## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REPUBLIC, MISSOURI, AMENDING TITLE I, GOVERNMENT CODE, CHAPTER 110, ADMINISTRATION POLICIES, ARTICLE II, PURCHASING AND SURPLUS PROPERTY AND ADOPTING A NEW POLICY ENTITLED CITY OF REPUBLIC'S PURCHASING POLICY AND PROCEDURES

*WHEREAS*, the City of Republic, Missouri, (herein called the "City" or "Republic") is a municipal corporation and Charter City located in Greene County, Missouri, being duly created, organized, and existing under the laws of the State of Missouri; and

WHEREAS, on August 1, 2017, in Ordinance 17-28, the City Council adopted a new purchasing policy contained in Section 110.020 of the Municipal Code of the City of Republic, Missouri; and

*WHEREAS,* since the current purchasing policy was adopted, the City has experienced significant growth and development which has led to necessary changes in the purchasing policy; and

*WHEREAS,* the Council finds this new purchasing policy and procedures is necessary for the improved efficiency of the City.

# NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF REPUBLIC, MISSOURI, AS FOLLOWS:

- Section 1. The policy entitled City of Republic's Purchasing Policy and Procedures attached hereto as Attachment 1 and incorporated herein by reference is hereby adopted.
- Section 2. Title I, "Government Code," Chapter 110, "Administrative Policies," Article II, "Purchasing and Surplus Property Disposal" is hereby amended by the Sections below to read as follows:

Section 110.020.01 Routine Expenditures.

- A. The City Administrator shall have authority and responsibility for making expenditures required for public purposes, wherein the total is equal to or less than the current competitive bid requirement. The competitive bid requirement shall be twenty-five thousand dollars (\$25,000.00). The City Administrator shall issue written instructions outlining procedures for compliance with this Chapter in accordance with the following minimum requirements:
- 1. Small Expenditure Limitation. Expenditures for day-to-day supplies and operational needs will be effected through utilization of prudent and practical selectivity of best price sources, per procedures provided by written administrative policy. The limitation for such expenditures

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from the effective date of this ordinance through December 31, 2017, shall be five thousand dollars (\$5,000.00), and thereafter shall be adjusted annually in accordance with the All Items Consumer Price Index for Urban Consumers (CPI-U), South Region, for the preceding twelve (12) months, rounded to the nearest one thousand dollars (\$1,000.00).

- 2. Intermediate Expenditure Limitation. All expenditures by the City for public purposes, wherein the expenditure therefor is between the small expenditure limitation and the competitive bid requirement shall be made only after solicitation of comparable written price quotations from at least three (3) separate suppliers. Expenditures of less than the competitive bid requirement from State bid sources shall be exempt from this provision.
- 3. Expenditures In Excess Of Fifteen Thousand Dollars (\$15,000.00). Each expenditure exceeding fifteen thousand dollars (\$15,000.00) shall be specifically listed in the City Administrator's written report presented at the next regular meeting of the City Council.
- 4. Lowest Price Quote. For all expenditures not requiring City Council approval, the City Administrator shall attempt to select the lowest price quotation. If the City Administrator does not select the lowest price quotation, he/she shall explain the reason in the City Administrator's written report presented at the next regular meeting of the City Council.

Section 110.020.01 Purchasing Policy and Procedures.

The City Council hereby adopts the policy entitled the City of Republic's Purchasing Policy and Procedures, on file in the City Clerk's office and incorporated herein by reference.

Section 110.020.05 Large Expenditures.

Where the amount of expenditure exceeds the bid limitation as established by Section 110.020.01, the City Administrator shall invite competitive sealed bids thereon by optional advertisement in any newspaper of general circulation in an area of resource which will supply the need, and by mandatory advertisement in any locally published newspaper, at least once fifteen (15) or more days prior to an established date on which no further bids shall be accepted. Other prospective bidders who may not have access to local

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newspapers may be advised by mail of the specifications and solicitation for bids, although this shall not be required. Bids received pursuant to such solicitations shall be opened and read at the date and time established for such opening in the presence of the appropriate departmental director or their designee. The City Administrator shall have exclusive power to award the bid to the lowest responsive and responsible bidder, after approval of the City Council. The expenditure shall be awarded on the basis of lowest responsive and responsible bidder; provided, however, that the City Administrator may reject any and all such bids or waive non-prejudicial irregularities. Except for emergencies as provided in Subsection 110.020.10(B), and change orders within the limits as provided in Subsection 110.020.10(C), no bid contract expenditure approved by the City Council shall be increased without further approval of City Council; provided, however, that 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. By written report presented at the next regular meeting of the City Council, the City Administrator shall report the amount by which any unitprice contract has exceeded the bid estimate.

