



## **Purchasing Policy and Procedures Proposed Approval: February 3, 2026**

### **1. Introduction**

- 1.1.** The City of Republic (“City”) is a public agency that is required to establish and follow formal procurement rules established in the City Charter and City Ordinances and approved by the City Council. The primary purpose of this purchasing policy (“Policy”) is to ensure that all publicly funded expenditures/acquisitions are obtained through an open and competitive process, and that honest and ethical procedures are consistently followed to attain best value, cost, and quality.
- 1.2.** Purchasing Agent - The City’s Chief Financial Officer shall serve as the Purchasing Agent and shall supervise the purchasing activity of the City and shall see that purchasing is executed in accordance with the purchasing rules and procedures now in effect or later approved by the City Council.
- 1.3.** Department Directors are entrusted with the responsibility of implementing and enforcing this Policy within their departments. The City’s Chief Financial Officer or his designee shall offer training to all users of this Policy. It is the intent of this Policy to clarify and outline the purchasing procedures for routine expenditures to comply with the requirements as set forth in the City’s Charter, City Ordinances, and applicable state law.
- 1.4.** The Purchasing Department functions shall be carried out by the Finance Department.

### **2. Department Directors’ Responsibilities and Budgetary Requirements**

- 2.1.** All Department Directors are required to adhere to the provisions of the procedures outlined in this Policy. Failure to meet the requirement will result in additional oversight requirements whereby purchase approval authority will be revoked, and disciplinary action may be taken as follows:
  - 2.1.1.** Upon a first offense, the Department Director’s purchase approval authority will be revoked for all purchases in excess of \$500.00 for a minimum of three (3) months, during which time the Chief Financial Officer’s approval of such purchases shall be required.
  - 2.1.2.** Upon a second offense, the Department Director’s purchase approval authority will be revoked for up to one (1) year, during which time the Chief Financial Officer’s approval of such purchases shall be required, but only after a purchase requisition and

three (3) written quotes have been obtained and provided to the Chief Financial Officer.

2.1.3. Upon a third offense, the Department Director's purchase approval authority will be revoked indefinitely pending a formal review and re-consideration of the Department Director's ability to perform in his/her capacity, and the Department Director shall be subject to further disciplinary action as determined appropriately necessary.

2.2. The City Administrator shall administer the discipline described in Section 2.1. Within two business days of each offense, he shall inform the mayor in writing of each offense and any disciplinary action taken.

### 3. Purchasing Approval Limitations (See Exhibit A – Purchasing Matrix)

#### 3.1. Purchases that are less than or equal to \$15,000.00 (Tier 1).

3.1.1. **Budgeted** - Purchases of routine, day-to-day supplies and operational needs, the expenditure for which is less than or equal to \$15,000.00, including freight, may be made through prudent and practical selectivity of the best price source. These purchases will require Department Supervisor approval. A purchase requisition is not required.

3.1.2. **Non-Budgeted** - Purchases of routine, day-to-day supplies and operational needs, the expenditure for which is less than or equal to \$15,000.00, including freight, may be made through prudent and practical selectivity of the best price source. These purchases will require a Departmental Supervisor and Finance Manager approval. A purchase requisition is not required.

3.1.3. Vendor selected, GL account numbers, and other requested information must be attached to the payment documentation.

#### 3.2. Purchases that are greater than \$15,000.00, but less than or equal to \$50,000.00 (Tier 2):

3.2.1. **Budgeted** - Purchases by the City, for supplies, services, apparatus, materials, equipment, or other things for public purposes, wherein the expenditure is greater than \$15,000.00, but less than or equal to \$50,000.00, including freight, must have approval from the Department Director (or Designee) and the Finance Manager, but only after the completion of three written or electronic quotes.

3.2.2. **Non-Budgeted** - Purchases by the City, for supplies, services, apparatus, materials, equipment, or other things for public purposes, wherein the expenditure is greater than \$15,000.00, but less than or equal to \$50,000.00, including freight, must have approval from the Department Director and the Chief Financial Officer, and only after the completion of three written or electronic quotes.

3.2.2.1. Written or electronic quotes, vendor selected, GL account numbers, and other requested information must be attached to the payment documentation before approval will be considered. A purchase requisition is not required.

**3.2.2.2.** Must be included in the next Budget Amendment. Pursuant to Republic Municipal Code Section 135.050, no expenditure shall be made which would result in the total expenditures for that Fund to exceed the amount authorized by Council in the Budget unless the requirements of Section 135.050 are met.

