
PURCHASING POLICY



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City of Gardner Finance Department

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Scope

The policy outlines practices for purchasing all goods and services for the City of Gardner. The policy addresses local preference, source selection, competitive bidding and awards; purchase orders, change orders, professional services procurement, procurement card program, and emergency purchases.

Policy Statement

The City of Gardner has established this policy for use by all departments to provide guidance to City Staff for the prudent expenditure of City funds. This policy is established under the authority of the City Administrator. Requirements of this policy may be waived at the discretion of the City Administrator, if such waiver is in the best interest of the City and not in violation of federal, state, or local law.

Responsibility

The Governing Body has the responsibility of approving and establishing the expenditure levels for the City through their approval of the annual budget. The City Administrator is responsible to the Governing Body for the enforcement of the Purchasing Policy. Department directors are responsible for ensuring their department's purchasing activities are in accordance with the rules and regulations set forth herein.

Violation of these policies and procedures shall be grounds for disciplinary action up to and including termination and/or criminal prosecution in accordance with the City's Personnel Policy and procedures.

Policy Sections

Section 10 Overview

Purchases for the City of Gardner must be made through the procedure methods set forth herein. Any deviation from these methods must have prior approval from the City Administrator.

The City's competitive bidding threshold is \$5,000, at which competition via bids and quotes from multiple vendors are required before purchase of a good or service. The \$5,000 level is determined by the total value of the requisition or based upon the quote received from the supplier.

To improve the efficiency in processing small dollar purchases (under \$5,000) the City's Procurement Card (P-Card) is preferred for any vendor that accepts VISA®.

The following table indicates final contract approval and/or payment authorization for City expenditures.

Expenditure Amount	Final Approval/Authorization
\$15,000 or less	Department Director
\$40,000 or less	City Administrator
Over \$40,000	City Council

Section 20 General Provisions

1. A purchase order serves as an official legal document between the city and a contractor for goods and/or services.
2. Purchases of any information technology-related equipment including computers, printers, hardware, software, etc. should be coordinated through Administration/I.T. division prior to requisition.
3. The City of Gardner, as an agency of the State of Kansas, is exempt from paying Kansas sales or use tax per KSA 79-3606 (b), as well as contractors hired by the City who purchase tangible personal property for the use in constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the City. The successful bidder (contractor) shall be required to comply with KSA 79-3606, as amended. The City's tax-exempt status is valid only when items purchased outside the State are delivered within the State of Kansas.
4. The acquisition of goods and services by or on behalf of the City, its agencies, departments, officials, and authorized agents should be made in a manner and method which provides for the prudent expenditure of City funds; provides for maximum protection of the taxpayer; prevents waste, conflict, and corruption; and which comply with all applicable federal, state, and local laws, rules, and regulations.
5. Federal and state procurement requirements must be followed for all purchases of goods and services that are fully or in part funded by federal or state grant funds.
6. Whenever the City of Gardner obtains quotations or bids for goods or services, and the low quotation or bid is submitted by a vendor domiciled outside the City of Gardner, a vendor domiciled inside the City of Gardner may be deemed

the preferred vendor and awarded the quotation or bid if all of the following conditions are met:

- a) The goods and services are not for projects associated with federal grant programs or involving any source of funding where local preference in the evaluation of bids or proposals is prohibited or restricted.
 - b) The vendor's domicile must be physically located in the City of Gardner. A location utilized solely as a post office box, mail drop or telephone message center, or any combination thereof, with no other substantial work function does not qualify.
 - c) The quality, suitability, usability of the goods or services, or other performance requirements fully comply with the City's quoted specifications.
 - d) The amount of the quotation of the vendor domiciled within the City of Gardner is not more than 5% greater than the amount of the low quotation.
 - e) Bidders shall submit proof to the City demonstrating that the business is not delinquent on any City of Gardner property taxes, assessments, permits, licensing, fees, or utility charges.
 - f) Purchases which provide a financial benefit to a current City of Gardner employee or current City of Gardner Governing Body member are prohibited unless disclosed in writing to the City Administrator for review by the Governing Body and solicited and authorized in compliance with this Policy.
7. City employees may be issued a P-Card. Cards will allow for specific dollar limits at the card and transaction levels and restrict cash advances in all cases.
 8. Employees are responsible for the security of the card issued to them and the transactions made against it. Use of the card not in accordance with the Procurement Card Program set forth herein may result in disciplinary action up to and including termination and/or criminal prosecution in accordance with the City's Personnel Policy and procedures.
 9. Pursuant to KSA 75-3740a, to the extent permitted by federal law and regulations whenever the state of Kansas or any agency, department, bureau or division thereof or any municipality of the state including, but not limited to, county, school district, improvement district or other public body lets bids for contracts for the erection, construction, alteration or repair of any public building or structure or any addition thereto or for any public work or improvement or for any purchases of any goods, merchandise, materials, supplies or equipment of any kind, the contractor domiciled outside the state of Kansas, to be successful, shall submit a bid the same percent less than the