#### Section 110.020.10 Bid Process Exemption.

- A. Generally. In situations when there is a sole source of supply as determined by the City Administrator, the City Administrator 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.
- B. Emergency Expenditures. Upon a failure of existing facilities, the immediate repair or replacement of which must be accomplished to avoid threat to the health, peace or safety of citizens of the City, the City Administrator with the consent of the Mayor and/or Mayor Pro Tem is authorized and responsible to effect emergency repairs by the most expeditious available means. Such instances will be exempt from the competitive bid process. The City Administrator will submit a full written report of such emergency procedures to the City Council and certify the need for effecting such procedure, justifying both method and cost in effecting emergency repair, at the next regular meeting of the Council. This procedure may be used for emergency situations described herein even if an emergency is not declared pursuant to Chapter 230, Article II of this Code.
- C. Change Orders. Change orders that do not exceed fifteen percent (15%)

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of the approved project amount and are within the spending authority of the City Administrator shall not require City Council's approval. However, all change orders over and above the amount specified by Subsection 110.020.01(A)(3) of this Code shall be reported in the City Administrator's written report presented at the next regular meeting of the City Council.

Section 110.020.150 Approval Of Payment.

- A. The City Administrator 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.
- B. Funds shall be deemed appropriated as follows:
- 1. When the expenditure is specified in a budget currently approved by the City Council or is otherwise specifically approved by vote of the City Council; or
- 2. For emergency expenditures less than thirty thousand dollars (\$30,000.00), when the payment is stated by writing of the City Administrator at a regular meeting of the City Council; provided, however, that the budget shall thereafter be amended to reflect the expense, and shall remain a balanced budget.

Section 110.020.20 Contracts For Professional Services.

- A. Professional Service Procurement. Procurement for professional services, such as but not limited to engineering, architectural, and land surveying, will be selected based on qualification and not price, according to procedures provided by written administrative policy and, where applicable, State law.
- B. When procurement for professional services does not exceed the bid limitation as established by Section 110.020.01, evaluation of qualifications and selection of the most capable firm shall be performed by the City Administrator, who may contract for the services subject to the provisions of Section 110.020.20.
- C. When procurement for professional services exceeds the bid limitation

as established by Section 110.020.01, evaluation of qualifications and selection of the most capable firm shall be performed by the City Administrator with the approval of the City Council.

Section 110.020.30 Surplus Property Disposal Policy.

- A. The City Administrator, or his/her duly authorized representative, may sell or exchange any municipal supplies, materials, or equipment, which have a value of ten thousand dollars (\$10,000.00) or more, as determined by the City's Finance Director, after declaration as surplus by the City Council. Such sales as are made of these surpluses shall be by competitive bidding processes including sale by auction as approved by the City Council. The City Administrator may dispose of such surplus by:
- 1. Selling the items at public auction, including approved online auction sites.
- 2. Utilizing said items for trade-in.
- 3. Disposing of the items as otherwise authorized by State law, including transfer to another governmental entity within the State.
- B. The City Administrator, or his/her duly authorized representative, may declare any municipal supplies, materials, or equipment which have a value of less than ten thousand dollars (\$10,000.00), as determined by the City's Finance Director, surplus or obsolete to the needs of the City.
- C. The procedure for disposal of surplus, worn-out, or obsolete items with a value over five hundred dollars (\$500.00) yet under ten thousand dollars (\$10,000.00) shall be addressed through administrative policy.
- D. Upon determination by the City Administrator that surplus City supplies, materials, or equipment have negligible or no value, the administrator is authorized and directed to dispose thereof through recommended industry practice, in compliance with disposal requirements.

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Section 110.020.3520 Capital Assets.

The Capital Asset threshold of the City shall be five thousand dollars (\$5,000.00).

Section 110.020.430 Inventory.

The City shall maintain an inventory of all property valued over five hundred dollars (\$500.00). Items valued over five thousand dollars (\$5,000.00) shall be capitalized in the accounting records.

# EXPLANATION – Matter in **bold-face** type in the above is added language. Matter in strikethrough in the above is deleted.

- Section 3. The City Administrator is hereby authorized to adopt and amend such administrative policies as are reasonably necessary to implement the intent of this Purchasing and Procedures Policy.
- Section 4. The City Administrator or designee, on behalf of the City, is authorized to take the necessary steps to execute this Ordinance.
- Section 5. All other Sections of the Municipal Code of the City of Republic, Missouri, not specifically referenced in this Ordinance shall remain unmodified and in full force and effect.
- Section 6. The whereas clauses are hereby specifically incorporated herein by reference.
- Section 7. The provisions of this Ordinance are severable and if any provision hereof is declared invalid, unconstitutional or unenforceable, such determination shall not affect the validity of the remainder of this Ordinance.
- Section 8. This Ordinance shall be in full force and effect from and after the date of passage as provided by law.

 PASSED AND APPROVED at a regular meeting of the City Council of the City of

 Republic, Missouri, this \_\_\_\_\_\_ day of \_\_\_\_\_\_ 2021.

Matt Russell, Mayor

Attest:

Laura Burbridge, City Clerk

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Approved as to Form: \_



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\_\_\_\_\_, Scott Ison, City Attorney

Final Passage and Vote: \_\_\_\_\_