



## Purchasing Policy

### 1. Goals

This policy has been designed to ensure that the guidelines set by the Board of Aldermen with regard to the expenditure of public funds are met by all city employees and elected officials. City employees and elected officials must be excellent stewards of the public dollars to receive the maximum benefit for each of those dollars.

The basic goals of the City's purchasing policy are:

- To comply with the legal requirements of public purchasing as prescribed by state and federal law;
- To assure vendors that impartial and equal treatment will be afforded to all who wish to do business with the City;
- To receive maximum value for each public dollar spent;
- To provide City departments with the required goods and services at the time and place needed in the proper quantity and quality;
- To purchase only goods and services for which funds have been approved.

### 2. General Guidelines

These general guidelines should be considered administrative rules and regulations, and are to be adhered to by all departments in the procurement of goods and services. The City Clerk should be responsible for overseeing the application and adherence to this policy and will issue clarifications as needed.

- 2.1 Local Buying – It is the desire of the City to purchase from local vendors whenever possible. This can be accomplished by ensuring that local vendors are included in the competitive bid process.
- 2.2 Planning – Planning for purchases shall be done on both a short term and long term basis. Planning will cut down on the number of trips and shipping required to obtain materials. Planning will minimize the amount of clerical and supervisory time spent on documenting purchases. The purchasing process begins with the preparation of the annual budget.
- 2.3 Sales Tax – The City is exempt from paying all local sales tax. A tax-exempt form is available from the City Clerk.
- 2.4 Personal Purchases – City Employees are prohibited from using their position or the City's name to purchase items for their own personal use.

### 3. Purchasing Guidelines

This policy establishes guidelines of when and how items must be bid. Good documentation and using extra caution to ensure that all vendors are treated fairly is in the City's best interest.

*Splitting purchases into smaller orders to avoid these requirements is strictly prohibited.*



*The cost of shipping should always be included in the bid and will be used to determine the total bid price.*

3.1 Small Purchase Procedure – \$500.00 or less

The City Administrator, City Clerk and the City Marshall or their designee may make the purchases. The City Administrator, City Clerk or the City Marshall must approve small purchases. Cooperative Procurement Programs should be checked to see if a lower price is available.

3.2 Informal Purchase Procedures – \$500 to \$2,500.00

City Administrator, City Clerk and the City Marshall must obtain three or more quotations for the goods or services. Quotations can be done by 1 of 5 options: telephone, email, mail, fax or from a company's website. All bids should be written on a bid sheet and included with the purchase request. Cooperative Procurement Programs should be checked to see if a lower price is available. The City Administrator must approve the acquisition of any good or service prior to purchase.

3.3 Informal Purchase Procedures – \$2,500.00 to \$5,000.00

City Administrator, City Clerk and the City Marshall must obtain three or more quotations for the goods or services. Quotations can be done by 1 of 4 options: telephone, email, mail, or fax. All bids should be included with the purchase request. Cooperative Procurement Programs should be checked to see if a lower price is available. The City Administrator must approve the acquisition of any good or service prior to purchase.

3.4 Formal Purchase Procedure – \$5,000.00 and above

When the City anticipates purchasing goods or services exceeding \$5,000.00 in value, the department requesting the goods or services shall prepare specifications based upon standards appropriate to meet the City's needs. The bid will be submitted to the Board of Aldermen for approval.

3.5 Formal Bid Process

Upon the approval of the Board of Aldermen, the City Administrator or designee will prepare and mail to qualified vendors the bid package consisting of an invitation to bid, specifications and bid form. The cost of shipping will be included in the bid specifications.

The City Clerk will prepare the bid notice and publish it in a local newspaper and on the City's website, if appropriate. All bid notices shall explicitly indicate the City reserves the right to accept or reject any bid when it is determined in the best interest of the City to do so. All bids shall be sealed and filed with the City Clerk at or prior to the time and date stated in the bid notice. Unless otherwise stated in the bid specifications, formal bids will only be accepted in a sealed envelope or package. Formal bids may be accepted electronically if the City Administrator or City Clerk deem it to be appropriate or necessary.



## Bid Evaluation Process

The City Administrator and the City Clerk shall conduct the initial evaluation of bids received.

