



Purchasing Policy and Procedures

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SECTION 1

1. LEGAL BASIS, POLICIES, AND ORGANIZATION OF THE PURCHASING POLICY

1.1. PURPOSE

- 1.1.1. To establish operational policies and procedures which assures the community that goods and services required to support the operation of City government are procured in a manner consistent with the provisions of the Ordinances of the City, and to assure the community that the procurement system of the City is committed to fair and equal opportunity with integrity and openness.

1.2. OBJECTIVES

- 1.2.1. To procure supplies, materials, equipment, contractual labor, and services in a manner that insures maximum value.
- 1.2.2. To procure goods and services at the most appropriate cost and best quality consistent with the goods and services required.
- 1.2.3. To exercise positive financial accountability in the expenditure of City funds.
- 1.2.4. To provide an efficient means for procurement, storage, and disposal of items in an effort to minimize duplication and overstocking.
- 1.2.5. To ensure the fair and equitable treatment of all persons who deal with the purchasing system of the City.
- 1.2.6. To provide safeguards which promote quality and integrity in the procurement process.
- 1.2.7. To ensure that all parties involved in the negotiation, performance, or administration of City contracts act in good faith.

1.3. DEFINITIONS

- 1.3.1. City shall mean the City of Nixa, Missouri
- 1.3.2. Contract means a legally binding document that states provisions and obligations of a purchasing agreement entered into on behalf of the City.
- 1.3.3. Department Director means an employee of the City who is a member of management.
- 1.3.4. Department Head means an employee designated as a supervisor or superintendent of a department.
- 1.3.5. Employee means any individual earning wages paid by the City, whether elected or not; and, for purposes of this document, any non-compensated individual performing personal services for the City or one of its administrative boards.
- 1.3.6. Firm shall mean any individual, firm, partnership, corporation, association or other legal entity permitted by law to practice the professional services in the State of Missouri.

- 1.3.7. Professional Services shall mean those services within the scope of practice performed by firms and/or individuals such as, but not limited to, architects, engineers, attorneys, accountants, financial advisors, and planners that the City may deem essential for expert assistance in the overall operations of the City.
- 1.3.8. Purchasing Coordinator refers to the employee working under the direction of the Finance Director who manages, directs and coordinates purchasing activities for the City. Organizes and supervises the comprehensive purchasing functions of the City to achieve City objectives and goals within approved budgets.
- 1.3.9. Purchasing Clerk refers to the employee working under the direction of the Finance Director, who performs a variety of clerical and accounting activities in support of purchasing and accounts payable functions for the City.
- 1.3.10. Purchase Order is a City form authorizing the procurement of goods or services from a particular vendor.
- 1.3.11. Purchase Requisition is a City form providing a description of goods or services required for City operations and requesting purchase of such items.
- 1.3.12. Informal Bid (IFB) is a City document containing or referring to a purchase description, specifications, services, and all contractual terms and conditions applicable to an informal bid purchase.
- 1.3.13. Request for Bid (RFB) is a City document containing or referring to a purchase description, specifications, services, and all contractual terms and conditions applicable to a formal sealed bid purchase.
- 1.3.14. Request for Proposal (RFP) refers to a document containing or referring to a purchase description, specifications, services, and all contractual terms and conditions applicable to a formal sealed bid purchase with the possibility of negotiation after the bids are opened. This method is used only when the Request for Bid is either not practical or not advantageous for the City.
- 1.3.15. Request for Qualification (RFQ) shall mean the solicitation of qualifications from individuals or firm(s) for a specific described service or consulting contract.
- 1.3.16. Requisitioning or Contracting Department means the department requesting goods or services for the operations of that department.
- 1.3.17. Bid Summary/Tabulation refers to a City form used to record bids received.
- 1.3.18. Vendor means any person who does business with the City, other than as an employee, whether by purchasing, selling, constructing, providing services, or otherwise.
- 1.3.19. Vendor Verification Form is a City form used to record and to verify vendor information.
- 1.3.20. Vendor Performance Form is a City form used by employees who are involved in the procurement process to report their experiences with vendors.

