

# CITY OF BEL AIRE

## PURCHASING POLICY

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### 1. POLICY STATEMENT

Acquire the best **value** in every City purchase, taking into account **price, quality, market selection, turnaround-time, service and durability needed** to maintain efficient operations and good stewardship of City funds.

### 2. PURPOSE

The purpose of this policy is to:

- Maximize the purchasing value of public funds.
- Create a practical high level guideline for all city purchase decisions
- Help prevent waste, conflict and corruption.

### 3. POLICY

The Governing Body determines the level of expenditures for each department by adoption of the annual budget and approving purchases over \$10,001. The City Manager is authorized to approve purchases above \$5,001 up to \$10,000. Department Heads are authorized to approve purchases up to \$5,000 and assign spending limits to members of their department. Even though the Governing Body appropriates a level of expenditures for each department, that in and of itself is not a permit, nor directive, to expend funds unless the need is present at the time of purchase and the item to be purchased is within the budget limits.

The quantity of items purchased should be determined through an examination of factors such as the **taking into account price, quality, market selection, turnaround-time, service durability** obsolescence, and the present or expected future availability of an item.

| Amount of Purchase (Dollars) | Description                                                     | Type of Bid/Quote Required   | Other Requirement                          |
|------------------------------|-----------------------------------------------------------------|------------------------------|--------------------------------------------|
| 0.01- \$500                  | Any purchase not falling within a special category listed below | One quote                    | Dept head approval                         |
| \$501-\$4,999                |                                                                 | One quote                    | Dept head approval                         |
| \$5,000-\$10,000             |                                                                 | Internal value assessment    | City Manager and Finance Director approval |
| Above \$10,000               |                                                                 | 3 bids/quotes or explanation | Council Approval                           |
| Above \$50,000               |                                                                 | Sealed Bidding               | Council Approval                           |

| Special Categories of Purchases Exempted |                                                                                                                                                |                                                                                                                                                                                                                            |                                                                                                                           |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Type                                     | Description                                                                                                                                    | Type of Bid/Quote Required                                                                                                                                                                                                 | Other Requirements                                                                                                        |
| Sole Source                              | Item available from only one supplier                                                                                                          | None                                                                                                                                                                                                                       | Dept. head approval                                                                                                       |
| Substantial interest purchase            | Employee requesting purchase has \$5000 or 5% interest in supplier or has received \$500 or more in valuable consideration, goods or services. | Employee with substantial interest shall disclose and not be included in purchase decision.                                                                                                                                | Employee should report ANY personal interest even if not defined as substantial interest                                  |
| Leases of equipment                      | Above \$10,000 per year                                                                                                                        | 3 bids/quotes or explanation                                                                                                                                                                                               | Council Approval                                                                                                          |
| Change Order                             |                                                                                                                                                | If under \$10,000, City Manager approves. If over \$10,000, Council approves unless the project is still within budget or is in the best interest of the City for a CO to be implemented prior to the next council meeting | Advise council of change orders above 10,000.<br><br>Ratify change orders above 10,000 at next available council meeting. |
| Emergency purchases                      | City manager determines an emergency or Emergency Operation Plan is in effect                                                                  | None                                                                                                                                                                                                                       | EOP supersedes this policy<br><br>Ratification of council at next meeting.                                                |
|                                          |                                                                                                                                                |                                                                                                                                                                                                                            |                                                                                                                           |

#### 4. PURCHASING PROCEDURES

- A. Department Approval of Purchases. The City Manager and Finance Director have authority to oversee and review department purchases. Department Directors are responsible for making purchases and keeping purchases within the scope of their respective budget.
- Documentation. Department Directors should document reasonable basis for purchases when making requests for purchases that are not typical or obviously the lowest price. It is the responsibility of each Department

Director to become familiar with the available equipment and be able to explain the appropriate quality required in order to meet specifications.

- b. Contracts. Purchases requiring a signed agreement or contract will be reviewed by the City Manager, Finance Director, and the City Attorney prior to signing. It is the Department Director's responsibility to provide the City Manager, Finance Director, and City Attorney a copy of the contract and adequate time to review. Such contract will be filed with the City Clerk.

B. Manager Approval of Purchases. The City Manager has authority to approve purchases up to \$10,000. For purchases between \$5,000 and \$10,000, **both** the City Manager and Finance Director shall provide approval. Manager shall apply his or her good judgment and the guidelines in this policy when reviewing purchases and may delegate research and review of purchases to Department Directors. Purchases exceeding \$10,000.00 shall be approved by Council.

C. Council Approval of Purchases. Requests for purchases \$10,001 must be approved by Council. Those purchases shall be reviewed by the City Manager or designee, then provided to the City Council accompanied by a written explanation of need including:

- Description of Need
- Bid amounts
- Whether item is budgeted or not
- Recommendation from Staff

In cases of Emergency, the written explanation may be provided after the purchase is completed.

D. Procedures for All Types of Sealed Bidding. Invitation for bids will be sent out to local and knowledgeable vendors who are known to have adequate expertise. Bids shall be opened by the City Clerk or designee in the presence of one or more witnesses. The amount of each bid and other relevant information shall be recorded along with the name of each bidder. Bids shall be evaluated based on requirements set forth in the invitation to bid, which may include criteria to determine acceptability, such as inspection, testing, quality, and suitability for a particular purpose. Award shall be made to the lowest responsible bidder who submits a responsive bid which is most advantageous to the City. Final approval of the contract shall be approved by the City Council.

## **5. PROHIBITED PURCHASES**

The following purchases cannot be made from City funds

- Purchases for personal family uses. Purchases for employees or employees' family. City employees are also prohibited from using the City's name or the employee's position to obtain special consideration in personal purchases.
- Gambling related purchases.
- Purchases where City's representative has a conflict of interest. When the City's employee responsible for approving a purchase has a conflict of interest regarding that purchase, another member of staff shall be responsible for assessing and approving the purchase on behalf of the City, making the decision solely based on this policy and good judgment. Where there is a conflict, conflicted employee shall not participate in purchase decision making. A conflict of interest exists where the employee's immediately family, a partner of an employee, or an organization that employs, or organization that is about to employ a City employee, or where an employee stands to gain from the purchase. It is the responsibility of the employee to advise City leadership of any known conflicts of interest.

## **6. MISCELLANEOUS**

The Governing Body may purchase professional services such as architects, engineers, attorneys, auditors, etc. without entering into a competitive bidding process. However, the governing body may choose to require Request for Proposals or Request for Qualifications for such services. Such contracts or agreements may be negotiated by the City Manager and City Attorney.

This policy will be adhered to by all City employees.

Any deviation of the purchasing policy shall first be approved by the City Manager.

The City is exempt from federal excise taxes and state sales tax with the exception of certain items.

Any officer, employee or agent of the City of Bel Aire who violates this policy may be subject to disciplinary action up to and including reprimand, suspension or termination.

## **7. BASE GRANT 2.0**

All purchases related to the BASE Grant 2.0 for any expenditure, including labor services and equipment, at \$5,000 or more, RFP's, RFQ's or Sealed Bids must be obtained prior to awarding funds.

Approved this 11 day of July, 2024.

A handwritten signature in black ink, appearing to read 'Ted Henry', written over a horizontal line.

Ted Henry, City Manager

Approved as to Form Only

A handwritten signature in black ink, appearing to read 'Maria A. Schrock', written over a horizontal line.

Maria A. Schrock, City Attorney