchased individually or in bulk shall require competitive quotations. Quotes will be obtained in writing, by telephone, or from current catalog price lists. Quotes shall be solicited from at least three (3) vendors.
- B. **Purchases Over One Thousand Dollars.** Individual purchases which exceed one thousand dollars (\$1,000.00) need to be signed by the City Manager as well as meet the requirements for items over five hundred dollars (\$500.00).
- C. **Purchases Over Ten Thousand Dollars.** Purchases in excess of ten thousand dollars (\$10,000.00) require legal advertisement, written specifications, sealed bids, and are awarded by the City Council. Sealed bids shall be submitted to the Purchasing Officer for public opening and evaluation prior to City Council action.
- D. **Purchases Requiring City Council Approval.**

1. Contracts
2. Agreements
3. Purchases over ten thousand dollars (\$10,000.00)

E. Exceptions. These guidelines may be modified or waived under any of the conditions listed below. Written justification for such must be submitted with the Purchase Requisition or Payment Voucher.

1. The goods or services are available from only one (1) vendor;
2. Any emergency; (an emergency status must be approved by the Department Director)
3. A concession or maintenance service agreement is being renewed for good workmanship, material, or performance for no more than one (1) year;
4. It is advantageous to purchase through the purchasing contracts of other governmental agencies;
5. The services are not conducive to lowest price bidding such as legal, engineering, audit, or medical services;
6. For purchases that are of an on-going, repetitive nature, i.e., concrete, asphalt, equipment repairs, or any other items approved by the City Manager or the Assistant City Manager. The City Manager or the Assistant City Manager shall have the authority to approve, on an annual basis, a vendor listing of not less than three (3) vendors to be used by the City for each approved product or service. Vendors shall annually submit bids. Purchases may then be made by Department Directors on a price/availability basis, for purchases up to five hundred dollars (\$500.00), without obtaining separate quotes on each purchase; or
7. Professional services for architecture, engineering, or land surveying shall be obtained as further outlined in the Procurement Policy adopted by the City.

F. Single Bids or Proposals: When only one bid or proposal is received in response to a solicitation, City staff may enter into negotiations with the sole responder to the bid/proposal solicitation. If staff believes that the following three conditions have been met, then the negotiated award may be recommended to the City Council.

1. The bidder is shown to be responsible through bidder's qualifications, financial background and reference check as completed by the City.
2. The bid, in the determination of the Procurement Officer, fully addresses the Scope of Work outlined in the Request for Proposal or Bid, and meets all of the conditions set forth in the General and Specific Requirements of the Request for Proposal or Bid.
3. The RFP was properly and effectively advertised, and a diligent effort was made to notify vendors of the RFP.

Section 135.030: Requisition Forms

- A. Purchase Orders. For proper financial control, it is imperative that all expenditures be authorized in advance. Normally, this will require approval of a complete purchase requisition and purchase order.
- B. Purchase Requisition Functions. An approved purchase requisition assures the employee that the specified goods or services may be obtained. It provides information for the purchase order.
- C. Purchase Order Functions. An approved purchase order assures the vendor that the City will pay for goods and services being purchased. It encumbers the budgetary accounts to reserve funds for the purchase. Completion of the receiving copy authorizing the Finance Department to actually pay the vendor.

1. The purchase requisition form must include the following information:

- a. Requisition number;
- b. Vendor name, address, and identification number;
- c. Shipping address if goods are not to be delivered to City Hall or are to be picked up;
- d. Date of requisition;
- e. Date delivery is needed;
- f. Applicable general ledger expenditure account and/or project number;
- g. Quantity needed;
- h. Clear and detailed description of the items being requested; and
- i. Signature of the employee requesting the item, the Department Director, and if the grand total exceeds one thousand dollars (\$1,000.00), the signature of the City Manager.

The requisition will be filled out in duplicate form. The requesting department will retain one (1) copy and send one (1) copy to purchasing along with any quote forms or specifications if required.

2. The purchase order form must include the following information:

- a. Purchase order number;
- b. Vendor name, address, and identification number;
- c. Shipping address if goods are not delivered to City Hall or are to be picked up;
- d. Date of purchase;
- e. Date delivery is needed;
- f. Applicable general ledger expenditure account and/or project number;

- g. Quantity needed;
 - h. Clear and detailed description of the items being ordered;
 - i. Unit price of each item;
 - j. Total price of each item calculated by multiplying the quantity needed by the unit price;
 - k. Grand total of all items including any freight, installation, or other charges; and
 - l. Signature of the Purchasing Officer and the Department Director.
3. The purchase order will be filled out on a five- (5) part form. The first (1st) copy shall be sent to the vendor. The second (2nd) and third (3rd) copies will be sent to the requesting Department Director. The fourth (4th) and fifth (5th) copies will be retained in the Purchasing Department. When the goods or services have been satisfactorily received, the third (3rd) copy will be initialed and returned to the Purchasing Department. Purchasing will match invoices to the receipt copy, verify quantity and price and submit a copy to accounts payable for payment.
4. A total cost variance of up to three percent (3%) from the amount on the original purchase order will be allowed with a written explanation and approval by the appropriate Department Director. Any variance over three percent (3%) must be approved by the City Manager or the Assistant City Manager.