1.4. APPLICABLE LAWS

- 1.4.1. City Ordinances – Chapter 2, Article IV, Sec. 2-150 states that the City Administrator shall be the purchasing agent for the City and all purchases shall be made under his direction and supervision, and all such purchases shall be made in accordance with purchasing rules and procedures approved by the City Council. Section 5.2 (i) of the City Home Rule Charter provides for the approval of contracts by the City Administrator. (4/21/14)
- 1.4.2. Missouri Contracting Statute – State statutes impose various requirements on the City in contracting. While a complete or comprehensive outline is not feasible, RSMo. Section 432.070 should be noted. It provides, in essence, that any contract made by the City will be valid and effective only if the contract is executed before any performance or payment; within the scope of the City's powers or expressly authorized by law; supported by present or future consideration; in writing; dated when made; and subscribed by the parties or their agents.
- 1.4.3. Pursuant to RSMo 8.285 to 8.291, the City shall negotiate contracts for architectural, engineering and land surveying services on the basis of demonstrated competence and qualification for the type of services required, and at fair and reasonable prices.
- 1.4.4. General Law – Unless displaced by the particular provision of this policy, the principles of law and equity, including the Missouri Uniform Commercial Code, the law merchant, and law relative to capacity to contract, agency, fraud, misrepresentation, duress, coercion, mistake, or bankruptcy shall supplement the provisions of this policy.

1.5. DUTIES OF PURCHASING COORDINATOR

- 1.5.1. Prepare bid solicitations, request proposals, and prepare and review contract terms and conditions.
- 1.5.2. Develop selection and award determination; conduct pre-bid conferences and bid meetings.
- 1.5.3. Compile data from a wide variety of sources (e.g. vendors, staff, public agencies, etc.) for the purpose of analyzing issues and ensuring compliance with purchasing policies and procedures.
- 1.5.4. Responsible for monitoring City purchasing processes and assisting in the development of City purchasing policies and procedures ensuring compliance with State and Federal regulations and GASB accounting principles.
- 1.5.5. Prepare purchase orders through verifying specifications and price; obtaining recommendations from suppliers for substitute items; and obtaining required approvals.
- 1.5.6. Assist departments and Finance Director in the preparation of capital improvement planning and implementation of budgets.

- 1.5.7. May serve as Project Coordinator or assist with the administration of major projects as needed or assigned.
- 1.5.8. Maintain purchasing information, files, and records (e.g. bids, purchase orders, vendor files, etc.) for the purpose of ensuring availability of documentation and compliance with established policies and regulatory requirements.
- 1.5.9. Research contracts, suppliers, equipment, services, and regulations, including evaluation of new products/services for the purpose of analyzing information to determine most efficient use of City funds.
- 1.5.10. Coordinate surplus sales for the purpose of providing an efficient process for the disposal of obsolete and unused equipment, furnishings, and vehicles.
- 1.5.11. Participation in organizations for training opportunities for the purpose of employee development.
- 1.5.12. Serve as liaison with vendors for the purpose of monitoring and consolidation of orders for better management of expenses.
- 1.5.13. Verify invoices by comparing to purchase order and receipting documentation. Resolve errors in shipments and specifications with suppliers.
- 1.5.14. Respond to inquiries from internal and external sources for the purpose of providing information, direction, and appropriate referrals.
- 1.5.15. Supervise assigned staff for the purpose of ensuring work assignments related to procurement processes and disposal of equipment follow City's Purchasing Policy.

1.6. REGULATIONS GOVERNING COMPETITIVE BIDDING

- 1.6.1. This policy establishes the following dollar levels and method of competitive procurement.
 - 1.6.1.1. Purchases not exceeding \$5,000 may be made without competitive bidding.
 - 1.6.1.2. Purchases over \$5,000 but not exceeding \$10,000 require 3 informal bids as described elsewhere herein.
 - 1.6.1.3. Purchases over \$10,000 require a formal bid as described elsewhere herein.
- 1.6.2. Informal Bids – refers to competitive bids submitted in writing by the vendor. Bids must be taken from at least three (3) potential vendors able to provide the item(s) being purchased, or fewer number of potential vendors if there are not three (3) dealing in and able to supply in accordance with the required specifications. A written explanation shall be provided when there are fewer than three (3) potential vendors. Informal bids for items not exceeding \$10,000 may be obtained by the requisitioning department. Bid documentation, Bid Summary and the Purchase Requisition shall be forwarded to the Purchasing Coordinator for approval of the purchase documents and completion of the Purchase Order.

