

**CITY OF GRANDVIEW  
MISSOURI**

**PURCHASING POLICY**



**Approved by the Board of Aldermen  
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## **SECTION I – DEFINITIONS**

The following are definitions of words, terms, and phrases used in this Purchasing Policy:

### **1.1 CONSTRUCTION**

The process of building, altering, repairing, improving, or demolishing any public infrastructure facility, including any public structure, public building, or other public improvements, of any kind to real property. It does not mean the routine operation, routine repair, or routine maintenance of any existing public infrastructure facility, including structures, buildings, or real property.

### **1.2 CONTRACT**

All types of agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction.

### **1.3 FMS**

The City's Financial Management System.

### **1.4 INVITATION TO BID**

All documents, whether attached or incorporated by reference, utilized for soliciting bids.

### **1.5 MINOR INFORMALITY**

A mistake, excluding judgmental errors that have negligible material effect on price, quantity, delivery or contractual terms and waiver or correction of such mistake does not prejudice other bidders.

### **1.6 PROFESSIONAL SERVICES**

Those services requiring specialized knowledge, education or skill and where the qualifications of the person(s) rendering the services are of primary importance. Professional services shall include but not be limited to appraisers, land surveyors, attorneys, architects, engineers, psychologists, physicians, health practitioners, auditors, systems and software analysts and professional consultants.

### **1.7 PUBLIC NOTICE**

The distribution or dissemination of information to interested and relevant parties using various methods which are reasonably available. Such methods may include publication in newspapers of general circulation, electronic or paper mailing lists, and web sites designated and maintained for that purpose.

### **1.8 REQUEST FOR PROPOSALS**

All documents, whether attached or incorporated by reference, utilized for soliciting proposals.

### **1.9 RESPONSIBLE BIDDER**

A person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability that will assure good faith performance.

**1.10 RESPONSIVE BIDDER**

A person who has submitted a bid that conforms in all material respects to the invitation to bid.

**1.11 SERVICES**

The furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports or drawings.

**1.12 SPECIFICATION**

Any description of the physical or functional characteristics, or of the nature of a supply, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

**1.13 SUPPLIES**

All property, including but not limited to commodities, equipment, materials, printing, insurance, and leases of real property, excluding land or a permanent interest in land.

**1.14 SURPLUS SUPPLIES**

Any supplies other than expendable supplies no longer having any use to the city. This includes obsolete supplies, scrap materials, and nonexpendable supplies that have completed their useful life cycle.

**1.15 WRITTEN OR IN WRITING**

The product of any method of forming characters on paper, other materials, or viewable screens that can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

## **SECTION II - GUIDELINES**

This policy sets forth the procurement policies and procedures recommended by the Finance Department and established by the City Administrator. If these policies are adhered to, the city is expected to receive the maximum value for each public dollar spent.

### **2.1 BASIC GOALS**

The basic goals of the city's procurement program are:

- A. To comply with the legal requirements of public purchasing.
- B. To assure vendors that impartial and equal treatment will be afforded all who wish to do business with the city.
- C. To receive maximum value for each public dollar spent.
- D. To provide city departments needed supplies and services at the time and place needed in the proper quantity and quality.
- E. To purchase only supplies and services for which funds have been approved and not previously encumbered.

If the procedures and guidelines established in this policy are followed, each department will efficiently manage, control, and plan their available resources to meet present and future departmental needs and help the city meet these goals.

These general guidelines should be adhered to by all departments in the procurement of supplies and services.

### **2.2 PLANNING**

Planning for purchases should be done on both a short term and a long-term basis. Small orders and last minute purchases should be minimized, increasing the opportunity for the city, as well as each department, to purchase in larger quantities in order to obtain the maximum discounts possible. Planning will also reduce the number of trips required to obtain materials and minimize the amount of staff time spent on documenting purchases. Procurement begins with the preparation of the Capital Improvement Plan and the Annual Budget.

## **2.3 UNBUDGETED PURCHASES**

Department Directors contemplating a purchase of supplies or services of that will cause a category (e.g. "Supplies or Contractual Services") to exceed the authorized budget must obtain prior approval of the Assistant City Administrator. An equal decrease in another category should offset the increase to prevent the department/division from exceeding its authorized budget. Any purchase of supplies or services that will cause a department/division to exceed its authorized budget must obtain prior approval of the City Administrator. Unbudgeted expenditures should be the exception rather than the norm; and every effort should be made to offset any unbudgeted purchase with a commensurate decrease in another category.

## **2.4 BUYING PROPER QUALITY**

Quality and service are just as important as price and it is the responsibility of the requisitioning department to secure the best quality for the purpose intended. Quality buying is the buying of supplies or services that will meet but not exceed the requirements for which they are intended. In some instances, the primary consideration is durability. With other purchases, it may be a question of immediate availability, ease of installation, frequency of repair, or efficiency of operation that must be given primary consideration. In the case of motor vehicles and other capital expenditures, departments may want to investigate life cycle costs or EPA mileage ratings to compare bids as opposed to utilizing price as the sole criterion for determining the lowest responsible bidder. It is the responsibility of each Department Director to become familiar enough with available equipment to determine the appropriate quality required when developing specifications.

