



Oelwein Purchasing Policy
Adopted by Resolution #####-#### Month Day,Year

Overview

The City of Oelwein Purchasing Policy is hereby created to:

1. Clarify certain procedures and safeguards governing purchases of supplies and services by the City.
2. Provide for increased public confidence in the procedures followed in City purchasing decisions.
3. Ensure the fair and equitable treatment of all persons who involved with the City's purchasing procedures.
4. Provide increased economy in City purchasing activities and maximize the purchasing value of public monies for the City.

Spending Limits

The spending limit of the City Administrator is set by Ordinance by the City Council. This limit is \$5,000. Any item over this limit must be brought to City Council for approval.

Department Heads spending limit is set at \$2,500. Department Heads will be held responsible for all purchases in their department. All receipts turned in must have an account number attached where the purchase will be charged.

Any item that is not a reoccurring expense over \$5,000 must be sent to City Council for approval.

Reoccurring Purchases

For services or products that are required more than once a year, the aggregate total of the purchases will be used to determine the purchasing procedures that should be followed. Reoccurring purchases will not be subject to the competitive sealed bid process, unless requested by the City Administrator.

Budgeted Items

All items specifically stated in the City Council's approved budget do not require a second council approval. This includes items over \$5,000. Items over the Department Head limit must be approved by the City Administrator.

Buying Local

By virtue of statutory authority, preference will be given to products and provisions grown and produced within the State of Iowa. The department supervisors shall make every effort to support Iowa products when making a purchase. Tied responses to solicitations, regardless of the type of solicitation, shall be decided in favor of the Iowa products.

Iowa Code, Chapter 73.1, Preference Authorized:

"Every...city, and every person acting as contracting or purchasing agent for any such...governing body shall use only those products and provision grown and coal produced within the state of Iowa, when they



are found in marketable quantities in the state and are of a quality reasonably suited to the purpose intended, and can be secured without additional cost over foreign products or products of other states..." For purchases over \$5,000, if an Oelwein-based company's bid is within 5% of the low-bid and all other specifications of the request for proposal are met by both companies, the city council may award the contract to the Oelwein-based company. An Oelwein based company is one that sells or produces products in Oelwein.

Purchase Order Procedure

Any item purchased over the allowed limit must generate a purchase order. Purchase orders will be generated by the City Hall Secretary and signed off by the City Administrator.

Credit Card Rules

Credit card spending limits are \$5,000 for the City Administrator and \$2,500 for Department Heads.

Allowable Expenses

- Authorized travel and training expenses
- Authorized expenditures for services or supplies
- Reimbursement for alcoholic beverages is prohibited
- Elected Officials, City Administrator, or Directors may purchase business Meals for themselves. See Personnel Policy for meal spending limits and further restrictions.
- All expenses must follow the Oelwein Purchasing Policy

Documentation

- Original, itemized receipts are required to validate expenses on City issued credit cards.
- Restaurant receipts must include both the itemized bill and the credit card receipt that identifies the tip amount
- Conference receipts must include training details for each employee attending the training
- Hotel receipts must include daily room rates and itemized receipts for any additional room charges
- Transportation receipts should show charges for airfare, cab fare and tip amount if applicable

Unapproved Expenditures

Employees and Elected Officials will be responsible for all unapproved expenditures made on the City Issued Credit Card. Expenditure reports will be reviewed by both the Department Head or Superintendent and City Administrator for adherence to policy.

Store Credit Accounts

It is the understanding of the Oelwein City Council and the City Administrator that in order to conduct day-to-day business operations of the City, store credit accounts are needed for supplies. As such, several store credit accounts are made available for employees in the local surrounding area at frequented businesses.

Store Accounts are to be used for items related to city-business, each purchase needs to be identified at the time of sale by the Department's name, signed for by an employee only. Receipts for purchases made



on store credit accounts must also be returned to the City Hall Billing Clerk in a timely manner to ensure statements are paid on time and without penalty.

It is the ultimate responsibility of the Department Head or Supervisor to ensure itemized receipts are returned to City Hall with the identified department name or proper billing code.

Employees using a credit card or a store account can be held personally liable for unauthorized purchases.

Emergency Purchases

The Oelwein Purchasing Policy may be circumvented if a situation arises that meets any of the following emergency procurement conditions:

1. The situation threatens public health, welfare or safety; or
2. There is a need to protect the health, welfare or safety of persons occupying or visiting a public improvement or property located adjacent to the public improvement; or
3. The department must act to preserve critical services or programs; or
4. The need is a result of events or circumstances not reasonably foreseeable.