- 1.6.3. Formal Bids – Purchase Requisition for items over \$10,000.00 shall be submitted to the Purchasing Coordinator for advertisement and solicitation of bids, as required. Purchases of goods or services or other items exceeding \$10,000.00 shall be made only after the formal advertising that bids will be received, opened, and read in public at a particular time, place, and a date which provides potential vendors adequate time to submit bids. Such bids shall be made on the bid documents and specifications prepared by the City Purchasing Coordinator and shall not be opened until the time established by the formal notice that bids will be received.
- 1.6.4. Subdivision of contracts or purchases for the purpose of evading requirements of competitive bidding is prohibited.
- 1.6.5. The City reserves the right to refuse any or all bids.
- 1.6.6. Bidding Methods – Informal or formal bids exceeding \$5,000 may be made utilizing either method:
 - 1.6.6.1. Request for Bid (RFB) or Informal Bid (IFB) – The bid documents and specifications are definite and specific. Awards shall be made to the bidder offering the lowest cost who is responsive to the requirements of the bid documents, without material exception, and who is responsible and capable of providing the item(s) to be purchased. Evaluation and award are limited to cost, determination of compliance with the specifications and conditions specified in the bid documents, and the responsibility of the bidder. Negotiations are not permitted. The Purchasing Coordinator and requisitioning department may use judgmental consideration to determine if the bidder’s offer complies with the specifications and conditions – if such considerations can be demonstrated to be reasonable, appropriate, and fairly applied. This method does not permit comparison of the relative specifications of competing bidders but only comparison to the specifications contained in the bid documents.
 - 1.6.6.2. Request for Proposal (RFP) – This method can be used whenever detailed specifications cannot be determined, whenever several possible methods may satisfy the City’s requirements, or whenever the nature of the requirements is such that subjective evaluation of criteria, other than cost, is necessary. This method can be utilized when definite specifications cannot be determined in advance, when a scope of work is required which makes comparison of competing proposals relative to each other appropriate, or when it is in the interest of the City to have a contractor design and build the public improvement. This method permits negotiations and discussion with competing vendors to determine the best solution to the City’s needs. Proposals may be revised or modified at the request of the City. Nothing contained herein shall prohibit a

contractor who is selected to design and build a public improvement from contracting independently with an engineer or architect to perform engineering or architectural services.

- 1.6.6.2.1. Evaluation and selection process – An Evaluation Committee shall be comprised of the Department Director or designee, Purchasing Coordinator as the Chair, and other individuals determined by the Department Director. The role of the Chair may or may not evaluate proposals but has overall responsibility for matters involving procurement and its procedures. Chair shall be responsible for seeing that all applicable state laws, rules and policies are followed. The focus of the evaluation committee is to assess statements of the proposal based on the Evaluation Criteria.
- 1.6.6.2.2. A system for ranking each firms' responses based on the requested criteria shall be developed for the selection committee members to use.
- 1.6.6.2.3. The Committee shall rank each firm individually and a summary of the rankings shall be compiled for a final top to bottom ranking of all the responding firms.
- 1.6.6.2.4. The top firm shall then be contacted for a contract proposal. Once received, negotiations may commence until an agreement is reached.
 - 1.6.6.2.4.1. If an agreement is not reached with the top firm, then the second highest ranked firm shall be contacted and so on through the list until an agreement is reached. Once negotiations have been terminated with one firm and new negotiations begun with the next, the City shall not go back to any prior firm to restart negotiations.
- 1.6.6.3. Request for Qualifications (RFQ) – see section 2, Procurement of Professional Services.
- 1.6.7. Non-Responsive or Unacceptable Bids – The City shall reject any bid or proposal which is materially non-responsive to the requirements set forth in the bid documents. The City Purchasing Coordinator may re-solicit bids or proposals if, in their discretion, bids received as a result of a solicitation for bids or proposals are not acceptable for any reason. Such a re-solicitation shall not be for the purpose of directing the award to a particular bidder.
- 1.6.8. Withdrawal of Bids – Bids or proposals may be revised, modified, or withdrawn by the bidder at any time prior to opening. Any such revision, modification, or withdrawal shall be in writing. After the bids are opened, they shall be irrevocable for the period specified in the bid documents. Bids or proposals may not be withdrawn or revised after opening unless specified in the RFP.

