


Exhibit A

 CITY OF MILES CITY POLICY & PROCEDURE	Effective Date:	02-2003
	Last Revised:	05-12-26
Purchasing Policy		
RESOLUTION # 4686		

Purpose & Scope

This document is intended to describe the policy and process that shall be followed by the City of Miles City relative to all purchases.

A. Authorization to Make Purchases

1. Upon the City Council's acceptance of budgets, all Department Directors are authorized to make purchases required for their departments in accordance with this policy.
2. The Department Director may designate other department staff to make the purchases for the Department; however, the Department Director will acknowledge ALL department purchases through signing off or initialing each transaction.

B. Montana Law References

1. MCA 7-5-4302 (1) requires that any automobile, truck, other vehicle, road machinery, other machinery, apparatus, appliances, equipment, materials, supplies, or any construction, repair or maintenance of any kind in excess of \$80,000, must be advertised & let to the lowest responsible bidder.
2. MCA 7-5-4302 (2) and (3) as well as MCA 7-5-4303 and MCA 7-5-4304 provide details on bidding & advertising requirements.
3. MCA 7-5-4305 explains that the bidding process cannot be circumvented by dividing a work or construction project into several contracts or separate work orders or similar device.
4. MCA 7-5-4306 & MCA 7-7-4104 explain limitations placed upon the use of installment purchase contracts.
5. MCA 7-7-4101 explains the purposes for which the City can incur indebtedness.
6. MCA 7-5-4310 explains that the city may make purchases at public auction for any vehicle, machinery, appliance, apparatus, building, or materials and supplies provided the sum is less than \$50,000.
7. MCA 15-70-101 explains that all Gas Tax funds must be disbursed to the lowest responsible bidder for projects set forth in MCA 7-5-2301 and 7-5-4302.

8. MCA 7-5-4301 (2) (a) states all necessary contracts for professional, technical, engineering, or legal services are excluded from the provisions of 7-5-4302 through 7-5-4304, 7-5-4306, and 7-5-4307. However, contracts in which the value of the majority of the services to be rendered constitute services other than professional, technical, engineering, or legal services must be awarded under the bidding procedure provided for in 7-5-4302 through 7-5-4304, 7-5-4306, and 7-5-4307.

8.

C. City Policy

1. Department Directors will purchase from local vendors when the item is available locally. Written explanation will be provided and retained by the Director when a local vendor is not the provider.
2. All documentation on purchases will be kept in retrievable files within the appropriate Department.
3. All documentation on purchases for Section E below will be provided to the City Clerk's office for retention in a central location.
4. Minority business enterprises and labor surplus firms will be used when possible.
- 4.5. All contractors utilizing federal funds will be pre-verified through Sam.gov exclusions list prior to award.

D. Process for Procurement by Purchase Order (PO)

1. The Department Director or designee will obtain an invoice from the vendor.
2. The Department Director or designee will prepare and sign the PO and properly code the Purchase Order.
3. The Department Director will insure delivery of signed & coded Purchase Orders to the City Clerk's office as they occur or insure that outstanding PO's are completed properly & delivered to City Clerk's office by the 25th of each month. PO's are paid **the next day after the first Council meeting** of each month.
4. The City Clerk's office will review the PO for completeness and proper coding.
 - a. Department Directors will be advised on POs that need correction or coding adjustment.
 - b. The City Clerk's office may return the PO for the Department Director to correct, or
 - c. The City Clerk's office may make any adjustments after consultation with the Department Director.
5. The City Clerk's office will make notes on any adjustments made to a PO that was not returned to the Department Director for adjustment.

E. Process for Procurement by Credit Card.

1. Departments will restrict those persons authorized to make purchases with the credit card(s) to as few as needed to meet department needs.
2. Department Directors will sign off on each purchase and code it for budgeting purposes.
3. The Department Director will receive a monthly statement from the credit card company. The Department Director or designee will check that all transactions are theirs; that documentation (charge slips, receipt or invoice) exists for every purchase; and that each purchase is properly coded for budget purposes.

4. The Department Director will insure that the City Clerk's office gets the original of the card statement and the originals of all documentation (charge slips, receipts or invoices) on a timely basis.
5. All disputed items on the monthly credit card statement, or billing errors or credits due are the responsibility of the Department to rectify or verify.
6. Department Directors and/or employees who are issued a card will sign a "Cardholder Agreement".
7. Credit card(s) will be kept in a secure location(s).
8. The credit card numbers should be protected and should not be posted at a desk or in an easily seen location.
9. The card holder will be responsible for reporting the loss/theft of the credit card to the City Clerk and Department Director immediately. The City Clerk will be responsible to report the loss of the credit card to the Credit Card Company.
10. Credit cards may not be used for any personal (non-City) use, such as: cash advances; meals, per diem that exceeds city policy, or any personal health & medical services.