**3.3. Purchases of any item greater than \$50,000.00, but less than or equal to \$100,000.00 or \$125,000.00 for infrastructure construction projects (Tier 3):**

**3.3.1. Budgeted** - Purchases by the City for supplies, services, apparatus, materials, equipment, or other things for public purpose, wherein the expenditure is greater than \$50,000.00, but less than or equal to \$100,000.00 or \$125,000.00 for infrastructure construction projects, including freight, must be approved by both the Department Director and the Chief Financial Officer, and only after completion of a purchase requisition and three written quotes. A negative budget variance of 10% or less shall be considered in budget, subject to the requirements of § 3.3.4, but a purchase with a negative variance of greater than 10% shall be considered a Non-Budgeted purchase, subject to section 3.3.2.

**3.3.1.1.** Written quotes, the completed purchase requisition, vendor selected, GL account numbers, and other requested information must be attached to the payment documentation before approval will be considered.

**3.3.1.2.** Any variance to Budget must be included in the next Budget Amendment. Pursuant to Republic Municipal Code Section 135.050, no expenditure shall be made which would result in the total expenditures for that Fund to exceed the amount authorized by Council in the Budget unless the requirements of Section 135.050 are met.

**3.3.2. Non-Budgeted** - Purchases by the City for supplies, services, apparatus, materials, equipment, or other things for public purpose, wherein the expenditure is greater than \$50,000.00, but less than or equal to \$100,000.00 or \$125,000.00 for infrastructure construction projects, including freight, must be approved by the Department Director, the Chief Financial Officer, and the City Administrator, and only after completion of a purchase requisition and three written quotes.

**3.3.2.1.** Written quotes, the completed purchase requisition, vendor selected, GL account numbers, and other requested information must be attached to the payment documentation before approval will be considered.

**3.3.2.2.** Must be included in the City Administrator Report, or in a separate written or email communication from the City Administrator to the Mayor and City Council prior to purchase.

**3.3.2.3.** Must be included in the next Budget Amendment. Pursuant to Republic Municipal Code Section 135.050, no expenditure shall be made which would result in the total expenditures for that Fund to exceed the amount authorized by Council in the Budget unless the requirements of Section 135.050 are met.

**3.3.3.** A 24-hour notice, not including weekends or holidays, is required for review purposes, unless an emergency is declared and approved by the City Administrator. This does

not guarantee a decision will be made within 24 hours, and planning for a longer notice period is recommended for time sensitive expenditures.

### **3.4. Purchases greater than \$100,000.00, or \$125,000.00 for construction projects (Tier 4):**

- 3.4.1.** All purchases by the City for infrastructure construction projects wherein the expenditure is greater than \$125,000.00, and all purchases by the City for any other public purpose wherein the expenditure is greater than \$100,000.00, formal competitive bidding is required, followed by City Council approval of the purchase.
- 3.4.2.** However, purchases conducted under this Policy shall not require City Council approval as long as the funds being utilized for said solicitation have been approved and appropriated as part of the Budget Process and have a negative variance to Budget of 10% or less.
  - 3.4.2.1.** Must be included in the City Administrator Report, or in a separate written or email communication from the City Administrator to the Mayor and City Council prior to purchase.
  - 3.4.2.2.** Any variance to Budget must be included in the next Budget Amendment.
- 3.4.3.** A 24-hour notice, not including weekends or holidays, is required for review purposes, unless an emergency is declared and approved by the City Administrator. This does not guarantee a decision will be made within 24 hours, and planning for a longer notice period is recommended, particularly for Tier 4 expenditures.

## **4. Bidding Methods**

### **4.1. Informal Bidding Methods**

#### **4.1.1. Verbal Bids**

- 4.1.1.1.** A minimum of three verbal bids shall be received for all purchases that allow verbal bids.
- 4.1.1.2.** Local qualified /competitive vendors will be given priority as outlined in the Buy Local section of this Policy.
- 4.1.1.3.** The procurement of several items of the same type at substantially the same time is a single purchase for the purpose of this section and the total cost of all such items will determine whether a formal competitive bidding procedure must be followed.

#### **4.1.2. Written Bids**

- 4.1.2.1.** A minimum of three written bids shall be received for all purchases that require written bids.
- 4.1.2.2.** Local qualified /competitive vendors will be given priority as outlined in the Buy

Local section of this Policy.

- 4.1.2.3. The procurement of several items of the same type at substantially the same time is a single purchase for the purpose of this section and the total cost of all such items will determine whether a formal competitive bidding procedure must be followed. Email, facsimile, and letters all qualify as written bids.