- 1.6.9. Receipt of Bids – Bids or proposals shall not be received after the time set in the bid documents for receipt of proposals for opening of bids.
 - 1.6.10. Correction or Withdrawal of Bids – Correction or withdrawal of erroneous bids after opening, or cancellation of awards or contracts based on such bid mistakes, shall not be permitted.
 - 1.6.11. The Purchasing Coordinator will produce the Purchase Order from the lowest bid received, unless the requesting department specifically requests acceptance of another bid, and an explanation is provided. Explanation must be in accordance with the Purchasing Policy.
- 1.7. SPECIAL CONTRACTUAL REQUIREMENTS – If a solicitation or resulting contract has special contractual requirements, those requirements will be detailed in the solicitation document.
- 1.7.1. Requirement for Bid Security – Bid security bond is required for all construction when the bid amount is \$20,000.00 or greater or deemed necessary by the City. Bid security shall be a bond provided by a surety company authorized to do business in this state, or the equivalent in cash, or otherwise supplied in a form satisfactory to the City in an amount equal to at least 5% of the amount of the bid. Failure to provide security will result in the bid being rejected. If the bidder fails to honor his bid for any reason, then such bid security may be retained by the City and deposited to the General Fund. The City has the right to hold bidders' bonds until the awarded contract is executed.
 - 1.7.2. Contract Performance and Payment Bonds – When a construction contract is awarded, for an amount exceeding \$20,000.00, a bond shall be delivered to the City and shall become binding on the parties upon the execution of the contract; which bond shall be a performance, labor, and materials bond satisfactory to the City, executed by a surety company authorized to do business in this state or otherwise secured in a manner satisfactory to the City, in an amount equal to 100% of the price specified in the contract. If the amount of the contract is less than \$20,000.00, such bond may be required at the recommendation of the contracting department.
 - 1.7.3. Insurance - All contracts between the City and a Contractor shall state that Contractor shall include the City as “additional insured” during the term of the contract. Workers Compensation amount and type shall be in full compliance with applicable statutory requirements, and Employer Liability Coverage limits is to be provided consistent with any applicable legal requirements. Commercial General Liability and Comprehensive Automobile Liability coverage are to be in the amount equal to the sovereign immunity limits for Missouri public entities as calculated and published in Section 537.610 RSMo. In addition, for any projects utilizing state or federal transportation funds,

Insurance requirements shall meet those necessary to comply with those funding requirements.

- 1.7.4. Prevailing Wage Requirement - Subject to prevailing wage requirements, only for those projects required by State law, the vendor must comply with Section 290.250 RSMo by paying to all personnel employed for applicable services actually provided under the contract not less than the prevailing wage hourly rate of wages as determined by the Department of Labor and Industrial Relations, Division of Labor Standards, specified in the current wage order for Christian County. If a project qualifies for prevailing wage, pertinent information will be in the solicitation document.
- 1.7.5. E-Verify, Federal Work Authorization - Pursuant to RSMo 285.530, if the Vendor meets the definition of RSMo 285.525 of a "Business Entity", the Vendor must affirm its enrollment and participation in the E-Verify federal work authorization program with respect to its employees hired after enrollment in the program who are proposed to work in connection with the services the City is bidding / contracting. The document is required for services when the awarded dollar value is equal or greater than \$5,000.00.
- 1.7.6. OSHA Training Program - Contractors on public works projects shall comply with all requirements of Section 292.675, RSMo., regarding completion of a construction safety program by all employees on the project.

