



City of Lebanon Administrative Policies

Department:	Finance	Policy #:	AD1130
Title:	Purchasing	Procedure #:	AD1130.A
Adopted:		Next Review:	

Purpose: The purpose of this policy is to establish uniform procedures for the acquisition of goods, services, and public improvements by the City of Lebanon in compliance with ORS Chapters 279A, 279B, and 279C, as well as the Oregon Attorney General’s Model Public Contract Rules (OAR 137-046 through 137-049) as adopted by reference through the Lebanon Municipal Code. This policy promotes fairness, transparency, and accountability in all City procurement activities while ensuring that public funds are spent responsibly and in the public interest.

Authority: The City of Lebanon City Manager

Applicability: This policy applies to all departments, divisions, and programs of the City of Lebanon, including enterprise funds and urban renewal districts in the Lebanon Urban Renewal Agency. It governs the purchase of goods, materials, equipment, supplies, services, personal services, and public improvements. Unless otherwise exempt under Section 8 of this policy, all purchases of \$25,000 or greater must be preceded by a purchase order generated in Springbrook and approved by the appropriate Department Director or designee.

General Policy: The City of Lebanon shall follow the procurement and purchasing rules under Oregon Revised Statutes (ORS) 279 and contained herein.

Policy Guidelines:

I. Definitions:

- a) Small procurement: A small procurement is defined as a contract not exceeding \$25,000 in total value.
- b) Intermediate procurement: An intermediate procurement is defined as a contract greater than \$25,000 but not exceeding \$250,000.
- c) Formal procurement: A formal procurement refers to a contract exceeding \$250,000.
- d) Public Improvement: A project involving construction, reconstruction, or major renovation of City infrastructure such as buildings, streets, or utilities.
- e) Purchase Order (PO): An authorization issued in Springbrook that commits City funds for a specified purchase and ensures budget compliance.

II. Roles and Responsibilities:

The City Manager has overall authority for contract execution and may delegate purchasing authority as permitted under ORS 279A.075. In the absence of a written delegation to the contrary, and in the absence of the City Manager, the signature authority described in section VI and the purchasing powers described herein are delegated in order as follows:

- a) Finance Director
- b) Department Directors within their budget.

The Finance Department oversees compliance with this policy, maintains procurement records, and issues purchase orders through Springbrook. Department Directors are responsible for ensuring their department's purchases adhere to this policy and for securing proper authorization prior to purchase. The Finance Director or designee shall administer solicitations, maintain documentation, and ensure consistency with the Model Rules.

III. Procurement Methods and Thresholds:

- a) Small procurements: Defined as those not exceeding \$25,000, may be made directly when it is determined that the procurement will best serve the interests of the city, taking into account price as well as any other relevant considerations, including but not limited to, experience, expertise, product functionality, suitability for a particular purpose, delivery, and contractor responsibility. Small procurement contracts may be amended if the cumulative amendment do not increase the total contract price by more than twenty-five (25) percent of the original contract price. Departments are encouraged to obtain at least one written quote when practicable. Documentation demonstrating price reasonableness shall be retained.
- b) Intermediate procurements: Ranging from \$25,001 to \$250,000, requires at least three (3) informally solicited quotes from qualified vendors when feasible. The procurement must best serve the interests of the city, taking into account price as well as any other relevant considerations, including but not limited to, experience, expertise, product functionality, suitability for a particular purpose, delivery, and contractor responsibility. Intermediate

procurement contracts may be amended if the cumulative amendment do not increase the total contract price by more than twenty-five (25) percent of the original contract price. All intermediate procurements must be supported by a purchase order generated and approved in Springbrook prior to purchase.