Section 135.040: Payment Vouchers

- A. In some instances, a payment voucher may be used instead of a purchase order:
- 1. For items already purchased;
 - 2. For small dollar amount purchases;
 - 3. For partial payments on purchase orders; or
 - 4. To accompany manual checks.
- B. The payment voucher form must include the following information:
- 1. Payment voucher number;
 - 2. Vendor identification number, name, and address;
 - 3. Check number, if used with a manual check;
 - 4. Date;
 - 5. Invoice number, if used for an item already purchased;
 - 6. Purchase order number, if used with a partial payment on a purchase order;

7. Clear description of the expense;
8. Applicable general ledger expenditure account and/or project number;
9. Amounts and total; and
10. Signatures of preparer and Department Director, and, if the amount is over one thousand dollars (\$1,000.00), the City Manager.

Section 135.050: Recordkeeping

All purchasing activities will be documented to verify a good faith effort to obtain the lowest possible price at the optimum quality. This documentation will be submitted to the Purchasing Department with the purchase order or payment voucher.

1. Quote form. A record of any quotes or bids will be submitted to purchasing to document vendor competition. This record shall include a list of vendors solicited, persons contacted, dates, prices, quantities, and any other pertinent information. The Department Director may solicit informal telephone bids with the assistance of the Purchasing Officer.
2. Other documentation. The purchasing documentation should also include verification of receipt and actual cost. This may be provided by receiving slips, detailed invoices, and/or receipts.
3. The Purchasing Department shall maintain the documentation submitted with purchase orders and payment vouchers. The Purchasing Officer shall maintain copies of all purchase orders in numerical order and an inventory of fixed assets.

Section 135.060: Surplus Property

- A. A detailed list of any surplus, obsolete, worn-out, or confiscated department property shall be submitted to the Purchasing Department with recommendation for disposal. The list will be circulated to all Department Directors. Upon request, items may be transferred to another department subject to approval of the City Manager.
- B. Surplus property may be sold by sealed bid or public auction with authorization of the City Council. Such items shall be stripped of all City identification prior to the sale. Unsold items may be junked and sold for scrap upon approval of the City Manager.

Section 135.070: Policy for the Selection of Professional, Architectural, Engineering and Land Surveying Services

- A. Definitions. The following words shall have the meanings as set out herein:

FIRM: Any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice architecture, engineering, or land surveying in the State of Missouri, or to provide professional services as described herein.

PROFESSIONAL SERVICES: Those services within the scope of practice of architecture, engineering, or land surveying, as defined by the laws of the State of Missouri, or those performed by any architect, professional engineer, or registered land surveyor in connection with this professional employment or practice.

- B. Roster Of Consultants. The City will maintain a roster, classified by category of professional service of qualified firms interested in performing professional services for the City. Names of firms shall be placed on the roster upon their request, at the request of the City Manager, or when recommended by City Department Directors.
- C. Each firm meeting the following minimum qualifications shall be deemed to be a qualified firm and meeting the qualifications of the City.
 - 1. Duly authorized to conduct business in the State of Missouri in their particular profession;
 - 2. Professional registration by the State of Missouri; and
 - 3. At least one (1) staff professional assigned to each project. Adequacy of personnel will be determined on a contract-by-contract basis against the City's estimate of manpower required to perform the work in the desired time frame.
- D. Each firm listed on the roster shall be responsible for maintaining a current resume describing its qualifications and experience to be filed with the City. Firms having a roster on file shall update the information contained therein on an annual basis.
 - 1. Data which should be included is as follows:
 - a. Firm name, address, telephone numbers;
 - b. Year established and former firm names (if applicable);
 - c. Types of services for which it is qualified;
 - d. Names of principals of the firm and States in which they are registered;
 - e. Names of key personnel, with experience of each and length of time in the organization;
 - f. Number of staff available for assignment;
 - g. Outside consultants and associates usually retained;
 - h. List of completed projects on which the firm was principal consultant in the previous three (3) years; and
 - i. Current projects underway and estimate cost of each