1.8. MISCELLANEOUS PURCHASING POLICIES

- 1.8.1. Vendor Verification – A Vendor Verification Form and W-9 Form shall be required from all vendors prior to purchase from the vendor and submitted to the Finance Department. Approval of vendor shall be made by a Finance Department employee who does not participate in the purchasing process or the accounts payable process. Also, prohibited from participation in the purchasing process shall be any employee identified as a family member of the vendor. Vendor Verification forms shall be retained by the Finance Department. Prior to payment, the Accounts Payable Clerk shall verify that both a Vendor Verification form and W-9 form have been submitted and approved.
- 1.8.2. Vendor Performance – A Vendor Performance Form is available to any employee involved in the purchasing process to report their experience with vendors during the procurement of goods or services. This documentation may be used in the evaluation of vendors for future purchases or contracts.
- 1.8.3. Unsolicited Sales – The City prohibits purchase of goods or services from unsolicited sales calls.
- 1.8.4. Employees of the City of Nixa will be allowed to be a vendor as long as a competitive bidding process is undertaken, regardless of the dollar amount of the solicitation.

SECTION 2

2. PROCUREMENT OF PROFESSIONAL SERVICES

- 2.1. PROFESSIONAL CONSULTING SERVICES shall mean professional services rendered to the City under contract.
- 2.2. REQUEST FOR QUALIFICATIONS (RFQ) – The selection process for a professional service contract shall begin with the development of an RFQ including a description and desired minimum qualifications used for ranking criteria.
- 2.3. EVALUATION CRITERIA - In evaluating the qualifications of each firm, the City shall use the following criteria:
 - 2.3.1. The specialized experience and technical competence of the firm with respect to the type of services required.
 - 2.3.2. The capacity and capability of the firm to perform the work in question, including specialized services.
 - 2.3.3. The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules.
 - 2.3.4. The firm's proximity to and familiarity with the area.
- 2.4. EVALUATION AND SELECTION PROCESS – An Evaluation Committee shall be comprised of the Department Director or designee, Purchasing Coordinator as the Chair, and other individuals determined by the Department Director. The role of the Chair may or may not evaluate proposals/qualifications but has overall responsibility for matters involving the procurement and its procedures. Chair shall be responsible for seeing that all applicable state laws, rules and policies are followed. The focus of the evaluation committee is to assess statements of qualifications based on the Evaluation Criteria.
 - 2.4.1. A system for ranking each firms' responses based on the requested criteria shall be developed for the selection committee members to use.
 - 2.4.2. The Committee shall rank each firm individually and a summary of the rankings shall be compiled for a final top to bottom ranking of all the responding firms.
 - 2.4.3. The top firm shall then be contacted for a price and contract proposal. Once received, negotiations may commence until an agreement is reached.

2.4.4. If an agreement is not reached with the top firm, then the second highest ranked firm shall be contacted and so on through the list until an agreement is reached. Once negotiations have been terminated with a firm and new negotiations begun with the next, the City shall not go back to any prior firm to restart negotiations.

2.5. **CONTRACT PERIOD:** The City of Nixa's award of a Professional Consulting Service contract shall be for a period of no more than five (5) years. Upon expiration, the City shall again enter the RFQ process as defined in this section.

SECTION 3

3. PURCHASING PROCEDURES

3.1. **AUTHORITY TO MAKE PURCHASES** – Any employee may make a purchase on behalf of the City up to \$500. Purchase orders are required for any purchases over \$2,500. Approval of all purchases shall be processed within the City's ERP system and signified therein by the Department Head, Department Director, or their appointed representative, or the City Administrator, depending on the dollar amount of the purchase.