lowest bid submitted by a responsible Kansas contractor as would be required of such Kansas domiciled contractor to succeed over the bidding contractor domiciled outside Kansas on a like contract let in such contractor's domiciliary state.

10. All lease agreements and Subscription-Based Information Technology Agreements (SBITA) must be approved by the Finance Department, prior to the execution of the agreement, in order to ensure compliance with regulations and accounting standards.

Section 30 Source Selection, Competitive Bidding and Awards

30.1 Small Purchases (less than \$5,000):

Non-repetitive purchases of an aggregate amount of less than \$5,000 shall be considered "small purchases". Small purchases may be made by department directors or their designees without competition or further approval of the City Administrator. **Purchases shall not be artificially divided so as to constitute a small purchase under this section.**

30.2 Informal Solicitations (\$5,000 - \$75,000):

Any purchase of supplies and services of \$5,000 to \$75,000 shall be made in accordance with the purchasing procedures set forth in this section. **Purchases shall not be artificially divided to circumvent the bid process.**

A. Purchase Authority and Process:

1. Employees with delegated purchasing authority shall utilize informal solicitations for the purchase of any materials, services, or professional services not exceeding a cost of \$75,000. If multiple purchases will be made during one fiscal year with an aggregate amount to warrant annual contracting, the City Administrator may require the department/division to provide data for a formal competitive solicitation, as is in the best interest of the City.
2. Such purchases shall be made in the open market. Whenever practical or advantageous, the employee with delegated purchasing authority shall attempt to obtain written (fax, e-mail, etc.) quotes from a minimum of three (3) vendors. Purchases of materials or services shall be awarded to the vendor supplying the lowest responsible and responsive quote or as determined to be most advantageous to the city. The names of the vendors submitting quotations, the amount of each quotation and the date, shall be

documented and maintained as a public record. Maximum use of suppliers located within the City of Gardner is preferred.

3. The purchasing procedures pursuant to this section may be delegated up to a maximum amount of \$15,000 to department directors or their designees, or up to a maximum amount of \$40,000 with approval of the City Administrator.
4. For the purchase of any materials or services in excess of \$40,000 the City Administrator or his/her designee shall submit a recommendation of award to the City Council for their approval.

30.3 Formal Solicitations (\$75,000 or more):

Competitive Sealed Bids/Proposals Required: Except as otherwise described herein, any expenditure for supplies, materials and equipment or any contract obligating the City of Gardner of \$75,000 or more shall be purchased under formal competitive sealed bid or competitive proposal procedures.

Competitive Sealed Bid - A competitive sealed bid (IFB – Invitation for Bids) is a method of source selection for a procurement of goods, commodities and/or services estimated to be \$75,000 or more. Award is primarily made to the lowest responsive and responsible bidder whose bid complies with the specifications contained in the bid documents. This means that bid price is generally the decisive criterion for determining the vendor who shall receive the award.

Competitive Sealed Proposal - A competitive sealed proposal (RFP - Request for Proposals) is a method of source selection for a procurement estimated to cost \$75,000 or more. Award is generally to the respondent whose offer is considered the best when compared and evaluated against established criteria and all other offers. Cost is not the primary focus of the award. Criteria shall include but not be limited to applicable and appropriate qualifications, experience, referenced successes, and cost factors.