## **2.5 BRIBERY**

Bribery, in any form, represents malfeasance in office and means that public funds are being mismanaged. Bribery by vendors in order to secure favorable consideration is seldom attempted. Vendors may attempt to secure favoritism by offering gifts or providing entertainment to city officials. Attempts to influence decisions regarding the expenditures of public funds may be directed towards any employee who has influence over the selection of vendors. The penalty for accepting a bribe will be immediate disciplinary action and may include termination.

## **2.6 SALES TAX**

The city is exempt from most local and state sales taxes or federal excise taxes. The Finance Department will provide the necessary exemption documents to any vendor, upon request.

## **2.7 PUBLIC ACCESS**

All specifications, bid documents, purchase orders, and supporting documents that are not closed records under federal law, the Missouri Sunshine Law or City Code of Laws and practice will be made available to citizens, vendors, or the media, upon request. The foregoing notwithstanding, in the case of sealed proposals or bids, only the offeror's name shall be public and other information in the proposal or bid shall not be open for public inspection until after a contract has been awarded.

## **2.8 ENDORSEMENTS**

It is city policy not to endorse or in any way permit an employee's name or position, or the city's name to be used and advertised as supporting a product or vendor without the expressed approval of the Board of Aldermen.

## **2.9 PERSONAL PURCHASES**

Personal purchases for employees by the city generally are prohibited. City employees are prohibited from using the city's name or the employee's position to obtain special discounts, warranties, tax-exempt status or other considerations in personal purchases. Use of the City's line of credit or purchasing card for personal items is also prohibited.

## **2.10 LOCAL BUYING**

It is the desire of the city to purchase from Grandview vendors whenever such purchase is consistent with this manual. This can be accomplished by insuring that local vendors who have supplies or services that are needed by the city are included in the competitive procurement process that will precede most purchases. The city has a responsibility to its residents, however, to insure that the maximum value is obtained for each public dollar spent. It is assumed that local vendors who wish to do business with the city will offer the lowest possible price for the item being purchased. All vendors doing business with the City must obtain a current occupational license.

## **2.11 PURCHASE OF AMERICAN PRODUCTS**

It is the policy of the city to encourage the purchase of products manufactured, assembled or produced in the United States if the quality and price are comparable with other supplies and such purchase is otherwise consistent with this manual. On purchases in excess of \$2,500, Department Directors should give preference to the purchase of American products over foreign products of comparable quality and price. Requests for Quotations and Specifications will be used to inform bidders of the policy and to ascertain whether the item proposed to be purchased is a product of the United States.

## **2.12 CONFLICTS OF INTEREST**

(City of Grandview Code of Laws, Section 10-23)

A. Definitions - The terms used in this section are defined as follows:

1. Official or employee - Any person elected or appointed to, or employed or retained by, any public body of the City of Grandview, whether paid or unpaid and whether part-time or full-time.
2. Public body - Any agency, board, body, commission, committee, department or office of the city.
3. Financial interest - Any interest of an official or employee in another person or entity if:
  - (a) The interest is ownership of ten (10) percent or more of the voting stock, shares or equity of the entity or ownership of five thousand dollars (\$5,000.00) of the equity or market value of the entity; or (ii) funds

received by the official or employee from the other person or entity either during the previous twelve (12) months or the previous calendar year equal or exceeds five thousand dollars (\$5,000.00) in salary, bonuses, commissions or professional fees or twenty thousand dollars (\$20,000.00) in payment for goods, products or nonprofessional services, or ten (10) percent of the official or employee's gross income during that period, whichever is less; or (iii) the official or employee serves as a corporate officer or member of the board of directors or other governing board of the for-profit entity, other than a corporate entity owned or created by the board of aldermen; or (iv) the official or employee is a creditor, debtor, or guarantor of the other person or entity in an amount of five thousand dollars (\$5,000.00) or more.

(b) Financial interest - Includes any interest in real property which is an equitable or legal ownership with a market value of five thousand dollars (\$5,000.00) or more.

4. Personal interest - Any interest arising from blood or marriage relationships or from close business or political association whether or not any financial interest is involved.

- B. Conflict of interest - Any official or employee who, either on his own behalf or on the behalf of any other person, knows or has reason to know of any financial or personal interest in any business or transaction with any public body shall make full public disclosure of the nature and extent of such financial or personal interest. The disclosure shall be made in writing to the city clerk at the time the conflict occurs and during the month of January every year thereafter while such affected financial or personal interest continues. The information on the disclosure, except for any valuation attributed to the reported interest, shall be made available by the city clerk to any citizen of this state for inspection, provided, however, the valuation shall be confidential.
- C. Disqualification - Whenever the performance of official duties shall require any official or employee to deliberate and vote on any matter involving a financial or personal interest, said official or employee shall publicly disclose the nature and extent of such interest on the record of the public body involved, and such official or employee shall disqualify himself from participating in the deliberation as well as in the voting.
- D. Bidding - No contract or purchase involving services or property in a value in excess of one thousand dollars (\$1,000.00) shall be made with or from any person or business entity in which any official or employee of the city has a financial or personal interest unless the contract or purchase is made after public notice and competitive bidding.