3.2. **ROUTINE ITEMS** - Routine Items include recurring payments, customer refunds, and employment related costs. In most cases, such payments do not require requisition forms, purchase orders, or receiving documentation. However, verification of charges, appropriate receipting documentation, and approval by Department Head, Department Director, or their appointed representative shall be required. Routine Items include, but may not be limited to the following:

3.2.1. Advertising

3.2.2. Annual Operating Services where vendor has been selected through Annual Bid Process

3.2.3. Background Check Fees

3.2.4. Bond Payments and Fees

3.2.5. Cable TV Charges

3.2.6. Customer Refunds (for fees or deposits)

3.2.7. Employee Garnishments

3.2.8. Employee Group Insurance Payments

3.2.9. Employee Meetings and Trainings

3.2.10. Employee Reimbursements

3.2.11. Employee Retirement Benefits

3.2.12. Membership Dues

3.2.13. Postage and Meter Charges

3.2.14. Pre-employment Drug Screening and Random Drug Testing

- 3.2.15. Professional Services
 - 3.2.16. Sales Tax Remittances
 - 3.2.17. Subscriptions
 - 3.2.18. Telephone Charges
 - 3.2.19. Travel Related Expenses
 - 3.2.20. Utility Bills
- 3.3. **REQUISITIONS:** Requisitions are designed to assist departments in the initiation of the purchasing process.
- 3.3.1. Requisitions may be submitted within the purchasing module of the City's ERP system.
 - 3.3.2. After completion and approval of the requisition by the department, the Finance Department reviews the requisition to determine there are monies budgeted to cover the requested purchase, that there is sufficient cash available for payment, and that proper account numbers are identified. Requisitions not meeting these requirements will be returned to the department for the reasons indicated thereon.
 - 3.3.3. Acceptable requisitions are converted to a purchase order by the Purchasing Coordinator.
- 3.4. **PURCHASE ORDER:** A Purchase Order is required for the procurement of items greater than \$2,500. The approved Purchase Order authorizes the vendor to ship, deliver, or release to a City employee the items specified thereon. Purchase Orders should be clear and concise in order to avoid misunderstandings or confusion. All purchase orders are to be system generated prior to purchase. Vendor shall note the purchase order number on any delivery or billing documents.
- 3.4.1. Purchase Orders will be finally approved by the Purchasing Department.
 - 3.4.2. Items \$5,000 or less – Department Heads are authorized to approve Purchase Orders for \$5,000 or less. Bids are not required for such purchases.
 - 3.4.3. Items amounting to \$5,000.01 to \$20,000 shall be approved by the Department Director.
 - 3.4.4. Items greater than \$20,000 shall be approved by the City Administrator.
 - 3.4.5. Upon receipt of goods, partial orders shall be noted in the Purchasing System.
 - 3.4.6. Blanket Purchase Orders – Blanket purchase orders and price agreements are used in long term situations. The blanket purchase order or price agreement remains open for one fiscal year to purchase the products or services specified on an "as needed" basis and awarded using a competitive bid process. It shall not be necessary to obtain competitive sealed bids or comparative prices for products covered under price agreements.
- 3.5. **INVOICES:** An invoice is the vendor's statement of its charges against the City for items provided. Invoices or other source documentation are normally based on

information from Purchase Orders and must contain substantially the same information. Invoices should be submitted to the Finance Department. If an invoice serves as the receiving document, authorized employees shall verify receipt of goods or services on the invoice. (See section 5 for details on receiving of goods and services). Payment of invoices will be managed by the Accounts Payable Clerk.

3.6. ACCOUNTS PAYABLE CLERK DUTIES

- 3.6.1. The Accounts Payable Clerk will be responsible for verifying vendor has been approved prior to processing payment.
- 3.6.2. Payment of goods or services shall be processed by the Accounts Payable Clerk. Payments shall be made in a timely manner with consideration given to discounts made available by vendors.
- 3.6.3. The Accounts Payable Clerk is responsible for research and follow-up of all unpaid invoices, credits, and verification of documents submitted for payment.
- 3.6.4. All accounts payable checks require two signatures. Authorized signatures include Mayor, Mayor Pro Tempore, City Clerk, and Finance Director. Documentation for payments shall be made available to check signers.
- 3.6.5. Check stubs, invoice documentation, and listing of invoices selected for payment will be retained by the Accounts Payable Clerk.