F. Claims review and approval

1. The City Clerk's office will prepare checks to vendors and present the itemized list of reviewed claims to the City Council for approval before payment.
2. Council approval will be obtained at the first council meeting of each month. Each month before claims are approved by the City Council, ~~the Chair of the City's Finance Committee or his/her designee, or~~ the Council member designated to review claims or the Mayor in the Council members ~~Chair's~~ absence, will:
 - a. Review & approve the journal voucher register & supporting vouchers
 - b. Sign the monthly claims list as evidence of that approval;
 - c. Review and account for the numerical sequence of checks & account for any checks paid but not approved by list and confirm voided checks; and
 - d. Compare the claims register with the claims check register;

Attachments:

- Guide on How to Write Bid Specifications
- Compliance for Audits of Local Government on Procurement, Bid Letting, Contracts
- Purchasing policy guidelines

Purchasing Policy Guidelines for the City of Miles City
May 2026

Amount of Purchase	Policy/Process	Documentation Required
<p>A. Under \$9,999<u>50,001</u></p> <p>• Exception, see Below</p>	<p>1. Any manner deemed appropriate by department head manager.</p>	<p>1. Copy of invoice and signed purchase order or credit card receipt</p> <p>2. Attach documentation to claim</p>
<p>B. \$10,000 to \$14,999</p> <p>• Exception, see Below</p>	<p>1. Secure telephone quotations from a minimum of three vendors, whenever possible.</p> <p>2. Document if unable to obtain three quotations.</p>	<p>1. Must use purchase order/claim</p> <p>2. Record of telephone quotations with name of bidder and name of person submitting quote</p> <p>3. Attach documentation to claim.</p>
<p>C. \$15,000 to \$49,999</p> <p>• Exception, see Below</p>	<p>1. Payment by written purchase orders only, unless authorization to use a credit card is approved by the Mayor in advance.</p> <p>2. Secure written bids/quotes from a minimum of three vendors, whenever possible.</p> <p>3. Document if unable to secure three quotations.</p> <p>4. If purchase and amount was not approved in Budget, then the purchase must be approved in advance by City Council</p>	<p>1. Copy of invoice and signed purchase order/claim</p> <p>2. List of vendors</p> <p>3. Copy of Request for Quotation (RFQ) form</p> <p>4. Copies of all memoranda and correspondence concerning the purchase</p> <p>5. Written record of any phone conversations regarding the purchase with vendors ("Sole Source" documentation)</p> <p>6. Notification to Finance Committee and the Mayor if purchase is being awarded to someone other than the lowest bidder</p> <p>7. Attach documentation to claim</p> <p><u>1.</u></p>

Formatted: Indent: Left: 0.25", No bullets or numbering

Formatted: List Paragraph, Indent: Left: 0.25", Add space between paragraphs of the same style

Formatted: Indent: Left: 0.25", No bullets or numbering

Formatted: Indent: Left: 0", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

<p>BD. \$50,0001 to \$79,999</p>	<ol style="list-style-type: none"> 1. Payment by written purchase orders only, unless authorization to use a credit card is approved by the Mayor in advance. 2. Secure written bids/quotes from a minimum of three vendors, whenever possible. 3. Document if unable to secure three quotations. 4. If purchase and amount was approved in Budget, it will need to go to Finance Committee for approval. If the purchase was not in the budget, the purchase must be approved in advance by the Finance Committee and City Council 	<ol style="list-style-type: none"> 1. Copy of invoice and signed purchase order/claim 2. List of vendors 3. Copy of Request for Quotation (RFQ) form 4. Copies of all memoranda and correspondence concerning the purchase 5. Written record of any phone conversations regarding the purchase with vendors ("Sole Source" documentation) 6. Notification to Finance Committee and the Mayor if purchase is being awarded to someone other than the lowest bidder 7.6 Attach documentation to claim
<p>CE. Over \$80,000 in equipment, supplies or construction costs</p>	<p>Per appropriate section in Montana Codes Annotated, sealed bids with Public Opening; with legal review on the process prior to letting; followed by City Council approval. Solicitation of bids, only need to go to Finance Committee.</p>	<ol style="list-style-type: none"> 1. All of the above, plus: <ul style="list-style-type: none"> • Copies of all advertisements for bid. • Copies of bid specifications as supplied to vendors, • Copies of certified mail receipts, • Documentation of legal review of the bidding process by the City Attorney

~~*Excluded from the three (3) vendor quotes, as long as it is budgeted for in that current year are curbing, ramps, cement flat work associated with ADA construction, and asphalt paving. This is for individual projects that are under \$25,000. Any one (1) project over \$25,000 will need the three (3) vendor quotes.~~