#### **4.1.3. Invitation to Bid (ITB)**

- 4.1.3.1. Informal – Under \$100,000.00 and under – no public opening; written bids must be solicited if using an ITB.

### **4.2. Formal /Competitive Methods**

- 4.2.1. **Competitive Bids.** Contracts will be made only after ample competition. The Purchasing Agent may reject any and all such bids or waive non-prejudicial irregularities.

#### **4.2.2. Formal Solicitation Types Used by the City.**

- 4.2.2.1. Contracts made for purchases of goods, services, or other items exceeding \$100,000.00, or \$125,000.00 for infrastructure construction projects, shall be made only after the notification to the public that bids will be received, opened, and read in public at a particular time, place, and date which provides potential vendors adequate time to submit bids.
- 4.2.2.2. The City will primarily utilize the City of Republic website for notification to the public. A central bidders list will be maintained for vendor notifications. Electronic bid submissions are allowed through an e-bidding system.
- 4.2.2.3. The City may, in addition to the above, advertise in any newspaper of general circulation in an area of resource which will supply the need, and/or by advertising in any locally published newspaper.
- 4.2.2.4. All formal bidding shall set a date, time, and place for the bid opening and such bid opening shall not occur sooner than fifteen calendar days after the solicitation is published.

#### **4.2.3. Invitation to Bid (ITB).**

- 4.2.3.1. Formal - \$100,000.00 and above (or \$125,000.00 for construction projects)– public bid opening required.
- 4.2.3.2. Unit price prevails in the event of pricing discrepancy.
- 4.2.3.3. The bid documents and specifications are definite and specific. Awards will be made to the bidder offering the lowest cost who is the most responsive to the requirements of the bid documents, without material exception, and who is responsible and capable of providing the item(s) to be purchased.

- 4.2.3.4. Evaluation and award are limited to cost, determination of compliance with the specifications and conditions specified in the bid documents, and the responsibility of the bidder.
- 4.2.3.5. Negotiations are not permitted. This method does not permit comparison of the relative specifications of competing bidders but only comparison to the specifications contained in the bid documents.

#### **4.2.4. Request for Proposals (RFP).**

- 4.2.4.1. No public opening - to preserve confidentiality until award or notice of intent to award is made.
- 4.2.4.2. Negotiations are permitted. This method permits negotiations and discussions with competing vendors after proposals are opened; therefore, no information taken from proposals received shall be disclosed to any competing vendor until after a contract is executed or all proposals are rejected and as required by Sunshine Law.
- 4.2.4.3. The purpose is to award the bid to the supplier that is able to provide the best value to the City, not necessarily lowest price, using numerical scoring.
- 4.2.4.4. An evaluation team, ideally comprised of three to five members, evaluates using criteria disclosed in the RFP.
- 4.2.4.5. This method can be used whenever detailed specifications cannot be determined, whenever several methods may satisfy the City's requirements, or whenever the nature of the requirements is such that subjective evaluation of criteria other than cost is necessary. This method can be utilized when definite specifications cannot be determined in advance, when a scope of work is required which makes comparison of competing proposals relative to each other appropriate.
- 4.2.4.6. Subjective criteria may be used in the evaluation of competing proposals. The relative value of the evaluation criteria shall be established in the Request for Proposal documents published by the City.

#### **4.2.5. Request for Information (RFI)**

- 4.2.5.1. This method may be used to request information on potential vendor(s) or service provider(s) to determine what products and services are available and learn about the capabilities of the vendors/providers in terms of availability, offerings, and strengths of the company.
- 4.2.5.2. Best used for the purpose of obtaining information necessary to prepare a Request for Proposal (RFP) or Request for Qualifications (RFQ) or developing strategy and/or building a database.

- 4.2.5.3. Additional or other specific procedures to be followed when using an RFI shall be set forth by the Chief Financial Officer.

#### **4.2.6. Request for Qualifications (RFQ)**

- 4.2.6.1. This method is a qualifications-based selection process. It is NOT a bid. It is a request for firms to submit their qualifications to be considered for a project.
- 4.2.6.2. The most qualified contractor will be selected, and the fee will be negotiated.
- 4.2.6.3. If agreeable terms cannot be negotiated, the City then has the option to move to the second or third choice.
- 4.2.6.4. Pursuant to requirements of RSMo. Chapter 8 governing political subdivisions, this procurement method must be used for Professional Architectural, Engineering, and Land Surveying Services, as defined in § 8.285, RSMo, that are for construction management, feasibility studies, preliminary engineering design, architectural, engineering, surveying, mapping, or related services.