## **2.13 BUSINESS LICENSE**

(City of Grandview Code of Laws, Section 13-2)

- A. In general, most businesses doing business in Grandview require a business license which includes the following:
1. Selling goods or services.
  2. Soliciting business or offering goods or services for hire.
  3. Utilizing any vehicle or premises in the City for the purpose of such business or occupation.
- B. Certain types of businesses are exempt and do not require business licenses as follows:
4. No person following for a livelihood the profession or calling of minister of the gospel teacher, professor in college, priest, lawyer, certified public accountant, chiropractor, optometrist, chiropodist, physician or surgeon, veterinarian, architect, professional engineer, or land surveyor in this state shall be taxed or made liable to pay such license tax.
  5. No person following for a livelihood the profession of auctioneer or real estate broker or salesman shall be taxed or made liable to pay such license tax for the privilege of following or carrying on his or her profession in the city unless that person maintains a business office within the city.
  6. No farmer or producer or any person in the employ of such farmer or producer in the city shall be liable for any license fee or tax for the privilege of selling from his, her, or their wagon, cart, or vehicle and produce raised by such farmer or producer.
  7. Banks or savings and loan associations shall not be required to obtain a business license.
  8. Government agencies shall not be required to obtain a business license.
  9. Public utility companies shall not be required to obtain a business license.
  10. Online or catalog sales if the business is not located in the city as long as the sale takes place at the vendor's place of business and the merchandise is either picked up or delivered is not required to obtain a business license.
  11. Training or other services as long these services take place outside of the city is not required to obtain a business license.

## SECTION III - PURCHASING PROCEDURES

The Board of Aldermen has established policies regulating the degree of formality to be followed in the purchase of supplies and services, depending on the cost of the items to be purchased. The splitting of purchases into smaller orders to avoid these requirements is prohibited.

### 3.1 PURCHASE ORDERS

The city's purchase order system is administered electronically. The purchase order form (**Appendix A**) must be completed by entering the necessary information into the City's FMS and be approved by various levels of management under the procedures established in this policy.

A purchase order is a contract between the city and a vendor. The contract is not binding until the vendor accepts it. The city will not recognize the issuance of purchase orders by unauthorized individuals and payment of these obligations will not be approved. Unauthorized purchases will be treated as violations of city policy subject to disciplinary action, including possible termination.

Purchase orders are required for most purchases of \$2,500 and greater. Certain payments by the Finance Director are excluded from the purchase order requirement. Departments are responsible for initiating the purchase order process and verifying that a purchase order request has been budgeted. With very limited exceptions, each department is responsible for entering their purchase order into the City's FMS. All documentation including bidding procedures, bid tabulation sheets, and Board of Aldermen approvals (if applicable) must be attached electronically to each purchase order. All purchase order numbers are assigned electronically through the City FMS.

### 3.2 PURCHASES UNDER \$1,000

For purchases under \$1,000, no purchase order is required, and the most advantageous method of purchasing should be used. Department Directors should designate employees who will be allowed to make purchases and provide internal control procedures to insure that all purchases are for legitimate public purposes, that monthly statements from vendors are reconciled, and that all purchases are accounted for. It is the responsibility of each Department Director to ensure internal control over this process in their department. Once procedures are in place, Department Directors are **NOT** required to approve individual purchases.

### 3.3 PURCHASES FROM \$1,000 TO \$2,499

For purchases between \$1,000 and \$2,499, no purchase order is required and the most advantageous method of purchasing should be used. It is the responsibility of each Department Director to ensure control over this process. Department Directors **MUST** approve these purchases and provide internal control procedures to insure that all purchases are for legitimate public purposes, that monthly statements from vendors are reconciled, and that all purchases are accounted for.

### **3.4 PURCHASES FROM \$2,500 TO \$9,999**

For purchases from \$2,500 to \$9,999, purchase orders are required and a minimum of three informal written bids should be obtained (**Appendix B**). The bid tabulation form must be signed by the Department Director and the Purchasing Manager. The department making the purchase is required to obtain the bids. If a Department Director is unable to secure three informal written bids, a notation explaining why less than three qualified vendors were available should be made on the form, and forwarded to the Purchasing Manager for approval.

### **3.5 PURCHASES FROM \$10,000 TO \$19,999**

For purchases from \$10,000 to \$19,999, a minimum of three formal written bids should be obtained. All requirements for the competitive sealed bidding process must be met including the preparation of detailed specifications which are clear, concise and accurate. Formal written bids must be advertised in the Jackson County Advocate and be placed on the city's website for prospective bidders to review.

The City Clerk oversees the opening of all sealed bids publically. The Department Director reviews all bids received and prepares a tabulation and City Administrator Approval Form (**Appendix C**) to the City Administrator with the recommendation for award of the bid. The recommendation to award a contract will normally be made to the low bidder meeting specifications. However, there may be instances when the low bid meeting specifications is not from a responsible bidder. When such a situation arises, it is incumbent upon the Department Director to document the reasons why the low bidder should be disqualified. These reasons may include unsatisfactory past performance or lack of capacity to complete the work. The bid tabulation form must be signed by the Department Director, Purchasing Manager and the City Administrator.

### **3.6 PURCHASES OF \$20,000 AND GREATER**

For purchases of \$20,000 and greater, the same basic purchasing guidelines are utilized as purchases between \$10,000 and \$20,000 (See Section 3.5 above). However, before a purchase order can be authorized and generated, the purchase must be formally approved by the City's Board of Aldermen during a public Board of Aldermen meeting.