- Was the bid in a sealed envelope or package, if required?
- All bids arriving after the prescribed time and date will remain sealed.
- If appropriate, does the bid include shipping?
- Non-conforming bids will not be submitted to the evaluation portion of the bid process.

All bids shall be opened at the specific time designated on the date stated in the bid notice. Persons who have submitted a bid are permitted to attend the bid opening. If there are interested persons attending the bid opening, each of the conforming bids shall be read by the City Clerk or their designee. Persons who have submitted a bid are permitted to hear all conforming bids read aloud. The City personnel will not engage in discussion concerning any bid or its opportunity to be a successful bid. The Department requesting the bid will have one member of the department in attendance of the opening.

The City Administrator should consult with the department requesting the bid to evaluate whether or not:

- Does the bid meet the specifications?
- Does the bid include shipping, if appropriate?
- Determine acceptability of bids received, examine the ability, capacity and skill of the bidder to perform the contract or provide the service required.
- Review, if any, the quality of previous successful bids with the City.
- Verify the bid bond, if required.
- Verify the required information, i.e. literature, samples, etc. provided.
- Rank the bidders from the lowest to the highest.
- If required, determine the ability of the bidder to provide future maintenance and service for the use of the contract subject.
- Submit the findings to the Board of Alderman in writing.

The City Administrator will present the findings of the review to the Board of Alderman.

- Every effort should be made to ensure the City is using Public Funds in the most effective way.
- It is the Board of Alderman's duty to select a bid from the bids that have been properly evaluated.
- The Board of Alderman may reject all bids.
- If there were nonconforming bids, the City Administrator should make note of the bidder and the reason why the bid was nonconforming.
- The bid award on purchases over \$5,000.00 is not final until formally approved by the Board of Alderman.



3.7 Emergency Purchases

The bid procedures outlined in this policy may be waived under emergency conditions when the operation of the City would be severely hampered or resources within the City might be further damaged. When the need for an emergency purchase occurs, The City Administrator or the City Marshall will make every attempt to contact the Mayor or the Mayor Pro tem in the absence of the Mayor to advise them of the emergency at hand for their approval. In any case where an emergency purchase was made the Board of Aldermen shall be notified as soon as reasonably possible, and a complete report shall be presented at the next Board of Aldermen meeting.

3.8 Single Source Items

There will be occasions where an item needed by the City is only available from one source. This is sometimes the case for parts. In event this occurs, the City Administrator may purchase this item valued at \$1,000 without using the bidding process. Items in excess of \$1,000 must be approved by the Board of Aldermen. If the purchase is an emergency, see "Emergency Purchases". In any case where single source items were purchased, a complete report should be presented at the next Board of Aldermen meeting.

5. Cooperative Procurement Programs

The State of Missouri sponsors cooperative purchasing programs. Cooperative purchasing can prove advantageous to the City by taking advantage of the large quantity purchases made by the State Government. Purchases made through these programs have already met the competitive bidding process.

6. Professional Services

Normal competitive procedures cannot always be utilized in securing professional services such as attorneys, engineers, certified public accountants, planners and other professional people who, in keeping with the standards of their discipline, will not enter into a competitive bidding process.

A Request for Proposal (RFP) can be prepared much the same way as specifications including requirements and minimum standards for the services to be provided. When an RFP for professional services is approved, it shall be advertised to professionals in the requested field. The professionals will be invited to submit a proposal setting forth their interest, qualifications and how they can meet the needs of the City. In securing professional services, it is the primary goal of the City to obtain the services of a professional who has a proven record of providing, in a professional way, those services required. A contract will be



with the professional deemed to best meet the City's needs. All contracts will be approved by the Board of Alderman.

7. Duty of City Clerk.

The City Clerk is the gatekeeper for the bidding process. The City Clerk will notify the City Administrator any time they believe someone is attempting to make a purchase without following the procedures in this policy. The City Clerk should notify the Mayor or Board, if necessary.

8. Failure to follow this Policy and its stated purpose.

Violation of the policy is a very serious offense. Public funds are entrusted to the City and should be used in the most efficient manner possible.

City employees who fail to follow or attempt to circumvent this policy may be subject to disciplinary action, which may include termination. Elected Officials who fail to follow or attempt to circumvent this policy may have the evidence of their actions used in an impeachment process.