#### **4.2.7. Non-Responsive or Unacceptable Bids**

- 4.2.7.1. The City shall reject any bid or proposal which is materially non-responsive to the requirements outlined in the bid documents.
- 4.2.7.2. The City may re-solicit bids or proposals if the bids received from a solicitation for bids or proposals are not acceptable for any reason.
- 4.2.7.3. Such re-solicitation will not be for the purpose of directing the award to a particular bidder.
- 4.2.7.4. The City is not required to accept the low bid of any bid respondent that is not responsive and reserves the right to reject any bid for any reason.

#### **4.2.8. Exceptions to Competitive Bidding Methods**

- 4.2.8.1. For purchases of Professional Services as defined in § 8.285, RSMo., totaling an expenditure of \$100,000.00 or less, a prequalification RFP may be used. For professional services purchases totaling an expenditure of over \$100,000.00, an RFP or RFQ is required.
- 4.2.8.2. Insurance which has a standard premium set by the State of Missouri, or which is exempted from bidding by RSMo 537.620.
- 4.2.8.3. Purchases that are made cooperatively with other units of government.
- 4.2.8.4. Services of individuals possessing a high degree of professional skill (sole source in nature).
- 4.2.8.5. Purchases from federal, state, or other local governmental units.

- 4.2.8.6.** Contracts for printing or engraving of bonds or other evidence of indebtedness.
- 4.2.8.7.** Fuel purchases.
- 4.2.8.8.** Emergencies (see section 5.3 below)
- 4.2.8.9.** Items or services for data processing when the item or service is designed to be used in connection with an existing data processing system and the City Administrator or Chief Financial Officer has determined that it is reasonable to require that all such items or services to be used with the existing data processing system shall be compatible in order to fix an issue or enhance the system for the continuing operations and maintenance of the system.
- 4.2.8.10.** Items purchased through the State of Missouri at a price deemed below that obtainable from private dealers pursuant to the procedures authorized by state-local Technical Services Act Sections 67.330 through 67.390 RSMo. and pursuant to the rules and regulations governing cooperative procurement established by the State.
- 4.2.8.11.** Recurring payments such as utilities, postage, telephone, travel, mileage, principal and interest on debt, rents, payroll taxes, pension contributions, judgments and claims, and professional membership affiliation dues.
- 4.2.8.12.** When there is a sole source of supply as determined by the City Administrator or Chief Financial Officer, the City Administrator or Chief Financial Officer shall by writing certify such conditions as effect such “sole source” supply, and competitive bidding requirements may be waived or modified by further resolution of the City Council.
- 4.2.8.13.** Items procured utilizing funds donated or granted to the City if the terms of the grant or donation agreement require the City to purchase a specific item from a specific source.
- 4.2.8.14.** Market Fluctuation During or Immediately Following Competitive Bidding: When the City has already undergone the competitive bidding process and received written or verbal quotes, the bid price, unit price or total not-to-exceed (NTE) price may be adjusted by 25% in either direction at the time of purchase approval without undergoing an additional competitive bidding process if such an adjustment is needed due to cost fluctuation, market volatility, or supply chain issues; provided, the following conditions are met: the adjustment is made with approval of the City Administrator (or their designee), and adequate funds are budgeted to account for the adjustment.
  - 4.2.8.14.1.** This exception does not exempt the purchase from adherence to the purchase approval limitations specified above.
  - 4.2.8.14.2.** This exception shall expire one (1) year from the date of approval by the City Council if approval is required.

#### **4.2.8.15. Leases**

- 4.2.8.15.1.** Short-Term Lease: A lease with a term of twelve (12) months or less shall be considered a “Short-Term Lease” under this Policy. To determine the total purchase price of a Short-Term Lease, the monthly cost shall be multiplied by the number of months in the lease. The respective amount must then be applied to the approval matrix herein for determining applicable procedure under this Policy.
- 4.2.8.15.2.** Long-Term Lease: A lease with a term exceeding twelve (12) months shall be considered a “Long-Term Lease” under this Policy. All Long-Term Leases should be evaluated on a case-by-case basis to determine whether a purchase would be better utilized under the circumstances. For Long-Term Leases, formal bidding must be utilized.
- 4.2.8.15.3.** Reporting/Audit Requirements for Leases/Rentals: With respect to activity and annual financial reporting, both Short-Term Leases and Long-Term Leases shall be evaluated to the following thresholds in regard to auditing requirements. Thresholds shall be set at \$100,000.00 per year on any lease city-wide or \$125,000.00 on any lease in the Public Works Department.