### **3.7 FORMAL BIDDING PROCEDURES**

The following procedures must be adhered to in relation to all written sealed bids:

- A. All public notices and invitations to bid must state the time and place for opening.
- B. All bids must be submitted sealed to the city official designated in the invitation to bid and identified as a "bid" on the envelope.
- C. All sealed bids must be opened in public in the presence of one or more witnesses at the time and place specified in the public notice.
- D. A tabulation of all bids received as well as each bid must be made available in the city hall for public inspection.

- E. The Purchasing Manager has the authority to reject any and all bids or any part of any bid and may re-advertise or re-solicit bids whenever it is deemed to be in the best interest of the city. Invitations to bid will state this policy.
- F. A written request for the withdrawal of a bid, or any part thereof, will be granted if the contact person for the bid submission receives the request prior to the specified time bids are due. Bids, amendments to bids, or requests for withdrawal of bids received after a bid opening has commenced shall not be considered.

### **3.8 DETERMINING THE LOWEST RESPONSIBLE AND RESPONSIVE BIDDER**

It is the responsibility of the Department Director making the purchase to review and investigate all bids received and to make a report to the Purchasing Manager regarding the lowest responsible and responsive bidder for the entire contract or for any part thereof. The city reserves the right to waive minor informalities in determining the lowest responsible and responsive bidder.

In determining the lowest responsible and responsive bidder, the city will consider the following:

- A. Conformity to the specifications contained in the invitation to bid.
- B. The ability, capacity and skill of the bidder to perform the contract or provide the services required.
- C. Whether the bidder can perform the contract to provide the services promptly or within required time periods without delay or interference.
- D. The quality of performance of previous contracts or services.
- E. The previous and existing compliance by the bidder with laws and ordinances of the city and the state.
- F. The financial resources and the ability of the bidder to perform the contract or provide the service.
- G. The quality, availability, and adaptability of the supplies or services.
- H. Life cycle costs.

### **3.9 UNREASONABLE OR UNACCEPTABLE BIDS**

When bids are received that are unreasonable or unacceptable as to the terms and conditions, noncompetitive, or the low bid exceeds available funds and it is determined in writing by the Purchasing Manager that time or other circumstances will not permit the delay required to again solicit competitive bids, a contract may be negotiated pursuant to the policy. In such a circumstance, the Purchasing Manager or Department Director shall have the discretion to discuss modifications with the bidders that would bring the price down to the level of available funds or to determine unilaterally what such modifications should be, provided that, if modifications are made, each responsible and responsive bidder who submitted an initial bid under the original solicitation is notified of the determination and is given opportunity to modify their bid and submit a best and final bid. If no modifications are made, or in cases where the best and final bids received are noncompetitive or the low bid still exceeds available funds, the Purchasing Manager or Department Director may negotiate with the lowest responsive and responsible bidder to secure the best price possible, which shall in all cases be lower than the lowest rejected bid of any responsible and responsive bidder under the original solicitation.

## **SECTION IV - SPECIAL PROCUREMENT PROCEDURES**

Occasionally, the city may need to purchase supplies or services under circumstances that do not clearly fit the city's procurement process or for which normal competitive shopping procedures do not apply. The following guidelines are provided regarding such purchases.

### **4.1 SOLE SOURCE/EXCLUSIVE SUPPLIER**

In the event that there is only one vendor capable of providing a particular supply, material, equipment, or service, the competitive shopping procedures outlined in this manual may be waived by the City Administrator or Purchasing Manager.

Whenever a Department Director determines that supplies or services must be purchased from a "sole source vendor" a memorandum must be written to the Purchasing Manager providing documentation as to why only one company or individual is capable of providing the supplies or services required. The memorandum should be attached to the purchase order. The Purchasing Manager must approve all sole source purchases over \$2,500.

The following items are likely to be purchased from a sole source provider:

- A. Interface upgrades, add-on parts and components to existing, city owned equipment that requires total compatibility assurance; license renewals for city owned software, and repair and maintenance for city owned equipment and software for which it is technologically and cost effective to procure from the original seller or manufacturer.
- B. Materials for resale in city concession operations that are purchased in response to customer demands.
- C. Specialized computer software for network applications that have been technically reviewed, tested and justified by the City Administrator, and annual software upgrades.
- D. Certain professional services, as determined by the head of the using department or the City Administrator.

### **4.2 COOPERATIVE PROCUREMENT PROGRAMS**

Departments are encouraged to use cooperative purchasing programs, including those sponsored by the State of Missouri or Mid-America Regional Council (MARC). Cooperative purchasing can prove advantageous to the city both by relieving departments of the paperwork necessary to document the purchase and by taking advantage of quantity purchases. Purchases made through these programs have met the requirements of competitive shopping and require no further documentation. Department Directors are encouraged to check with the state or MARC regarding cooperative procurement contracts in effect prior to making any large purchase.

### **4.3 EMERGENCY PURCHASES**

The bid procedures outlined in this manual may be waived under emergency conditions when a delay may threaten the basic mission of a department. True emergencies are rare. Occasionally equipment will require emergency repairs or other circumstances will necessitate purchasing that cannot await compliance with these regulations. Department Directors faced with unbudgeted emergency purchase are to notify the City Administrator as quickly as possible. Most emergency purchases will be unbudgeted. Department Directors faced with this situation should follow **Section 2.3** of this document as soon as possible.