- a. Procedure for Informally Solicited Quotes: where allowed by this policy, informal solicitations shall be documented by a solicitation document or other publicly accessible record (i.e. email or letter).
 - i. The solicitation shall request competitive price quotes or proposals, and include:
 1. The date, time and place that price quotes or proposals are due.
 2. A description or quantity of the good or service required.
 3. Any statement of period for which price quotes or proposals must remain firm, irrevocable, valid and binding on the offeror. If no time is stated in the solicitation, the period shall be thirty (30) days.
 4. Any required contract terms or conditions.
 5. Any required bid form or proposed format.
 - ii. Price quotes or proposals shall be received by the City Manager, or designee, at the date, time and place established in the solicitation.
 1. Written record of the sources of the quotes or proposals shall be kept in accordance with section IX.
 2. If three quotes or proposals are not reasonably available, fewer shall suffice, but the department shall make a written record of the effort made to obtain quotes or proposals as part of the procurement file.
- c) Formal procurements: Defined as those exceeding \$250,000, must be solicited through a formal competitive process consistent with ORS 279B.055 through 279B.060 and the Oregon Model Rules. These procurements must be advertised in the City's publication of record and posted on OregonBuys or an equivalent platform. A purchase order must be issued in Springbrook prior to contract execution for all formal procurements.

IV. Public Improvement Contracts:

Public improvement contracts shall comply with ORS 279C.300 through 279C.470 and the Oregon Administrative Rules (OAR 137-049). Small public improvements, not exceeding \$25,000, may be directly awarded. Intermediate public improvements, valued between \$25,001 and \$100,000, require at least three written quotes when feasible. Formal public improvements, exceeding \$100,000, require a formal competitive bid process. Prevailing wage laws under ORS 279C.800 through 279C.870

apply. All intermediate and formal public improvements require an approved purchase order in Springbrook prior to contract award.

V. Personal Service Contracts:

- a) Personal services contracts, such as those for professional, legal, architectural, or engineering services, shall follow the procedures outlined in ORS 279B.050 through 279B.085. For contracts exceeding \$25,000, departments must seek at least three proposals or statements of qualifications unless exempt (see section VI). All personal services contract must be memorialized in writing and authorized by the City Manager, or designee.
- b) In addition to the classes of personal service contracts identified in ORS 279A, the City Manager may classify additional specific types of services as personal services.
- c) A service shall not be classified as personal services for the purposes of this policy if:
 - a. The work has traditionally been performed by contractors selected primarily on the basis of price; or
 - b. The services do not require specialized skills, knowledge and resources in the application of highly technical or scientific expertise, or the exercise of professional, artistic or management discretion or judgement.
- d) Personal services may be procured through direct negotiations if:
 - a. The contract price does not exceed seventy-five thousand dollars (\$75,000) and the work is within a budgetary appropriation or approved by the City Council; or
 - b. The confidential personal services, including special counsel, or professional or expert witnesses or consultants, are necessary to assist with pending or threatened litigation or other legal matters in which the city may have an interest; or
 - c. The nature of the personal service is not project-driven but requires an ongoing, long-term relationship of knowledge and trust.

VI. Exemptions and Special Procurements

Certain procurements may be exempt from competitive processes, including emergency purchases under ORS 279B.080, sole source procurements under ORS 279B.075, cooperative or intergovernmental purchases under ORS 279A.200 through 279A.225, and purchases through State Price Agreements or for utilities, subscriptions, and memberships. Other exemptions are included in LMC 3.04.090 pursuant to City Council and/or City Manager approval. All exemptions must be documented and approved by the Finance Director or City Manager prior to purchase.

VII. Retroactive Approval:

Retroactive approval of a contract means the award or execution of a contract where work was commenced without final award or execution. The City Manager may make a retroactive approval of a contract only if the responsible employee submits a copy of the proposed contract to the City Manager, along with a written request for contract retroactive approval, that contains:

- a) An explanation of the reason work was commenced before the contract was finally awarded or executed.
- b) A description of the steps being taken to prevent similar occurrences in the future.
- c) Evidence that, but for the failure to finally award or execute the contract, the employee complied with all other steps required to properly select a contractor and negotiate the contract.
- d) A proposed form of contract.

VIII. Delegation of Authority

The Lebanon City Council has delegated authority for certain purchases to the City Manager (LMC 3.04.040.D) and has also stated the City Manager may delegate some authority to others in the organization (LMC 3.04.040.D.4).