3.7. APPROVAL OF PAYMENT

- 3.7.1. Approval of payment is signified by the approval of a Department Head or Department Director within the approval work flow established in the City's ERP system.
- 3.7.2. Documents providing approval of payment must identify vendor, quantities, description of items, and pricing of items.
- 3.7.3. Items under \$5,000 may be approved by the Department Head or Department Director.
- 3.7.4. Items over \$5,000 and less than \$20,000 require the approval of the Department Director.
- 3.7.5. The City Administrator's approval is required for items over \$20,000. The limit for City Administrator's approval is \$20,000, provided item has not been approved in the annual budget ordinance.
- 3.7.6. Subdivision of purchases for the purpose of evading requirements of this policy is prohibited.

Purchasing/bidding/approval matrix

Dollar Value	3 bids	Sealed bids	Budget available?	Purchase Order Required	Dept. Head Approval	Dept. Director Approval	City Administrator Approval
< \$2,500			✓		✓		
\$2,500 to \$5,000			✓	✓	✓		
\$5,000.01 to \$9,999	✓		✓	✓		✓	
\$10,000 to \$20,000		✓	✓	✓		✓	
>\$20,000		✓	✓	✓		✓	✓

SECTION 4

4. EXCEPTIONS TO NORMAL PURCHASING PROCEDURES

4.1. EMERGENCY PURCHASES – Notwithstanding any other provisions of this Policy, the City Administrator may make or authorize others to make emergency purchases when a threat exists to public health, welfare, or safety under emergency conditions. Purchases 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 vendor shall be included with the request for payment.

4.2. PRICE AGREEMENT PURCHASES

4.2.1. The Purchasing Coordinator is authorized to and shall consolidate requirements for items which are continually needed by the various departments for the purpose of procurement of such items as needed and if needed during a term of up to one year and may extend such term as is appropriate in their discretion. Revisions to specifications for the purpose of avoiding purchases under the price agreement are not permitted.

4.2.2. All departments shall plan their needs for such items and provide the Purchasing Coordinator with sufficient scheduling information, specifications, and other information as may be required to prepare bid documents and enter into the agreements. Requisitions for items under a price agreement shall reference the applicable agreement.

4.2.3. All purchases for such items shall be made from the selected supplier unless that supplier is unable to deliver as needed by the City or as promised in its bid. If the agreement has been terminated for failure of the Supplier to perform the provisions of the agreement, the Purchasing Coordinator shall seek bids from other qualified suppliers. Until such time an agreement is entered into with a new supplier, the Purchasing Coordinator may purchase from whichever source is in the City’s best interests.

- 4.3. **PETTY CASH PURCHASES** – The Director of Finance is authorized to create petty cash funds where they are needed within City government. The size of all petty cash funds will be controlled by the Director of Finance. Routine purchases of items less than Fifty Dollars (\$50.00) may be made from petty cash without contacting the Purchasing Coordinator. The following regulations will apply to all petty cash funds:
- 4.3.1. Reimbursement is to be made only to personnel authorized by the department head. It shall be the responsibility of the using department to properly code or classify the item or expenditure.
 - 4.3.2. Reimbursement is not to be made until an invoice marked “paid”, a valid receipt, or certificate of expenditure is received by the fund custodian.
 - 4.3.3. No reimbursement is to be made for items over Fifty Dollars (\$50.00) other than postage and freight charges without prior approval by the Director of Finance, or for separate items which total over \$50.00 where it appears that the purchasing regulations are being circumvented.
 - 4.3.4. Custodians of petty cash funds shall submit reimbursement documents to the Finance Department at least once a month. The Finance Department will replenish petty cash upon receipt of reimbursement documents.
 - 4.3.5. All petty cash funds will be subject to audit at unannounced times by the Finance Department.
 - 4.3.6. Petty cash funds are not to be used to cash personal or payroll checks.
 - 4.3.7. Employees are encouraged to submit check requests for reimbursement whenever practical.
 - 4.3.8. Additional rules and regulations regarding petty cash funds may be established by the Finance Director as deemed necessary.
- 4.4. **DISPOSAL OF OBSOLETE, SCRAP, OR SURPLUS PROPERTY** – Whenever a department of the City has assets which have become obsolete, scrap, or surplus to their needs, these items may be disposed of. After verification that no other City departments have use for these items, the items shall be disposed of in coordination with the Purchasing Coordinator in any one or more of the following ways:
- 4.4.1. Publicly advertised auction sales.
 - 4.4.2. Solicitation of bids for such property. Usual practices of competitive bidding will be followed.
 - 4.4.3. Property that has no monetary value may be destroyed or donated to a not-for-profit organization. If more than one organization desires the property, the Purchasing Coordinator shall draw lots for the purpose of making the selection.

