

# **City of Pleasant Hill**

## **Purchasing Policy**

\*This policy was adopted on 4/24/2023

**OBJECTIVE:** The City’s objectives in establishing this Purchasing Policy is to balance efficient operations with fiduciary responsibility. In all purchases, employees are expected to use tax dollars wisely, promote fairness in purchasing, improve confidence in government, protect the City from liability, and comply with applicable federal and state laws.

**CENTRAL PURCHASING AUTHORITY:** As set forth in the City Code of Ordinances, Section 2-233 (b), the City Administrator shall be the Purchasing Agent for the City and all purchases shall be under his or her direction and supervision, and all such purchases shall be made in accordance with purchasing rules and procedures approved by the City Council. As set forth in Section 2-233 (k), the City Administrator shall supervise the preparation of all bid specifications for services and equipment, and receive sealed bids for presentation to the City Council. The term “Purchasing” hereafter used in this policy shall refer to the City Administrator as City Purchasing Agent, and/or his designated representative(s).

**COMPLIANCE WITH STATE AND FEDERAL LAWS:** The City will comply with all state and federal laws pertaining to purchasing and contracts. See Exhibit A for a listing of requirements and thresholds.

**REQUISITIONS, PURCHASE ORDERS & INVOICES:** All purchases must conform to the requirements of the City Requisition and Purchase Order system. All invoices shall be directed to Accounts Payable in the Finance Department.

**BUDGET COMPLIANCE:** Funds must be available in the Budget for all purchases. If funds are not included in the Budget, a Budget Amendment must be obtained prior to the order or purchase per City Budget Policy.

**PURCHASES \$1 TO \$15,000:** Items in this range may be purchased directly by Department Heads without obtaining multiple quotes prior to purchase. Department Heads may give priority to local providers of goods and services of equal quality up to 10% of an established low price.

**PURCHASES \$15,001 TO \$30,000:** Items in this range may be purchased by Department Heads after obtaining at least three (3) informal quotes via telephone, email, text, fax, quotation sheet, or other means. Departments may repeat an order within this range if done within 30 days, provided the supplier agrees to sell the same item at the same price.

**PURCHASES \$30,001 TO \$50,000:** Purchases in this range require formal written bids. Approval by the City Administrator is required prior to the bid award. The City Administrator is authorized to enter into contracts as authorized by the City Council. Departments may repeat an order within this range if done within 30 days, provided the supplier agrees to utilize the same pricing. Bids must be based on written specifications provided by the Department and shall be issued and opened by Purchasing as follows:

- Specifications shall be written in a manner to allow competition.
- Purchasing shall ensure the bid document includes instructions to bidders, contractual requirements, a bid number, an opening date, and the specifications. Bids will not be advertised without the approval of Purchasing.
- Purchasing shall issue the Bid Document and solicit bids for the time specified. Bids shall be placed on the City's website for the time the bid is open. The City may utilize additional methods of advertising bids.
- Purchasing shall receive all sealed bids, and shall hold them unopened until the designated opening time. At that time, bids will be opened, read aloud, and recorded unless the subject of the bid is allowed to be a closed record under the Missouri Sunshine Law (RSMo 610.021). Two City representatives, including one representing purchasing, shall be present at the Bid Opening. Bid originals shall remain with Purchasing, and copies supplied to using Department for analysis.
- The using Department shall evaluate bids and make a recommendation to Purchasing. Purchasing will evaluate the Bid and Department recommendation to ensure the proposed award is in compliance with applicable laws and established purchasing standards, including ethical standards established by the National Institute of Governmental Purchasing. All bids shall go to the lowest and most responsible bidder. In the event formal bids of equal price and quality are received, preference will be given to local bidders.
- If the departmental recommendation conflicts with these criteria, the bids shall go back for reevaluation.
- If the departmental recommendation is approved, Purchasing shall issue an award letter to the successful bidder.
- Purchasing shall retain a Bid File containing bid originals for such time as required by state and local laws governing record retention.
- The City has the right to reject any and all bids.