### **5. Other Competitive Bid Considerations**

#### **5.1. Buy Local**

- 5.1.1.** It is the policy and intent of the City in awarding of contracts and the purchase of goods and materials to encourage doing business with suppliers located within the City of Republic, Greene County, or Christian County. The cost difference between the lowest bidder and the local bidder should be no greater than three (3) percent.
- 5.1.2.** Buying Local is prohibited on Federal Grants. The City shall follow Federal Grant guidance for procurement under a grant award.

#### **5.2. Parcel or Split Purchase**

- 5.2.1.** It is expressly forbidden to parcel or split purchases with intent of circumventing the more competitive bidding requirement. Doing so will result in disciplinary action and limited sign-off privileges for up to 1 year during which time quotes will be required for all purchases in excess of \$500.00 and Chief Financial Officer approval will be required.
- 5.2.2.** This does not prohibit the City from bidding out projects individually.
- 5.2.3.** Since the scope of these projects may not be known at the time that other bids are prepared, the City can bid on a project basis but will not purposely split a bid to circumvent the formal bid requirement.

5.2.4. Bulk bids for construction materials will be utilized whenever feasible.

### 5.3. Emergency Expenditures

5.3.1. An emergency is defined as an unexpected situation of a serious nature that demands immediate action affecting public health, loss of service, a threat to the community, or a risk of substantial financial loss to the City unless the required supplies, materials, equipment, or services are obtained in the most expeditious means possible. This includes purchases for construction projects due to demand and supply that may directly impact project completion and timelines.

5.3.2. The City Administrator is authorized and responsible for emergency repairs and purchases by the most expeditious means available. The City Administrator may utilize an emergency expenditure described herein even if an emergency is not declared pursuant to Chapter 230, Article II of The Municipal Code.

5.3.2.1. The City Administrator may approve an emergency purchase not to exceed two hundred fifty thousand dollars (\$250,000.00), or three hundred fifty thousand dollars (\$350,000.00) with the consent of the Mayor.

5.3.2.2. A Department Director may be authorized to make an emergency purchase not to exceed one hundred fifty thousand dollars (\$150,000.00) with the approval of the Chief Financial Officer.

5.3.3. The Chief Financial Officer shall be notified, and all proper documentation will need to be submitted to the Finance Department in a timely manner prior to the purchase. The respective department will work with the City Administrator to submit a written or electronic summary to the Mayor & City Council within three(3) business days of the defined emergency & action(s) taken, followed by a full report to the Mayor & City Council at the next scheduled meeting, certify certifying the need for the emergency expenditure. In such an event, the City Administrator will give the Mayor notice of such expenditure prior to the expenditure if at all possible.

5.3.4. An authorized emergency expenditure is exempt from any bidding process. For the use of an emergency expenditure, all verbal communication between departments and vendors will be followed up with required written documentation.

5.3.5. Additionally, emergency expenditures can be used in times of local emergency. If a local emergency is declared, please refer to additional guidance outlined in Title II Chapter 230.

### 5.4. Change Orders

5.4.1. Change orders that do not exceed ten percent (10%) of the approved project amount and are within the spending authority of the City Administrator shall not require City Council's approval.

5.4.2. However, all change orders over and above the formal bid limitation shall be reported

in the City Administrator's written report presented at the next regular meeting of the City Council.

- 5.4.3. The estimated total cost of unit-price contracts may be exceeded without prior Council approval unless the scope of the work, or the price per unit, is increased.
- 5.4.4. With the written report presented at the next regular meeting of the City Council, the City Administrator shall report the amount by which any unit-price contract has exceeded the bid estimate.

## **6. Payment and Accounting**

### **6.1. Approval of Payment**

- 6.1.1. The Chief Financial Officer may approve or disapprove any bills, debts, or liabilities asserted as claims against the City for payment out of any funds appropriated for that purpose when funds on hand are adequate to pay such bills, debts, or liabilities.
- 6.1.2. Funds will be deemed to be appropriate as follows.
  - 6.1.2.1. When the expenditure is specified in a Budget currently approved by the City Council or is other specifically approved by vote of the City Council; or
  - 6.1.2.2. For emergency expenditures when the payment is stated in the written City Administrator report, provided that the budget shall be amended to reflect the expense, and will remain a balanced budget.