- Public Notice Required: Notice of purchases of commodities and/or services estimated to cost \$75,000 or more shall be published in the City's official newspaper and posted to the City's website at least ten (10) working days prior to the last day set for receipt of solicitations. Public notice of solicitations shall state the place, date and time of the bid opening.

In addition to the public notice requirements above, IFB's and RFP's may also be issued to vendors/firms suggested by the requesting department.

- Public Records: Each department is responsible for record keeping. All submittals, except confidential or proprietary information as defined by law, are public records and must be retained in the department in accordance with the City's record retention schedule.

A. Competitive Sealed Bid Procedure:

1. Invitation for Bids (IFB): An Invitation for Bids shall be issued and include specifications and all contractual terms and conditions applicable to the procurement, as well as the bid opening time and date.
2. Specifications: Specifications shall be developed by the requesting department. Specifications shall be indicative of the commodities or services required yet allow for open competition. These specifications will be made available to all interested parties as part of the IFB. Specification changes must allow adequate notice and mailing time. This addendum shall be issued to everyone who received a copy of the Invitation for Bids. In certain cases the bid opening may be postponed to allow adequate time for respondents to prepare their bid based on specification changes. If there is not adequate time, the Invitation for Bids shall be canceled and new bid process initiated.
3. Bonding: Bonding for service contracts shall occur at the discretion of requesting department director.
4. Bid Opening: The opening of sealed bids shall be a public ceremony; bids shall be opened by the department director or designee, at the time and place specified in the Invitation for Bids. The amount of each bid and the name of each bidder is announced. **BIDS MUST BE RECEIVED PRIOR TO THE SPECIFIED TIME AS ESTABLISHED IN THE INVITATION FOR BIDS. BIDS RECEIVED AFTER THE SPECIFIED DEADLINE MUST BE RETURNED TO THE NON-RESPONSIVE VENDOR UNOPENED.**
5. Bid Submission and Bid Evaluation: Bids shall be submitted without alteration or correction. 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 price and be considered in evaluation for award shall be objectively measurable, such as discounts, allowances, 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 evaluations that are not set forth in the bid documents.**
6. Withdrawal of Bids: Withdrawal of inadvertently erroneous bids before and after a bid opening may be permitted.

Award: An award shall be made by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set

forth in the Invitation for Bids. For the awarding of bids of more than \$40,000 the City Administrator or his/her designee shall submit a recommendation of award to the City Council for their approval.

B. Competitive Sealed Proposal/Competitive Negotiation Process:

A contract for supplies or services for \$75,000 or more may be entered into by use of the competitive sealed proposal/competitive negotiations method when the requesting department director determines (i) the complex nature or technical details of a particular procurement make the use of competitive sealed bidding either not practical or not advantageous to the City; (ii) specifications cannot fairly or objectively be prepared as to permit competition in an Invitation for Bids; (iii) equipment or service is available from a limited number of sources; or (iv) specifications cannot practically be prepared except by reference to specifications of the equipment of a single source of supply.

1. Requests for Proposals: Proposals shall be solicited through a formal sealed proposal process.

The requesting department shall provide the scope of work to be performed, any special requirements expected from the successful respondent, what the City will be provided during the performance of the contract, and any other information which will be needed to develop a clear and measureable contract with the successful respondent. The RFP shall include the dates for the pre-proposal conference (if needed), for the receipt of questions regarding the RFP, and for the receipt of proposals. The RFP shall also include the criteria by which the City's selection committee will utilize to evaluate proposals.

If for any reason it is necessary to issue an addendum to the RFP prior to the date of submittal, such addendum shall be issued to every vendor which received a copy of the RFP. In certain cases, the Proposal opening may be postponed to allow adequate time for respondents to prepare their Proposals based on scope of work changes.

2. Receipt of Proposals: No proposals shall be opened until the time designated in the public notice for the solicitation. At this stage only the names of respondents are public record; all other information is confidential until contract negotiations are completed.
3. Evaluation Factors: Proposal evaluation criteria should measure how well each proposal meets the desired requirements established before proposals are received. Final consideration for awarding of contract shall not be based solely on price. A combination of qualifications, past experience, demonstrated successes, references, fees and costs, capacity to fulfill all requirements of the contract and other qualifying considerations shall be considered for evaluation purposes.