### **4.4 BLANKET PURCHASE CONTRACTS**

Blanket purchase contracts are for long term contracts for supplies or services awarded after receiving competitive bids. The contract remains open for a period of up to two years to purchase the supplies or services specified on an "as needed" basis. Examples of where these types of contracts would be appropriate are emergency plumbing services, construction materials such as rock, trees, and other landscaping materials, automotive supplies, hardware, and office supplies. These items are ones that are frequently or routinely used by the city and for which the initiation of competitive shopping each time the supplies or services are required would be cumbersome and inefficient.

### **4.5 PROFESSIONAL SERVICES**

The City Administrator is authorized to approve contracts for professional services under \$20,000. For contracts of \$20,000 and greater, Board of Aldermen approval is required. A memorandum setting forth a Department Director's recommendation must accompany a purchase order for such services. Refer to **Section 5.3** for additional guidelines on contracts for professional services.

### **4.6 PETTY CASH ACCOUNTS**

Some departments have established Petty Cash funds available for small expenditures. Petty cash funds may be used to avoid the time and expense of processing payments for items totaling fifty dollars (\$50.00) or less. Petty Cash receipts are to be completed by the person responsible for requesting the funds in each department. Receipts should include the amount, description of item, budget account number, and signature of the persons receiving the funds. Petty cash funds should be replenished periodically. The Finance Department may conduct unannounced audits of petty cash funds to assure that monies are being properly accounted for. The use of petty cash funds for personal use, even for very short periods, is contrary to city policy and grounds for termination.

#### **4.7 PURCHASE OF USED OR DEMO EQUIPMENT**

New equipment is preferred over used equipment. However, there are situations where the purchase of used equipment should be considered. These include:

- A. When price is of prime importance and the difference in cost between new and used equipment is significant.
- B. Where equipment will be used infrequently, for a limited time, for training, or for auxiliary operations.
- C. When faster delivery is essential.

The purchase of used equipment requires careful shopping and the requisitioning department should make every effort to secure a minimum warranty or guarantee that the equipment will perform as needed and that service or replacement parts are reasonably available.

#### **4.8 CITY PURCHASING CARDS**

City purchasing cards have been issued to expedite the purchase of items from vendors saving staff time, decreasing paperwork, and eliminating a large percentage of checks drafted and mailed. A city Purchasing Card Agreement (**Appendix D**) must be submitted, and approved in order for an employee to receive a P-Card. This process generally takes ten business days after submission to the Finance Department.

Each employee must submit all original p-card receipts to his/her respective department administrative assistant for documentation purposes and electronic entry into the VISA system. An expense report will then be generated that must be signed by each employee. After all monthly p-card purchases are approved by the department director, each department must submit their monthly p-card transactions with department control statement to the Finance Department for further review and approval. The Finance Department imports all p-card transactions from the VISA System into the City's FMS.

#### **4.9 CHANGE ORDERS**

Change Orders are amendments to contracts for the purchase of supplies or services that are made after the contract has been awarded. Change Orders result from the discovery of unforeseen situations. Change Orders may not be used to avoid the city's competitive bidding process, or to materially alter the purpose of the original bid or contract. Change orders which increase the total purchase price of any product or service by 10% or more must be approved in accordance with Section III of this document.

#### **4.10 GREEN PROCUREMENT**

Preference in procurement will be given to green products and services, however, all factors including, but not limited to, quality, level of service, price, and budget shall be considered.

A green product is one that is less harmful than the alternative, having characteristics including, but not limited to, the following:

- A. Recyclable-local facilities exist that are capable of recycling the product at the end of its useful life.
- B. Biodegradable-will not take a long time to decompose in landfill.
- C. Contain recycled material (post-consumer recycled content).
- D. Minimal packaging and/or for which there will be take-back by the manufacturer/supplier of packaging.
- E. Reusable or contain reusable parts.
- F. Minimal content and use of toxic substances in production.
- G. Produce fewer and/or less polluting by-products during manufacture, distribution, use and/or disposal.
- H. Produce the minimal amount of toxic substances during use or at disposal.
- I. Make efficient use of resources-a product that uses energy, fuel or water more efficiently or that uses less paper, ink or other resources.
- J. Durable-having a long economically useful life and/or can be economically repaired or upgraded.

Where available and cost effective, green products and services that are of equal or better performance and quality should be considered. In determining cost effectiveness, a department should give consideration to the cost and benefits that accrue, in the shorter and longer term, to the City of Grandview.

## SECTION V - CONTRACTS

### 5.1 GENERAL PROCEDURE

To the maximum extent possible, procurement of materials and services are obtained by the issuance of a purchase order. By definition, a purchase order is one form of a contract. Refer to **Section 3.1** for additional information on Purchase Orders. However, in many instances, including but not limited to contracts for public works and professional services, a purchase order alone is not sufficient. If in doubt, consult with the city's legal counsel.

A. Purpose – To establish the general structure and contents of contracts. This applies to most contracts entered into by the City.