### **6.2. Documentation**

- 6.2.1. Approved purchase requests and written quotes (if applicable) are to be attached with the related invoice when turned in for payment.
- 6.2.2. If multiple invoices are subject to the same purchase request, a copy of the purchase request is to be attached with each additional invoice.

### **6.3. Records**

- 6.3.1. All paperwork associated with a fulfilled transaction is filed and stored with Accounts Payable.
- 6.3.2. All previous year's records are maintained and stored in the vault or stored electronically on the server as required by law until appropriate retention schedule has been met.

## **7. Grant Funding**

- 7.1. The Department Director shall review the requirements contained in the grant to ensure all appropriate federal, state, and local requirements can be met by the City in the application and administration of the grant.

**7.2.** Since some grant opportunities contain provisions that are not contained in this Policy, the City Administrator shall have the authority to supplement this Policy to comply with the grant requirements. Any such supplement by the City Administrator shall be in writing.

**7.2.1.** The City shall have an official Grant Coordinator and Grant Administrator as designated in writing by the Chief Financial Officer. The Grant Coordinator and the Grant Administrator may be the same person.

**7.2.1.1.** The duties of the Grant Coordinator shall include, but are not limited to,

**7.2.1.1.1.** Collection of all grant documentation in a central location.

**7.2.1.1.2.** Verification of the required grant paperwork is in order.

**7.2.1.1.3.** Route grant payment requests before payment to ensure compliance with the grant requirements.

**7.2.1.1.4.** Maintain the official electronic files for each grant and copies of payment records.

**7.2.1.2.** The duties of the Grant Administrator shall include, but are not limited to,

**7.2.1.2.1.** Develop a grant compliance program.

**7.2.1.2.2.** Review any final grant paperwork to ensure compliance with granting requirements before submission.

**7.2.1.2.3.** Work with grantees in the case of audit or documentation requests. Work with fulfilling audit requirements for grant administration.

**7.2.1.2.4.** Set guidance and policies for the City's grant management.

**7.2.1.2.5.** Prior to applying for a grant, the Grant Administrator will review all grant submissions.

**7.2.1.2.6.** The Grant Administrator has the authority to submit grants on behalf of the City.

## **7.2.2. Grant Contractual Agreements**

**7.2.2.1.** Grant applications that require a contract agreement (IGA, MOU) with the City of Republic will be brought to Council for approval.

**7.2.2.2.** If a grant creates liability to the City over the formal bid limitation, it needs to go to Council for approval.

## **8. Disposal of Property other than Real Property**

### **8.1. Determination of surplus and value**

- 8.1.1.** The City Administrator or Chief Financial Officer may declare any municipal supplies, materials, or equipment surplus or obsolete to the needs of the City. The Chief Financial Officer will determine value of the surplus or obsolete items.
  - 8.1.1.1.** Negligible or no value - Upon determination that surplus City supplies, materials, or equipment have negligible or no value, the City Administrator or Chief Financial Officer are authorized and directed to dispose thereof through recommended industry practice, in compliance with disposal requirements.
  - 8.1.1.2.** Value under \$30,000.00 - The procedure for disposal of surplus, worn-out, or obsolete property with a value under \$30,000.00 shall be addressed through administrative policy.
  - 8.1.1.3.** Value \$30,000.00 or over - The City Administrator or Chief Financial Officer may sell or exchange any municipal supplies, materials, or equipment, which have a value of \$30,000.00 or more after declaration as surplus by the City Council as follows.
    - 8.1.1.3.1.** As directed by the City Council.
    - 8.1.1.3.2.** By selling the items in public auctions, including approved online auction sites.
    - 8.1.1.3.3.** Through competitive bidding.
    - 8.1.1.3.4.** By utilizing said items for trade-in.
    - 8.1.1.3.5.** By disposing of the items as otherwise authorized by State law, including transfer to another governmental entity within the State.
- 8.1.2.** Special rules may apply to equipment purchased with Federal Funds. When a department needs to dispose of items or equipment that were purchased with Federal Grant Funds, disposition restrictions must be researched and resolved by the Finance Department and/or the Grant Administrator. The original grant agreement should outline the allowable disposal methods.

## **9. Other Purchasing Policies**

### **9.1. Petty Cash**

- 9.1.1.** The Chief Financial Officer is authorized to approve petty cash funds where they deem necessary within the City Government. Routine items of less than One Hundred Dollars (\$100.00) may be made from petty cash without contacting the Finance Department.
- 9.1.2.** Petty cash cannot be used to cash personal or payroll checks.
- 9.1.3.** It shall be the responsibility of the respective departments to properly classify and

document each expenditure.