**PURCHASES \$50,001 AND UP:** Follow the same procedures as \$30,000 and up, but requires approval by the City Council.

**SPECIAL PROVISIONS:** There are special circumstances that may allow for a deviation from the purchasing policy above, including the following:

**PURCHASES FROM A COOPERATIVE BID:** The City has the ability to utilize cooperative bids and contracts originating from governmental and quasi-governmental agencies. The City will seek to utilize cooperative bids whenever advantageous, lawful, and practical. If utilized by an approved cooperative bid source, formal bids and informal quotes are not required.

**SOLE SOURCE PURCHASES:** Formal bids and informal quotes need not be obtained if the item is being purchased from an approved sole source.

**USED EQUIPMENT:** When used equipment purchases are acceptable and considered a good utilization of taxpayer funds in lieu of purchasing new, the City shall seek to either 1) purchase from a cooperative purchasing site such as BuyBoard or GovDeals, or 2) provide substantial documentation of the fair market value of the item to ensure that the price is reasonable. Used equipment utilizing the fair market value justification will require sign off from the City

Administrator prior to purchase. Documentation regarding this purchase and the fair market value shall be retained by Purchasing.

**EMERGENCY PURCHASES:** Subject to the approval of the City Administrator, purchasing rules set forth herein may be suspended in the event of an emergency.

**SELECTION OF ARCHITECTS, ENGINEERS, AND LAND SURVEYORS:** Contracts for professional services, such as engineering, surveying, and architectural services shall be awarded through a qualifications based selection process complying with Missouri Statutes.

**ADDITIONAL OR HEIGHTENED SELECTION:** The City has the option to increase the minimum requirements for selection as needed. Additional selection process requirements may be necessary to comply with federal, state, or MODOT rules for projects, particularly roadway construction projects involving state or federal funds.

**SALE & DISPOSAL OF SURPLUS PROPERTY:** Per Section 2-234 (a), property of the City may be sold by the City Administrator with approval of the City Council, with real property to be approved by Council resolution or ordinance. Depending on the value of items to be sold, bids will be obtained for sale of property using substantially the same procedures outlined above for purchases, including the use of cooperative contracts for live or electronic auction services.

## EXHIBIT A

Beyond the purchasing requirements, the City has an obligation to comply with all state, federal, and local laws when entering into contracts. Prior to entering into a contract, the department should review the Instructions for Drafting Invitations to Bid to ensure compliance and review requirements. The following is a guide to help departments comply with these regulations, regardless whether an invitation to bid is needed.

For contracts regardless of price:

- Construction Safety Training Act, Section 292.675 RSMO (public works construction projects only)
- Anti-Discrimination Against Israel, if the bidder has 10 or more employees
- Consider whether a payment bond is desired, especially with public works construction projects
- Consider whether a performance bond is desired, especially with public works construction projects
- Consider whether a maintenance bond is desired, especially with public works construction projects
- City Business License for contractors
- Requirement for contractor insurance, particularly with construction projects
- Missouri Prompt Payment Act, for public works construction projects

For contracts that exceed \$5,000:

- All listed above, plus:
- Federal Work Authorization/Proof of Lawful Presence (E-Verify)

For contracts that exceed \$15,000:

- All listed above, plus:
- 3 informal quotes

For contracts that exceed \$25,000:

- All listed above, plus:
- US Products Preference

For contracts that exceed \$30,000:

- All listed above except informal quotes will be replaced by:
- Formal bidding

For contracts that exceed \$50,000:

- All listed above, plus:
- Payment Bonds
- Performance bond

For contracts exceeding \$75,000:

- All listed above, plus:
- Missouri Prevailing Wage Law (public works construction projects only, not maintenance)

For all contracts exceeding \$100,000:

- All listed above, plus:
- Anti-Discrimination Against Israel