B. Terms and Conditions

1. General

- a. Name of contracting parties.
- b. Name individuals.
- c. Compensation and terms of payment.
- d. Responsibility of City.
- e. Termination of contract.
- f. Assignability.
- g. Insurance.
- h. Errors or deficiencies.
- i. Completeness of contract.
- j. Legal requirements.
- k. Acceptance.
- l. Responsibility of other party.
- m. Worker eligibility requirements pursuant to RSMo Sec. 285.530. When awarding a contract in excess of \$5,000, the City must make it a condition of the award that the successful bidder shall swear in an affidavit (**Appendix E**) that: a) it is enrolled in a federal work authorization program with respect to the employees working in connection with the contracted services, and b) it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. In order to comply with the statute, all departments should add those conditions to their bidding documents. Failure to comply with this requirement shall result in disqualification of the vendor's bid.
- n. Per RSMO Sec 34.353, each contract for the purchase or lease of manufactured goods or commodities by the City, and each contract made by the City for construction, alteration, repair, or maintenance of any public works shall contain a provision that any manufactured goods or commodities used or supplied in the performance of that contract or any subcontract thereto shall be manufactured or produced in the United States. This section shall not apply where the purchase, lease, or contract

involves an expenditure of less than twenty five thousand dollars. This section shall not apply when only one line of a particular good or product is manufactured or produced in the United States. This section shall not apply where the executive head of the public agency certifies in writing that:

- (1) The specified products are not manufactured or produced in the United States in sufficient quantities to meet the agency's requirements or cannot be manufactured or produced in the United States within the necessary time in sufficient quantities to meet the agency's requirements.
  - (2) Obtaining the specified products manufactured or produced in the United States would increase the cost of the contract by more than ten percent.
- o. Per RSMO Sec 71.140, every commission, board, committee, officer or other body of the City shall purchase and use only those materials, products, supplies, provisions and other needed articles produced, manufactured, compounded, made or grown within the state of Missouri, when they are found in marketable quantities in the state and are of a quality suited to the purpose intended and can be secured without additional cost over foreign products or products of other states, provided, however, that quality and fitness of articles shall be considered in purchasing or letting contracts for articles herein mentioned.

## 2. Construction

- a. Specifications.
- b. Drawings.
- c. Warranty.
- d. Permits.
- e. Inspections.
- f. Subcontractors.
- g. Performance, payment and maintenance bonds.
- h. Liquidated damages.
- i. Patent and copy-write indemnification.
- j. Engineering charges.
- k. Affidavit of non-collusion.
- l. Safety responsibility to public.
- m. Control of work and materials.
- n. Lien waivers.
- o. OSHA training requirements.
- p. Other contract terms as may be required by state or federal law.

## 3. Lease Agreements

- a. Lease and lessor identification.

- b. Property or equipment descriptions and identification.
- c. Purchase or option renewal.
- d. Delivery, maintenance and other special charges.
- e. Relocation or modification of property and equipment.
- f. Conditions or restrictions to use.
- g. Period of Performance.

4. Maintenance or Repairs

- a. Equipment descriptions and identification.
- b. Scope of work.
- c. Period of performance.
- d. Responsibility of supplier.
- e. Notice and response to notice.

5. Sub-contracts

- a. City must approve all sub-contractors if seeking reimbursement via federal funds.

C. Essential Elements

1. Legal Requirements

- a. Federal law, State of Missouri statutes, or City of Grandview Ordinances.
- b. Ethical and/or business standards of practice.
- c. Interstate Commerce Commission regulations.
- d. Federal Trade Commission regulations.

2. Insurance Requirements

- a. Bodily injury \$1,000,000 per person, \$1,000,000 per occurrence.
- b. Property damage \$1,000,000 per occurrence, \$1,000,000 aggregate
- c. Worker's compensation - \$500,000 per person, \$500,000 per accident.
- d. Auto liability – bodily injury same as above, property damage \$50,000 per occurrence.
- e. Personal injury \$2,000,000 per person, \$2,000,000 per occurrence.

## **5.2 CONSTRUCTION CONTRACTS**

- A. Authorization – The Public Works Director shall be responsible for coordinating the procedures for formal bidding or negotiated proposals (including the obtaining of professional services) involving the creation or improvements to City infrastructure.
  - 1. This does include the obtaining of right-of-ways for these projects.
  - 2. This does not include the construction of new buildings or the addition to existing buildings.
- B. Consultation – Coordination with the Public Works director shall be required for the development of specifications, the selection of outside professional services, and the inspection of the progress of the actual projects for new buildings and improvements or additions to existing buildings and additions to land owned by the City.
- C. Available Funds – If the low responsive and responsible bid for a construction project exceeds available funds as certified by the City Treasurer, and such bid does not exceed such funds by more than ten percent, the public Works Director is authorized, when time or economic considerations preclude re-solicitation of work of a reduced scope, to negotiate an adjustment of the bid price. The negotiation shall be only with the low responsive and responsible bidder, in order to bring the bid within the amount of available funds. Any such negotiated adjustment shall be based only upon eliminating or reducing the cost of independent deductive items specified in the invitation for bids.
- D. It is the policy of the city to take advantage of its tax-exempt status by authorizing contractors to purchase construction materials for public works projects utilizing the city's tax exemption. Bid specifications shall include clear instructions regarding the manner in which the city will authorize vendors to purchase construction materials.
- E. It is the policy of the State of Missouri that all contracts for construction projects undertaken by political subdivisions of the state require that all tradespersons employed by contractors and subcontractors be paid the prevailing wage for that trade, as determined by the Missouri Department of Labor. All Invitations to Bid on construction projects must include this requirement.