- 9.1.4. Reimbursement is not to be made until a valid receipt or certificate of expenditure is received by the Finance Department.
- 9.1.5. Custodians of petty cash funds shall submit for replenishment of the fund in a timely manner and at least on a monthly basis. A petty cash reimbursement request will need to be sent to the Finance Department along with proper documentation.
- 9.1.6. Custodians, Supervisors, and Department Directors of petty cash drawers must abide by processes and procedures as outlined in the Cash Handling Policy.
- 9.1.7. All petty cash funds will be subject to audit at unannounced times by the Chief Financial Officer.

## **9.2. Purchasing Card Program**

- 9.2.1. The City will utilize a credit card program to assist in the everyday purchases that might come up that require immediate payment or vendors that do not accept checks.
- 9.2.2. The proper purchasing approvals are still required in advance of a purchase.
- 9.2.3. It is the Department Director's responsibility to submit all requests to the Finance Department for all new and termination requests for purchasing cards or credit limit establishment for their respective departments and staff.
- 9.2.4. Cardholders must meet with the Finance Department to complete all required documentation and training.
- 9.2.5. Cardholders are responsible for the funding limits set on their card and therefore should not allow another employee to borrow their purchasing card for offsite purchases.
- 9.2.6. Purchases are only authorized if they are in accordance with established policies.
- 9.2.7. In the event there is inappropriate use or fraudulent activity on a purchasing card, each incident must be reported to the Finance Department immediately.
- 9.2.8. Itemized receipts must be kept for each transaction and turned into the Finance Department in a timely manner.
- 9.2.9. Due diligence shall be exercised to ensure sales tax is excluded on purchases within the State of Missouri. If needed, request the tax-exempt certificate from the Finance Department. In the event tax is charged, all efforts must be exhausted in order to get the tax amount refunded.
- 9.2.10. All efforts must be exhausted to obtain a copy of a receipt prior to an affidavit for no receipt being submitted in place of an original receipt. The Finance Department is available as needed for guidance in this process.

- 9.2.11. Purchasing cards should not be used to pay invoices if a vendor receives checks as a form of payment. All invoices should be processed through the normal accounts' payable methods.
- 9.2.12. After three occurrences of failure to comply with these procedures and follow-up have been completed by the Finance Department in writing, the end result may be temporary suspension or up to full termination of the cardholder's purchasing card rights.
- 9.2.13. Procedures for the Purchase/Credit Card Program are outlined in a separate Administrative Policy.

### 9.3. Sponsorships

- 9.3.1. The City shall not use public funds to sponsor any event, business, or nonprofit, including advertising at community events, unless it is to provide information to the community about available services as part of the overall City communication/marketing plan.
- 9.3.2. The City may pay dues to organizations that the City is required to be a member of to receive federal funding (e.g., Ozarks Transportation Organization and SMOG) or to conduct regional business.

### 9.4. Gifts

- 9.4.1. The City shall not use public funds to give employees, citizens, or Council Members gifts, except plaques or trophies required for the normal function of government (e.g., recognition of citizens or employees by the Mayor/Council for outstanding actions in the community, employee retirement recognition, and recognition of Council Members at the end of their terms).

## 10. General Ethical Standards

- 10.1. **For Employees:** Any attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the employees' duties is a breach of ethical standards.
- 10.2. **For Non-Employees:** Any effort to influence any public employee to breach the standards of ethical conduct set forth in this manual is also a breach of ethical standards.
- 10.3. **Employee Conflict of Interest:** It is a breach of ethical standards for any employee to participate directly or indirectly in a contract for purchase or sale when the employee is aware:
  - 10.3.1. The employee or any member of the employee's immediate family has a financial interest pertaining to purchase or sale.
  - 10.3.2. A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the purchase or sale; or
  - 10.3.3. Any other person, business, or organization with whom the employee or a member of

the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the purchase or sale.

**10.3.4.** Upon discovery of actual or potential conflict of interest, an employee shall promptly file a written statement of disqualification with the City Administrator and shall withdraw from further participation in the transaction involved.

**10.4. Disqualification of Business:** It shall be a breach of ethical standards for an employee who has a financial interest in an ongoing concern doing business or contemplating doing business with the City for that employee to knowingly to act as a principal, or as an agent for anyone other than the City.

**10.5. Gratuities:** It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or any offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a contract requirement, specification, or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any requirement, contract, subcontract, or any solicitation or proposal therefor.