- a) The City Manager hereby delegates to Department Directors the authority to procure goods and services included in the budget up to \$25,000.
- b) The City Manager hereby delegates to managers the authority to procure goods included in the budget up to \$10,000.
- c) Department Directors may choose to delegate to individual staff members some level of purchasing authority based on the kinds of purchases that employees may need to make. For example, someone in IT who makes purchases of computers and monitors may be given \$5,000 in authority where someone in an administrative position may be given authority for up to \$250 to purchase basic supplies. These authorizations must be in writing, with the employee(s) and Director signing the form.
- d) City employees may not spend more monies that are appropriated in the annual Adopted Budget, as may be amended by the City Council via resolution. ORS 294.100(1) states "it is unlawful for any public official to expend any moneys in excess of the amounts provided by law, or for any other or different purpose than provided by law."
- e) City employees may not spend or commit to spend monies they are not authorized to spend. That includes spending or committing to spend more than this administrative policy delegates to the individual based on their position. ORS 294.100(2) states "Any public official who expends any public moneys in excess of the amounts or for any other or different purpose than authorized by law shall be civilly liable for the return of the money by suit of the district attorney of the district in which the offense is committed, or at the

suit of any taxpayer of such district, if the expenditure constitutes malfeasance in office or willful or wanton neglect of duty”.

IX. Ethics and Conflicts of Interest:

All employees involved in the purchasing process must comply with ORS Chapter 244 and the City’s ethics policies. Employees must avoid any real or perceived conflicts of interest and shall not personally benefit from any City procurement.

X. Recordkeeping and Documentation:

Departments must maintain complete procurement records, including quotes, solicitations, evaluations, and approvals, for at least six years after final payment or contract closeout, in accordance with ORS 279A.155 and the City’s records retention schedule. To ensure uniform documentation and accessibility, departments are required to use the contract portion of Springbrook’s Purchase Order module to store and track all procurement and contract-related materials. Guidance for creating purchase orders and attaching documentation can be found here:

https://help.sprbrk.com/Seven_Help/7.18.7.0/Content/Cirrus/PO/Purchase_Orders/PO_Create_a_PO.html.

The Finance Department may conduct audits at any time to ensure compliance with this policy.

XI. Policy Review and Updates:

This policy shall be reviewed periodically by the Finance Director and City Manager and updated as needed to remain consistent with state law, administrative rules, and the Lebanon Municipal Code.

XII. Disciplinary Actions:

Violations of this Administrative Policy may result in discipline up to and including termination.

Reviewed:		Revised:	
City Manager Approval:		Finance Director Approval:	
Reviewed:		Revised:	
City Manager Approval:		Finance Director Approval:	
Reviewed:		Revised:	
City Manager Approval:		Finance Director Approval:	

Appendix A: Procurement Threshold Summary Table

Procurement Type	Threshold Range	Minimum Quotes	Solicitation Method	Purchase Order Required	Approval Authority
Small Procurement	Up to \$25,000	1 (recommended)	Direct purchase or informal quote	Optional	Department Director
Intermediate Procurement	\$25,001–\$250,000	3 (when feasible)	Informal written quotes	Yes – Prior to purchase	Department Director + Finance
Formal Procurement	Above \$250,000	N/A	Formal Invitation to Bid or RFP	Yes – Prior to contract	City Manager / Council
Public Improvement – Small	Up to \$25,000	1 (recommended)	Direct selection	Optional	Department Director
Public Improvement – Intermediate	\$25,001–\$250,000	3	Informal quotes	Yes – Prior to award	Department Director + Finance
Public Improvement – Formal	Above \$250,000	N/A	Formal sealed bid	Yes – Prior to award	City Manager / Council
Personal Services	Up to \$25,000	1 (recommended)	Direct negotiation	Optional	Department Director
Personal Services	Over \$25,000	3	RFP or RFQ	Yes – Prior to contract	City Manager

Appendix B: Procurement Process Flowchart