In the event that any of these situations occur, purchases of emergency need items can be made without approvals required by this policy. At the conclusion of the situation, formal documentation will be required by staff participating in the event to outline the occurrence, and justify the expenditures made under the emergency exemption. These exemptions will be submitted to the City Administrator and if costs exceed \$5,000, to City Council for approval.

Quotes and Bidding

The city will follow all [state bid requirements](#) set out in Iowa State code chapter 26.

Any item over \$5,000 must go through a competitive bid process. This includes a minimum of two quotes. When the city makes request for bids, all request must include a specification sheet that is accurate and detailed.

All change orders under \$5,000 can be approved by the City Administrator.

Signatures in Lieu of Absence

The Deputy Clerk may sign for an absent City Administrator.

Bulk Purchases

Whenever feasible, the city will work to buy all items in bulk through a single vendor.

Purchasing Policy Abuse

Any abuse of the Oelwein Purchasing Policy can lead to disciplinary action including termination.



Federal Procurement Requirements

This section is added with guidance from Iowa Homeland Security to abide by federal procurement guidelines.

In compliance with Uniform Grant Guidance in Title 2 Code of Federal Regulation (C.F.R.) Grants and Agreements, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, it is the policy of ORGANIZATION to adhere to these requirements. For procurement, all non-Federal entities must follow 2 CFR Part 200 Subpart D Subsections §200.318 General procurement standards through §200.327, and Appendix II to Part 200-Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. These standards are accessible online at:

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Cost Principles

Cost principles govern how NON-FEDERAL ENTITIES may spend Federal grant funding. Federal cost principles are found in 2 CFR Part 200 Subpart E, accessible online at 2 CFR PART 200 SUBPART E

2 CFR §200.318 General procurement standards

(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and standards. Where State and/or local requirements conflict with Federal requirements, the strictest requirement, will be followed.

2 CFR 180 Debarment and suspension

OMB Guidelines to Agencies on Government wide Debarment and Suspension govern debarment and suspension. These regulations restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from, or ineligible for participation in Federal assistance programs or activities. Debarred or suspended parties may be found by searching the System for Award Management (SAM) for exclusion records, active or excluded at www.sam.gov

Standards of Conduct and Conflict Of Interest

§200.318 General procurement standards

2 CFR Part 200, Subpart D Subsection §200.318 (c)(1)

The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary



actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

§200.319 Competition.

- (a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.
- (b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- (c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
 - (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 - (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- (d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period

§200.320 Methods of procurement to be followed

- (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute



micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- (c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

In order for sealed bidding to be feasible, the following conditions should be present:

- (i) A complete, adequate, and realistic specification or purchase description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
- (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - (1) If sealed bids are used, the following requirements apply:
 - (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;
 - (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
 - (iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
 - (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
 - (v) Any or all bids may be rejected if there is a sound documented reason.
- (e) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - (2) Proposals must be solicited from an adequate number of qualified sources;
 - (3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - (5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected,



subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

- (f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 - (1) The item is available only from a single source;
 - (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
 - (4) After solicitation of a number of sources, competition is determined inadequate.
- (a) §200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.
- (b) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- (c) Affirmative steps must include:
 - a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - e. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (5) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5)

§200.322 Domestic preferences for procurements.

- (a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.
- (b) For purposes of this section:
 - (1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.



- (2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

§200.323 Procurement of recovered materials

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

§200.324 Contract cost and price

The cost plus a percentage of cost and percentage of construction cost method of contracting shall not be used.

- (a) A cost/price analysis must be performed in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications
- (b) The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.
- (c) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- (d) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

§200.325 Federal awarding agency or pass-through entity review

- (a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition.
- (b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
 - (1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;
 - (2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
 - (3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a “brand name” product;



- (4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
 - (5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- (c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

§200.326 Bonding requirements

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- (a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- (b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- (c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

§200.327 Contract provisions.

The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.



Fraud Reporting Policy

This section is added with guidance from Iowa Homeland Security to abide by federal procurement guidelines.

2 CFR Part 200 Subpart B-General Provisions

200.113 Mandatory Disclosures

In compliance with Uniform Grant Guidance, in Title 2 Code of Federal Regulation (C.F.R.) Grants and Agreements, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, this policy is adopted.

A non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including the term and condition outlined in Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters are required to report certain civil, criminal, or administrative proceedings to SAM (currently FAPIIS). Failure to make required disclosures can result in any of the remedies described in §200.339 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

If an employee, elected official, board or commission member, volunteer, agent, etc. learns of a violation of Federal criminal law involving fraud, bribery, or gratuity potentially affecting a Federal grant, they will report the violation to the City Administrator. In the event that the City Administrator is unfit to be reported to, all reporting will go to the City Attorney.