## **5.3 CONTRACTS FOR PROFESSIONAL SERVICES**

- A. Purpose – These guidelines are established in order to provide assistance to City officials in selecting and contracting for professional services. The primary objective is to select the person and/or the firm with the necessary training and experience to provide the professional services needed and desired by the City. Although cost is important, professional services shall not be purchased strictly on the basis of lowest cost. Furthermore, state law forbids any considerations of cost when evaluating proposals submitted by engineers, architects, and land surveyors.

B. Types of Professional Services

Professional services are associated with the following disciplines:

1. Financial, accounting, and auditing services.
2. Legal services.
3. Engineering services.
4. Architectural services.
5. Land surveying services.
5. Consulting Services.
6. Medical Services
7. Insurance advisors and brokers.
8. Data Processing consulting and programming services.
9. Testing and inspection services.
10. Photographic, art, or marketing services.

C. Requests for Proposals

1. Instructions to the prospective bidders specifying when, to whom, and where proposals should be sent.
2. A complete technical description of the problem or work task. Specify that written questions may be sent to the City. Also state whether a pre-proposal submission conference shall be held to discuss the RFP and to answer questions.
3. An objective or statement of what is expected to be accomplished.
4. Scope of work or task, format for the completed report, and the extent to which the City's staff will be available to the contractor.
5. Firm or estimated schedule, including dates for commencement of performance, for submission of progress reports, and for completion of task.
6. Selection Criteria.
7. Standard contract terms and conditions.
8. Understanding for compensation for additional work authorized.

D. Selection Criteria

1. Experience on similar projects including references of former clients.
2. Qualification of person(s) proposed to work on the project (require professional resumes).
3. Ability to meet work schedule.
4. Completeness of project approach.
5. Geographic location.
6. Samples of work representing product quality.
7. Sensitivity to community involvement.
8. Additional services and skills available.
9. Work space requirements and/or City staff support.
10. Cost, except for engineering, architectural and land surveying services.

Interviews with prospective consultants may be conducted by a selection committee comprised of any or all of the following: (1) City staff, or (2) Board of Aldermen, (3) City residents. The head of the user department usually will chair the committee; the Chair shall select the committee members.

- E. Evaluation and Award – When appropriate, the City may interview and/or negotiate with up to four qualified persons or firms.
1. Relative weight should be assigned to each criterion listed in the RFP based on the importance of the particular qualification; this may be available to the bidders at the discretion of the department director after discussion with the Purchasing Manager. The determination of the relative weighing should be done in writing by the committee prior to release of the RFP's.
  2. After reviewing the written proposals and interviewing prospects to ascertain the scope and type of work proposed by the offerors, the City shall offer to award the contract to the offeror who would be the most advantageous to the City. This will normally be the firm scoring the highest in the evaluation of proposals and interviews.
  3. In determining which offer is the most advantageous, the City will generally take into account the following order of importance:
    - a. Professional competence.
    - b. Technical merits.
    - c. Cost, except for engineering, architectural and land surveying services.
- F. In the case of proposals for architectural, engineering and land surveying services, a contract will be negotiated with the professional deemed to best meet the city's needs. If an agreement on cost cannot be reached, then negotiations will be terminated and negotiations will commence with the next most qualified professional.
1. Reference checks should generally be performed on all professional services contracts exceeding \$10,000.
- G. Contract terms and Conditions – The following general contract terms should be addressed within a professional services contract:
1. Names of contracting parties.
  2. Name individuals.
  3. Scope of work.
  4. Work schedule.
  5. Compensation and terms of payment.
  6. Responsibilities of the City.
  7. Termination of the contract.
  8. Assignability.
  9. Confidentiality.
  10. Insurance.
  11. Errors or deficiencies.
  12. Completeness of contract.

## **SECTION VI - SPECIFICATIONS**

### **6.1 FORMAL COMPETITIVE BIDDING**

When supplies or services are bought under the formal competitive bidding process, specifications must be prepared. Specifications, regardless of the type, should do four things:

- A. Identify minimum requirements.
- B. Allow for a competitive bid.
- C. Be capable of objective review.
- D. Provide for an equitable award at the lowest possible cost.

### **6.2 GENERAL GUIDELINES**

- A. Keep specifications as simple as possible while maintaining the exactness required keeping bidders from utilizing a loophole to avoid providing the quality supplies or services required or in another fashion to take advantage of their competitors.
- B. Whenever possible, identify the equipment or material required with some minimum specifications or known standard already on the market. Brand or trade names should be used only where brand name products have been found to be superior to others for the purpose intended. Acceptable brand lists are also used when tests necessary to determine compliance with technical specifications are lengthy, costly or require complicated technical equipment. All specifications that utilize a name brand must include the term "or equivalent" to avoid being restrictive and eliminating fair competition.
- C. Specifications should promote competition. Specifications will normally allow several bidders to provide the city with alternatives and insure that the city obtains the lowest possible price for the supplies or services required.
- D. Flexibility in the specifications is desirable in instances where new technologies are being sought. Specifications should be specific enough to guarantee the quality required but sufficiently flexible to allow vendors to be creative in their proposals. If a proposal does not meet the city's needs, it can be rejected and the bid that closely follows the specifications accepted. These procedures should be used sparingly and Department Directors contemplating flexible specifications should contact the City Administrator to discuss the format and degree of flexibility anticipated prior to the completion of a final draft.
- E. Specifications should be reasonable and precise. Unnecessary precision or over use of proprietary terms is expensive.
- F. Specifications should be written with clear, simple language, free of vague terms or those subject to variation in interpretation.