4. Selection Committee and Evaluation Process: A selection committee of a minimum of three personnel will be formed and shall be chaired by the requesting department director or his/her designee. The committee shall include cross departmental representation which may include the City Administrator or designee, a second department director or designee, and at least one other individual decided upon by the requesting Department Director.

The selection committee shall review the Proposals and provide a preliminary ranking of the vendors according to the criteria contained in the RFP. If necessary, discussions, interviews or oral presentations by the top respondents are scheduled.

The information in proposals is confidential during the evaluation process.

5. Discussion with Respondents and Revisions to Proposals: As provided in the Request for Proposals, discussions may be conducted with responsible respondents who submit proposals determined to best comply with the requirements of the RFP, for the purpose of clarification to assure full understanding of their proposal and conformance to the requirements set forth in the RFP. Respondents 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.

Final committee consensus of a recommended respondent will be made following discussions, interviews or oral presentations.

6. Award: The Selection Committee shall conduct negotiations with the recommended respondent until a final contract is agreed upon. If terms or compensation cannot be agreed upon with the best-qualified respondent, then negotiations shall be formally terminated with that respondent. If proposals were submitted by one or more other respondents determined to be qualified, negotiations may be conducted with such other respondents, in order of their respective qualification ranking, and the contract may be awarded to the respondent then ranked best qualified if the amount of compensation is determined to be fair and reasonable

Award shall be made to the most responsive firm or individual whose proposal is determined to be the most advantageous to the City, taking into consideration evaluation factors set forth in the Request for Proposals. The contract file shall contain the basis on which the award was made. In the purchase of supplies or services pursuant to this section, the City Administrator may award bids up to \$40,000 without prior Council approval. The awarding of bids of more than \$40,000 – or any multi-year contract (over 12 continuous months) with an annual amount of over \$40,000 – must

be authorized by the City Council. All multi-year agreements over 5 years must be approved by the City Council.

All responding to the RFP shall be notified of the selection.

30.4 Non-Responsive Bid Definition:

A responsive bid is one that is in substantial conformance with the requirements of the Invitation for Bid. Bidders who substitute their standard terms and conditions for that of the City's bid documents, or who qualify their bids in such a manner as to nullify or limit their liability to the City are non-responsive bidders.

Determination of Non-Responsive:

The following are non-responsive bidders:

- A bidder who fails to deliver a bid prior to the specified time and date as shown on the Invitation for Bids is considered late, and the bid shall not be opened.
- A bidder who qualifies prices in such a manner that the bidder's bid price cannot be determined ("price in effect at time of delivery")
- A bidder who fails to offer goods or services that comply with the specifications of the bid.
- A bidder who fails to furnish any required bonding per the Invitation for Bids
- A bidder who limits the rights of the City under any contract clause

30.5 Responsible Vendor Definition:

A "Responsible Vendor/bidder" is a vendor who has the capability in all respects to perform fully the contract requirements and the experience, integrity, reliability, capacity, facilities, equipment and credit which shall assure good, full and faithful performance.

Determination of Non-Responsibility:

The following are reasons a bidder may be declared non-responsible:

- A bidder is not a regular dealer or supplier of the goods or services offered
- The bidder does not have the ability to comply with the required delivery or performance schedule
- The bidder does not have a satisfactory record of performance as attested by the requesting department's director or designee or as referenced by other entities or customers
- The bidder does not have a satisfactory record of integrity
- The bidder does not have the necessary facilities, organization, experience, technical skills or financial resources to fulfill the terms of the contract/purchase order

30.6 Exemptions to Competitive Solicitation:

The following items are **exempted** from competitive bidding:

- The good and/or services are part of a benefit district in which the petitioner has previously retained contracts prior to petitioning the City
- Supplies, materials, services costing \$5,000 or less.
- Purchases made cooperatively with other units of government such as the State of Kansas, government cooperative groups, and extended awards from other governmental agencies; the City may, when deemed appropriate, extend its award to other governmental agencies;
- Purchases from federal, state or other local government units;
- Magazines, books and periodicals;
- Supplies, products or services indispensable to the City which are obtainable, for practical purposes, only from a single source.
- A particular material is required to match materials currently in use by the City.
- Original Equipment Manufacturer (OEM) repair parts purchased from the source vendor.

