



CITY OF LINDSBORG

PURCHASING POLICY

APRIL 16, 2018
Revised August 3, 2020
Revised March 20, 2023

This policy set guidelines which will govern all purchases of goods and/or services made on behalf of the City of Lindsborg.

POLICY STATEMENT

There are fundamental principles which should be observed when purchases are made on behalf of the City. Basically, a commodity or service should be obtained at lowest cost possible consistent with the quality required to maintain efficient operations of City departments. The quantity purchased is determined through an examination of factors such as the number of units to be used, the period of use, space available, acquisition price, discounts, shipping time, obsolescence and the present and expected future availability of an item.

The acquisition of all goods and/or services made by or on behalf of the City of Lindsborg, its agencies, departments, officials and authorized agents shall be made by the employee in accordance with the Purchasing Procedures, and in a manner and method which provides for the most proficient and effective expenditure of the City funds; provides for the maximum protection of the City taxpayer and the prevention of waste, conflict and corruption; provides for accurate accounting utilizing applicable generally accepted accounting practices and generally accepted auditable documentation; provides for equal access and opportunity, in an open and competitive market environment, to all suppliers without regard to factors unrelated to quality, cost and availability of the goods and/or services; and which comply fully with all applicable federal, state and local laws, rules and regulations.

Preference will be given to vendors located within the city limits of Lindsborg when all other considerations are equal, and the cost is within 10% of the lowest bidder and the difference in the local bid is not greater than \$2,000 of the lowest bid. Positive effort must also be made to use small, minority, and/or female-owned businesses.

All personnel of the City shall become familiar with and follow the City's policies and procedures as they relate to purchasing. Supervisors shall be cognizant of their respective budget limitations and initiate purchases accordingly. It is the responsibility of the individual departments to anticipate requirements and initiate action to purchase goods and services in advance of the time that they are needed. Estimates of annual departmental usage of certain items may be necessary so that the correct quantity of goods may be determined.

The City Administrator is responsible for the enforcement of the Purchasing Policy.

The City Governing Body determines the level of expenditure for each department by adoption of the annual budget. The Governing Body takes no further action except for approving expenditures over \$5,000.

The Governing Body reviews disbursements by ordinance and may make changes in funding levels upon recommendation of the Finance Director and the City Administrator.

Department Heads have the responsibility in making purchases and keeping purchases within the scope of the departmental budget. Department Heads may proceed with purchasing as prescribed herein unless the item exceeds the budgeted amount. If the item exceeds the budget, a justification memo shall accompany the requisition for approval by the City Administrator. Upon approval by the City Administrator, it will be forwarded to the City Council for approval.

CODE OF CONDUCT

The City of Lindsborg establishes the following standards of conduct which shall govern the performance of its officers, employees or agents engaged in the award and administration of all bids and contracts:

- A. No employee, officer or agent of the City of Lindsborg shall participate in the selection, or in the award of a contract if a conflict would arise when (1) the employee, officer or agents; (2) any member of his/her immediate family; (3) his/her partner; (4) an organization which employs, or is about to employ any of the above, has a financial or other interest in the firm selected for the award.
- B. Officers, employees or agents of the City of Lindsborg shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to subagreements.
- C. Contractors, potential contractors, parties to subagreements or agents thereof shall neither offer nor give gratuities, favors or anything of monetary value to officers, employees or agents of the City of Lindsborg.
- D. Contractors, potential contractors, parties to subagreements or agents thereof who practice discrimination based upon race, creed, color, religion, ethnic origin, age, gender or sexual orientation will be barred from conducting business with the City of Lindsborg.
- E. Any officer, employee or agent of the City of Lindsborg who violates this Code of Conduct may be subject to one or more of the following: (1) oral or written warning or reprimand; (2) suspension with or without pay for specified periods of time subject to and in accordance with the personnel rules and regulations of the City of Lindsborg; (3) termination of employment subject to and in accordance with the personnel rules and regulations of the City of Lindsborg.
- F. Any contractor, potential contractor or agent thereof who violates the Code of Conduct may be subject to one or more of the following: (1) written warning or reprimand; (2) termination of transactions; and/or (3) debarment or suspension from being a contractor or subcontractor under City contracts.