Section 135.080: General Procedures and Responsibilities

- A. The procurement policy herein described shall be initiated for projects whose expenditure value exceeds ten thousand dollars (\$10,000.00) or in other cases in which the City Manager may deem it advisable.
- B. Project Initiation. When a Department Director identifies a project for which professional services will be necessary, the Department will draft a scope of services for the specific project. This scope of services

will be submitted to the City Manager for authorization to initiate the project, and a determination as to which type of selection will be required in accordance with the policies of the purchasing manual. The scope of services should include the following:

1. A description of the work required and its objectives;
 2. The nature of specific tasks and services to be accomplished;
 3. The type and amount of assistance to be given by the City department involved;
 4. Required time frame; and
 5. Financial conditions of limitations; grant programs involved.
- C. Expressions Of Interest. After authorization, the Department Director will contact those firms on the roster and those firms responding to advertisements, if applicable, for a written expression of interest in the specific project. The request should invite comment as to the special experience with similar projects, and the availability of the firm to provide required service within any time limitations.
- D. Screening And Requests For Proposals. The expressions of interest will then be presented to the Department Director for initial screening. Factors to be determined in the initial screening will include:
1. Specialized experience in the type of work required;
 2. Record of the firm in accomplishing work on other projects in the required time;
 3. Quality of work previously performed by the firm for the City;
 4. Recent experience showing accuracy of cost estimates;
 5. Community relations including evidence of sensitivity to citizen concerns;
 6. Geographic location of the office of the firm which would serve the project;
 7. Qualifications and experience of key personnel; and
 8. Relations with previous clients.

The Department Director, with the advice and consent of the City Manager, will designate three (3) or four (4) firms who will be requested to present detailed proposals on the project and be interviewed.

- E. Detailed Proposals. Firm submitting detailed proposals will be asked to provide the following:
1. A resume of the firm principal who will be responsible for the project;
 2. A resume of the proposed project supervisor;
 3. Resumes of key project personnel;
 4. A statement of the ability of the firm to meet required time schedules;
 5. A description of how the project would be conducted;

6. A schedule of hourly rates for various services offered and a proposed project fee range;
 7. A list of municipal references for similar types of projects; and
 8. Any other pertinent information the firm wishes to present.
- F. Interview And Selection. Upon receipt of the detailed proposals, the Department Director will review the proposals, interview the prospective firms, and make the final selections as to the firm for the project. Similar systems for rating shall be used on similar projects and will be standardized where possible. The prime factor to be rated in the final screening are the firm's:
1. Management capabilities;
 2. Technical capabilities;
 3. Approach to the project;
 4. Understanding of city's objectives;
 5. Proposed work schedule;
 6. Staff to be assigned;
 7. Fee and/or schedule of hourly rates;
 8. Knowledge of local situation;
 9. Ability to communicate;
 10. Presentation and attitude; and
 11. Confidence factor.
- G. Contract Negotiation. The selected firm will then be requested to come in for a final conference with the Department Director to define precisely the scope of services to be provided and to finalize the compensation requirements for the work. A contract will then be prepared and submitted to the City Counselor for review, and then submitted to the City Manager for presentation to the City Council for approval, as required by the purchasing manual.

If, after reasonable effort, a contract cannot be negotiated, the negotiations with the designated firm shall be terminated and negotiations shall be started with the next firm recommended.

H. Exceptions.

1. In view of the fact that special conditions will occasionally arise that make use of this policy impractical, exceptions can be made. Reasons for exceptions may include an emergency situation which precludes a selection time frame of at least two (2) months, or an extremely specialized need in which there is

only one (1) feasible source of expertise. If it appears there is a need for an exception to the policy, the City Manager will inform the City Council to allow them the opportunity to deny the exception.

2. If the number of firms willing and available to perform a specified task is small, the step involving initial screening may be skipped and the selection process will go directly to detailed proposals.
3. If two (2) or more projects, during any three (3) year period, are of such similar nature, the Department Director, with the approval of the City Manager, may request a detailed proposal from a previously contacted firm and then, following an interview, enter into contract negotiations with that firm. Should contract terms not be reached with the selected firm, the Department Director must revert to the procedures as outlined previously in this policy.

Section 135.090: Compensation or Fees

This amount will include all services to be rendered to the City by the firm, with the exception of certain pass-through expenses that will be identified by contract, if applicable, and it will be calculated by one (1) of the following methods, at the preference of the City:

1. Lump sum or fixed fee;
2. Cost per unit; or
3. Hourly basis with total not to exceed a fixed amount.

Section 135.100: Prohibition Against Contingent Fees

- A. Each contract entered into by the City Council for professional services shall contain a prohibition against contingent fees as follows:

"No firm shall retain a person, to solicit or secure a City contract for professional services 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."

- B. For the breach or violation of the foregoing provision, the City Council shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift, or consideration.