30.7 Waiver Process to Formal Competitive Bids:

The formal bid process may be waived by the City Administrator if deemed in the best interest of the City. A written description of the selection process or the basis of the waiver shall be included in the documentation associated with the purchase order or contract.

30.8 Rejection of Bids:

The City Council and/or staff shall reserve the right to refuse all or any part of a bid when they believe such refusal is in the best interest of the City.

All bids may be rejected when one or more of the following occur:

- All bids exceed the budgeted amount;
- There are no responsible bidders;
- There are no responsive bidders;
- The project is abandoned; or
- The specifications, scope and/or terms and conditions need to be revised.

30.9 Protested Solicitations or Awards:

- A. **Protest:** Any actual or prospective bidder, contractor or vendor who is aggrieved in connection with the solicitation or award of a contract/purchase order may protest to the Finance Director or City Administrator or his/her designee as set out in this Section. The protest shall be submitted in writing to

the Finance Director or his/her designated representative within 10 working days after the aggrieved party knows or should have known of the facts giving rise to the grievance.

- Protests in connection with a solicitation or award of a contract involving an amount less than \$40,000 shall be filed with and determined by the Finance Director.
- Protests in connection with a solicitation or award of a contract involving an amount of \$40,000 or more shall be filed with the Finance Director and determined by the City Administrator or his/her designee.

B. **Authority:** The Finance Director or City Administrator or his/her designee as set out in the previous subsection, shall have the authority to settle and resolve a protest of an aggrieved bidder, contractor or vendor, actual or prospective, concerning a solicitation or award of a contract. A written decision regarding the protest shall be exercised in accordance with the City's procurement regulations contained in this policy.

Section 40 Purchase Orders

A purchase order is a document that states the terms and conditions of a proposed transaction and creates a contractual relationship between a vendor and the City. It describes the quantity and quality of the required goods and includes other information, such as shipping terms, delivery dates and location, and the prices quoted in the bid. Purchase Orders are issued by the Accounting Department from Purchase Requisitions submitted. Departments must attach/submit supporting documentation to Purchase Requisitions including proof of a competitive bidding process and the final contract.

Purchase orders are required for all purchases of commodities, materials or supplies and services with an expected expenditure of City funds of more than \$5,000 unless otherwise exempted below.

The following items are **exempted** from purchase orders:

- The expenditures are routine monthly obligations (i.e. utility bills, phone bills)
- The expenditures are debt related (i.e. debt payments, costs of issuances related to bond sales)
- The expenditures are related to an agreement for goods or services that must be based on rates versus a total dollar amount and when the total cost is driven by demand (utility locates, chemicals, legal services, snow removal)
- Check requests with supporting documentation (i.e. start up cash for events, approved reimbursements to employees, customer refunds, travel advances, petty cash reimbursements)

When the material or service is delivered to the department, the authorized agent of the department, as assigned by the department director, shall inspect the delivery to ensure the material(s) and/or service are in acceptable condition then receipt the goods or services in the City's financial software according to the proper procedures, thus notifying Accounts Payable to proceed with payment to the vendor upon receipt of the invoice.

Section 50 Change Orders

Change orders are issued to cover costs or address changes in terms and conditions associated with unforeseen problems not addressed in the bidding or contract document, or changes/modifications that may be recommended after a contract award.

Change orders on contracts related to Capital Improvement Projects may be approved by the City Administrator (or their designee) for amounts less than \$40,000. Department directors (or their designee) shall have the authority to approve all change orders related to Capital Improvement Projects up to \$15,000. Change orders of greater than \$40,000 must be approved by the City Council.

Change orders related to critical inventory, equipment and vehicles may be approved by the City Administrator for up to 20% of the amount approved by the City Council.

Section 60 Professional Services Procurement

The City frequently requires the specialized skills, knowledge, resources, and services of private contractors or consultants (Professional Services) to complete complex studies, to develop or revise procedures, to conduct audits, to train staff, to design facilities, or to provide a specialized product.