PROCEDURE

1. All department requests for purchases must be submitted to the Department Head on a requisition form. No payment will be made unless these procedures are followed.
2. Purchases, including Small Purchases, must be made at the most responsible, lowest cost obtainable while maintaining adequate service.
3. It is necessary to have three (3) quotes on any item to be purchased of \$2,500 or more and list such quotes on the requisition. If for any reason it is impossible to obtain the required number of quotes, the reason must be stated on the requisition in the remarks section.
4. All purchases totaling \$5,000 or more must be submitted for competitive bids.
5. All purchases totaling \$25,000 or more must be submitted for competitive sealed bids to which the following apply:
 - A. Competitive sealed bids are initiated by publishing an Invitation for Bids (IFB) when the cost is estimated to be over \$25,000. Adequate time should be allowed for preparation of bids.
 - B. Detailed specifications for the goods or services to be procured must be prepared. The primary basis for award is cost.
 - C. All bids received must be tabulated and reviewed according to the written criteria given to prospective bidders.
 - D. The contract awarded must be a firm, fixed-price contract (lump sum or unit price). Negotiations with the low bidder are not allowable under the CDBG programs. (This has always been the CDBG policy.)
 - E. Preparation and signing of a contract formalizing a scope of work and the terms of compensation is required, after confirming the contractor is not on the Federal debarred list (see Labor Standards Section).
 - F. All unsuccessful bidders must be notified in writing.
6. The Governing Body shall review and approve all purchases of \$5,000 or more. After reviewing the recommendation from the Department Head, the Governing Body shall authorize the purchase prior to the actual purchase.
7. The Governing Body has the right to refuse all or any part of a bid or purchase when it is felt it is in the best interest of the City.
8. Petty cash funds may be used for the purchase of miscellaneous small items of supplies or equipment, meals, and mileage, under control and supervision of the Finance Director. There is a maximum of \$250 for each withdrawal and must be approved by the Finance Director.

9. Certain goods or services are required on an "as needed" basis to enable departments to maintain their level of service. The invoice of service and/or products purchased will be turned into the City Administrator within 24 hours after the purchase. Examples are sand and salt, asphalt, gravel, gasoline, emergency needs, automobile parts, and repairs.
10. All purchase orders should be closed out within 20 business days after the end of the City's fiscal year. Exceptions include those purchase orders written for ongoing capital projects and major capital outlay items. Other exceptions will be handled on an individual basis with final approval to be made by the City Administrator. Purchase orders which are not completed within the specified period and are not considered to be exceptions will be voided and the vendors notified.
11. City bills are approved each month at regular City Council meetings. All bills and invoices are due to the Finance Director before this date. Only on rare occasions are in-between checks issued. A complete explanation of why this payment cannot be submitted in the procedure described above must accompany the in-between check request. As in the past, all in-between purchases must be approved by the City Administrator and the Department Head.
12. This policy will be adhered to by all City employees.
13. Any deviation of the purchasing policy shall be first approved by the City Administrator.
14. The City is tax exempt from federal excise taxes and state sales tax except for certain items.
15. **Competitive Negotiations.** Competitive negotiations are initiated by making public a Request for Proposals (RFP) or a Request for Qualifications (RFQ). Although newspaper publication is not required, it may be used if an adequate number of service providers are available in the circulation area. At a minimum, all qualified firms should be notified. The RFP is used when price is a factor in selection; the RFQ is used when price is considered after selection (this is usually applicable only for architectural and engineering services).
 - A. In both the RFP and RFQ, the services to be procured are clearly defined, as are the factors to be used in evaluation and selection. A written basis of selection must be prepared.
 - B. All proposals received are to be reviewed according to the written criteria given to prospective bidders and the review should be in writing, i.e., basis of selection must be documented.
 - C. For RFQs, an invitation is made to one or more respondents to negotiate a price or fee.
 - D. Preparation and signing of a contract formalizing a scope of work and the terms of compensation is required.
 - E. All unsuccessful bidders must be notified in writing.

Non-Competitive Negotiations. Non-competitive negotiations can be used only when (1) the use of competitive negotiations is not feasible, such as only one supplier, (2) there is some public emergency, or (3) the results of the competitive negotiations are inadequate.

- A. Negotiations are conducted with the selected company regarding the scope of work and price.
- B. Preparation and signing of a contract formalizing a scope of work and the terms of compensation is required.