- 4.4.4. Department may trade in obsolete or surplus items for credit against the purchase price of replacement items. If a department elects trade-in to dispose of an item, the Purchasing Coordinator shall determine the actual methods to obtain the best value or credit for such items.
- 4.4.5. Obsolete or surplus items with salvage value over ten-thousand dollars (\$10,000.00) shall be disposed of after approval of the City Administrator.
- 4.4.6. The sale of scrap metal at Public Works Facility may be sold as approved by Public Works Director.
- 4.4.7. Proceeds will be deposited as departmental revenue.
- 4.4.8. Obsolete or surplus items may be donated to other governmental agencies upon request.

4.5. DISPOSAL OF UNCLAIMED PROPERTY HELD BY THE POLICE DEPARTMENT – Procedures and policies found in City Ordinances, Chapter 2, Article I, Sec. 2-2 deal with the disposal of unclaimed property held by the Police Department.

SECTION 5

5. RECEIPTING OF GOODS AND SERVICES

This section defines the manner in which goods and services are received by the City to assure that the quantity, quality, and price of the goods and services received are accurate, and that payment is made only for goods and services actually received by the City. This section further emphasizes the responsibility that is placed on employees in the receipt of goods and services for the City.

5.1. MERCHANDISE DELIVERED TO CITY FACILITIES

- 5.1.1. Employees may sign for packaged products when carrier provides shipping document noting number of packages and provided packages do not exhibit any signs of damages or shortages.
- 5.1.2. Vendors are to provide packing documents with complete description and quantities noted.
- 5.1.3. Responsibilities of employees receiving merchandise include:
 - 5.1.3.1. Inspection of shipment for completeness and condition.
 - 5.1.3.2. Notification to the Purchasing Coordinator and accounts payable clerk of shortages, overages, damages, incorrect or defective merchandise.
 - 5.1.3.3. An employee should not verify the receipt of goods if he or she has participated in the procurement process.

5.2. SERVICES RENDERED AT CITY LOCATIONS

- 5.2.1. Service vendors shall provide a description of services upon performance at a City location.

5.2.2. Services rendered at City locations shall require the signature of one employee and the approval of the Department Head.

5.3. **MERCHANDISE OBTAINED AT VENDOR'S LOCATION**

5.3.1. Merchandise picked up by employee(s) requires the verification of goods by the signatures of two employees on documentation containing quantity and description of goods.

5.3.2. Employees are to forward documentation to the Finance Department for processing of payment.

5.4. **RECEIPTING OF FUEL**

5.4.1. Fuel purchases are to be made using the WEX card issued for the applicable vehicle. A personal identification number (PIN) will be assigned to employees making fuel purchases. The PIN will be entered by the employee during fuel purchase process to indicate the specific employee making purchases. Employees shall not share their PIN.

5.4.2. Monthly fuel reports are generated by Accounts Payable Clerk noting the vehicle, employee making purchase, and volume of purchase. These reports are provided to department heads for review.

5.5. **RETURN OF MERCHANDISE**

5.5.1. Vendor shall issue credit to City for all returned merchandise. If there are no outstanding invoices, vendor shall issue a check to City to clear credit.

5.5.2. Employees are prohibited from accepting cash from a vendor for returns.

5.5.3. At the time of the return, whether at the vendor's location or items picked up at a City location, employees are to obtain documentation noting description of items returned.