Such complex or technical services may be considered to be long-term for continuity. Contracts for such services may be written to reflect that services will continue until terminated by one of the parties. Any multi-year contract (over 12 continuous months) for services that has an annual cost of more than \$40,000 must be authorized by the City Council. All multi-year agreements over 5 years must be approved by the City Council.

Evaluation criteria shall include but not be limited to ability to perform, experience, technical expertise, referenced successes, availability, and cost factors. Professional Services will be procured as follows:

60.1 Contracts Under \$15,000:

The department requiring professional services may procure them on their own behalf when the total cost is less than \$15,000. Department directors or their designees are responsible for selection and contract administration. Competition is not required; however department directors are responsible for selection based on applicable and appropriate qualifications, experience, referenced successes and cost factors.

60.2 Contracts from \$15,000 to \$40,000:

With the approval of the City Administrator, the department requiring professional services may procure them on their own behalf when the total cost is less than \$40,000. Professional services with a total cost less than \$40,000 can be procured without competition. Department directors are responsible for providing the City Administrator with a written justification and recommendation for the selection.

60.3 Contracts from \$40,000 to \$75,000:

With the approval of the City Council, the department requiring professional services may procure them on their own behalf when the total cost is \$40,000 to \$75,000. Professional services with a total cost less than \$75,000 can be procured without competition. Department directors are responsible for providing the City Council with a written justification and recommendation for the selection.

60.4 Contracts of \$75,000 or more:

The provisions of *Section 30 – Formal Solicitations - Requests for Proposals* shall apply to all procurements of professional services which are expected to cost \$75,000 or more.

1. Requests for Proposals: The requesting department shall provide the scope of work to be performed, any special requirements expected from the successful respondent, what the City will be provided during the performance of the contract, and any other information which will be needed to develop a clear and measureable contract with the successful respondent. The RFP shall include the dates for the pre-proposal conference (if needed), for the receipt of questions regarding the RFP, and for the receipt of proposals. The RFP shall also include the criteria by which the City's selection committee will utilize to evaluate proposals.
2. Public Notice Required: As directed in *Section 30 – Formal Solicitations - Requests for Proposals*, the RFP is issued to vendors suggested by the requesting department, published in the local newspaper, and posted on the City's website. See *Section 30 – Formal Solicitations - Requests for Proposals* for details.

If for any reason it is necessary to issue an addendum to the RFP prior to the date of submittal, such addendum shall be issued to every vendor which received a copy of the RFP. In certain cases, the Proposal opening may be postponed to allow adequate time for respondents to prepare their Proposals based on scope of work changes.

3. Selection Committee and Evaluation Process: A selection committee of a minimum of three personnel will be formed and shall be chaired by the requesting department director or his/her designee. The committee shall include cross departmental representation which may include the City Administrator or designee, a second department director or designee, and at least one other individual decided upon by the requesting department director.

The selection committee shall review the Proposals and provide a preliminary ranking of the vendors according to the criteria contained in the RFP. If necessary, discussions, interviews or oral presentations by the top respondents are scheduled.

The information in proposals is confidential during the evaluation process.

Final committee consensus of a recommended respondent will be made following discussions, interviews or oral presentations.

4. Award: The Selection Committee shall conduct negotiations with the recommended respondent until a final contract is agreed upon. If terms or compensation cannot be agreed upon with the best-qualified respondent, then negotiations shall be formally terminated with that respondent. If proposals were submitted by one or more other respondents determined to be qualified, negotiations may be conducted with such other respondents, in order of their respective qualification ranking, and the contract may be awarded to the respondent then ranked best qualified if the amount of compensation is determined to be fair and reasonable.

The City Administrator may award and execute contracts of \$40,000 or less without prior Council approval. The awarding of contracts of more than \$40,000 – or any multi-year contract (over 12 continuous months) with an annual amount of \$40,000 or more – must be authorized by the City Council. All multi-year agreements over 5 years must be approved by the City Council.

All responding to the RFP shall be notified of the selection.