**10.6. Kickback:** It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made to an employee or officer of the City by or on behalf of a contractor or subcontractor under a contract to the City, prime contractor, or higher tier subcontractor, or any person associated there within, as an inducement for the award of a subcontract or order.

**10.7. Confidential Information:** It shall be a breach of ethical standards for any employee or former employee to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

**10.8. A violation of the City's ethical standards may be grounds for the City to reject a bid and the employee to be subject to disciplinary action, including termination.**

## **11. Applicable State Requirements**

**11.1.** Section 432.070 requires any contract made by the City to be in writing and dated, to be executed before any performance or payment, within the scope of the City's authority, and subscribed by the parties or their agents.

**11.2.** Section 105.458 prohibits any member of the governing body from providing services, selling items, renting, or leasing property to the City unless the requirements of this Section are met.

**11.3.** Section 376.696 requires competitive bidding at least every six years for insurance. The contract must be awarded to the lowest or best bidder. Section 537.620 allows an exception to competitive bidding on insurance if the insurance purchase is made through a pool of three or more political subdivisions.

- 11.4.** Section 67.150 requires competitive bidding at least every three years for health insurance. The contract must be awarded to the lowest or best bidder.
- 11.5.** Section 8.285 requires that services for architectural, engineering, and land surveying shall be based upon demonstrated competence and qualifications and at a fair and reasonable price.
- 11.6.** Section 8.679 requires advertisement and solicitation of proposals from qualified construction managers when the City determines that a public works project should be performed with construction management services.
- 11.7.** Article III, Section 39 of the Missouri Constitution, does not allow the City to grant or authorize extra compensation to any public officer or contractor after services have been rendered or the contract has been entered into.

**Exhibit A  
Purchasing Procedures and Approval Matrix**

<b>Tiers</b>	<b>Procedure</b>	<b>Approvals</b>	<b>Exceptions</b>
<p><b><u>Tier 1</u></b> Less Than or Equal to <b>\$15,000.00</b></p>	<p>Purchase the lowest priced item that best meets specifications</p>	<p>Department Supervisor  Finance Manager (Non-Budgeted only)</p>	
<p><b><u>Tier 2</u></b> Greater Than <b>\$15,000.00</b>  Less Than or Equal to to <b>\$50,000.00</b></p>	<p>Three (3) written or electronic quotes  Purchase the lowest priced item that best meets specifications.  Supporting documentation submitted with invoice</p>	<p>Department Director  Finance Manager  Chief Financial Officer (Non-Budgeted Only)</p>	<p>Non-Budgeted items in this Tier require CFO approval prior to purchase.  Non-Budgeted items must be included in the next Budget Amendment.</p>
<p><b><u>Tier 3</u></b> Greater Than <b>\$50,000.00</b>  Less Than or Equal to to <b>\$100,000.00</b> OR <b>\$125,000.00</b> for infrastructure construction projects</p>	<p>Three (3) written or electronic quotes  Purchase the lowest priced item that best meets specifications.  Supporting documentation submitted with invoice</p>	<p>*Preapproval Required  Department Director  Chief Financial Officer  City Administrator (Non-Budgeted only)</p>	<p>Budgeted items in this Tier with a less than or equal to 10% negative variance to budget require:</p> <ul style="list-style-type: none"> <li>• DD &amp; CFO approval prior to purchase.</li> <li>• Must be included in the next Budget Amendment.</li> </ul> <p>Non-Budgeted items and Budgeted items with a great than 10% variance to budget in this tier require:</p> <ul style="list-style-type: none"> <li>• CFO &amp; CA approval and separate notification or inclusion in CA report before purchase.</li> <li>• Must be included in the next Budget Amendment.</li> </ul>
<p><b><u>Tier 4</u></b>  Greater Than <b>\$100,000.00</b> OR Greater than <b>\$125,000.00</b> for infrastructure construction projects.</p>	<p>Sealed ITBs, RFPs or RFQs  See Formal Bidding Methods  See exceptions to competitive bidding methods</p>	<p>*Preapproval Required  Department Director  Chief Financial Officer  City Administrator</p>	<p>Budgeted items in this Tier with a less than or equal to 10% negative variance to budget require:</p> <ul style="list-style-type: none"> <li>• DD, CFO &amp; CA approval and separate notification or inclusion in CA report before purchase.</li> <li>• Any variance to Budget must be included in the next Budget Amendment.</li> </ul> <p>Unbudgeted items or Budgeted items with a greater than 10% negative variance in this Tier require:</p> <ul style="list-style-type: none"> <li>• City Council approval and must be included in the next Budget Amendment.</li> </ul>