60.5 Exceptions to the bidding process:

Critical Inventory – The City Administrator (or their designee) may choose to submit a plan for managing critical inventory to the City Council. If the plan is

approved by the City Council, the City Administrator would be authorized to purchase critical inventory (up to \$100,000 in value) to maintain approved critical inventory levels. Changes to the critical inventory list (items defined as critical inventory or quantity levels) must be approved by the City Council.

Section 70 Procurement Card Program

The Procurement Card Program is designed to improve the efficiency in processing small dollar purchases (under \$5,000) from any vendor that accepts the VISA® Procurement Card (P-Card). This program shall allow the cardholder to purchase approved commodities directly from vendors. Each P-Card is issued to a named individual who is responsible for all purchases made with the card. Purchases are exempt from sales tax in the State of Kansas.

70.1 Limitations on Use of Procurement Card:

1. Requests for a card should be made to the Fiscal Services Manager by the department director.
2. Lost, stolen, or missing cards, as well as all terminations should be promptly reported to the Fiscal Services Manager.
3. Cardholder Use Only: Only the employee whose name is embossed on the card may use the card. No other individual is authorized to use the card.
4. City Purchases Only: The card is to be used for City authorized purchases only. The P-Card cannot be used for any personal use, and any such use shall require immediate reimbursement and may result in disciplinary action up to and including termination and/or criminal prosecution in accordance with the City's Personnel Policy and procedures.
5. The department director approving the assignment of a P-Card shall set the individual maximum purchasing limit. Individual card limits over \$5,000 may be set by the department director with the approval of the City Administrator.
6. All purchases made with a purchasing card **must** be accompanied by a sales receipt and/or invoice for payment. Missing receipts will require written documentation from the department director approving the purchase. Documentation shall include the vendor name, date, amount, description of purchase.
7. The card holder is responsible for contacting and following up with the vendor on any erroneous charges, disputed items, or returns.

70.2 Prohibited Use of Purchasing Cards:

The following types of items **MAY NOT** be purchased with a City P-Card, no matter the dollar amount.

- Any item exceeding \$5,000 in value, unless authorized by the department director.
- Cash advances, cash refunds.
- Personal items.
- Personal phone calls
- Any merchandise, product or service normally considered to be inappropriate use of City funds

70.3 Allowable Purchases:

- Building/landscape materials.
- Contractor Services, e.g. HVAC, electrical, carpentry, etc.
- Catering and food for business use.
- Miscellaneous maintenance and repair requirements.
- Office supplies
- General operating supplies
- Uniform, personal protective equipment and clothing purchases
- Education, i.e. registration for classes, conferences, seminars, etc.
- Postage
- City allowable footwear expense (employee portion to be paid from personal funds)
- Subscriptions, books, videos
- Memberships
- Approved travel expenses in accordance with the City's Personnel Policy and procedures.

Section 80 Emergency Purchases

80.1 Emergency Purchase Definition:

An *emergency purchase* is a purchase made when a lack of which would threaten 1) The functioning of City government, 2) the preservation or protection of property, machinery, or equipment, and/or 3) the health or safety of any person.

80.2 Authority:

In case of an emergency as defined above, the City Administrator may waive all provisions for competitive bidding. In such instances, the City Administrator may delegate this authority to the appropriate department director or delegated employee. Emergency needs shall be purchased by informal open market procedure, as expeditiously as possible, at not more than commercial prices.

When expenditures are \$40,000 or more, a full report of the circumstances necessitating the emergency action shall be presented to the City Council.

80.3 Emergency Purchase Procedures:

Unless otherwise described within this policy, the following are procedures to be followed for emergency purchase situations:

- A. During normal City business hours, the department shall notify the City Administrator of the emergency situation and request verbal approval to proceed with the emergency purchase. The department shall provide the following:
 1. The nature of the emergency;
 2. The estimated cost of the services/goods required; and
 3. The vendor recommended to receive the order.

- B. In the event of an actual emergency during non-working hours, the highest authority personnel on hand to make a responsible decision may purchase directly any supplies whose immediate procurement is essential as described above. For expenditures of \$40,000 or more, the department director or designee of the department using the emergency procedure shall submit by close of business the next work day a written report explaining the circumstances of the emergency to the City Administrator.