## 6.3 TYPES OF SPECIFICATIONS

There are several ways of structuring specifications to protect the integrity of the purchasing process and to insure that the needs of the city are met. Different methods of structuring specifications include:

A. **Qualified Products or Acceptable Brands List**

These lists are developed only where it is not possible to write specifications adequate to identify the quality and performance required of the supplies or services to be purchased. Acceptable Brands Lists are also used when tests necessary to determine compliance with technical specifications are lengthy, costly, or require complicated technical equipment.

B. **Specification by Brand or Trade Name**

Brand or trade names should only be used where brand name products have been found superior to others for the purpose intended, or when their composition is secret, unknown, or patented. The use of brand names establishes a quality standard but is not intended to limit or eliminate competition. Whenever this method of establishing specifications is used, the specifications should specifically provide for bidding of competitive "or equivalent" grades. It is incumbent on a vendor who bids on supplies of supposed equal quality to those specified to document that the supplies or services that is being bid are, in fact, of equal quality.

C. **Specification by Blueprint or Dimension Sheet**

Specifications of construction projects for everything from buildings and streets to custom built cabinets, furniture, machines, or other equipment should be written to reference the blueprints or dimension sheets prepared by the engineer or architect. Such specifications provide an appropriate method of evaluating all bids, and later of verifying the quality of the construction work or the equipment or fixtures delivered.

D. **Specifications by Chemical Analysis or Physical Properties**

Specifications that include the chemical analysis or physical properties of the supplies requested clearly place responsibility on the supplier to provide exactly those items requested. Care must be taken in preparing specifications utilizing this method to insure that competition remains a part of the bidding process. If the specifications are drawn too narrowly and only one bidder is qualified to meet the technical specifications, the cost of obtaining these items may be higher than necessary due to the lack of competition.

E. **Specifications by Performance, Purpose, or Use**

Specifications that include a set of performance criteria for the supplies or services required will provide flexibility for vendors to design products or programs specifically aimed at meeting the purpose or performance standards the city has established. Generally, specifications that center on performance standards generate greater competition since they allow vendors to exercise creativity in the types of services or supplies included in their bids.

Department Directors are cautioned to exercise care by including technical specifications that will provide a floor or bottom line quality determination. The use of performance specifications without minimum standards could result in items being installed, paid for, and later determined not to meet city expectations. It can then be very difficult to go back to a vendor and argue that the item bid did not meet the performance criteria established. At that point, the determination of satisfactory performance can become extremely subjective, with the vendor insisting that his item is acceptable even though actual experience indicates otherwise.

F. **Specification by Identification with Industry Standards**

Specifications will often refer to industry-wide standards or to standards set by other public jurisdictions. Some examples of these would be lumber grading, standards set by the asphalt or concrete industries or by referencing standard specifications of the Missouri Department of Transportation or other state or Federal agencies.

G. **Specifications by Samples**

Whenever appropriate, a sample is a good way to make requirements perfectly clear. A good example is printing bids for which artwork or an existing form is attached. Whenever samples are utilized, Department Directors should provide an adequate supply so that originals can be sent with all bid invitations to vendors who request bidding documents.

## **SECTION VII- DELIVERY AND PERFORMANCE**

A contract or purchase order that is complete in all respects and that is accepted by the parties concerned still must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies, or equipment.

The importance of the delivery schedule should be emphasized to the vendor. Delivery requirements must be clearly written and fully understood by all contract participants. If several items are required by the contract, there may be a different delivery schedule for each item. The delivery schedule will normally be shown in calendar days from a specific date or transaction, such as receipt of order by the vendor. It is also important that you clearly show the place for delivery and the receiving time schedule at the delivery points. If there are liquidated damages for non-delivery or late delivery call these terms to the attention of the vendor and stress their importance. All parties should know where the material will be accepted -- f.o.b. (free on board) origin or destination. The f.o.b. location is where title to the supplies passes from the vendor to the city. Generally, the f.o.b. location will be City Hall or a job site.

### **7.1 FOLLOW-UP AND EXPEDITING**

Follow-up is the monitoring of the delivery schedule to assure compliance. Expediting involves an attempt to improve or to reduce the contractually stipulated delivery time for various reasons, and the vendor is not legally obligated to comply.

The primary objectives of the follow-up function are:

- A. To assure full compliance by the vendor; and
- B. To develop documentation for future evaluation of the vendor's performance.

The early detection of possible delivery delays will provide the city with a greater opportunity for resolving the problem and for developing satisfactory alternatives.

The initial follow-up action would be to reaffirm the delivery schedule and to establish a proper liaison with the seller's representative. If delivery problems do develop, the following techniques may be used to help solve them:

- C. Contact the sales person for assistance.
- D. Initiate collect telephone calls. (Fax or letters may also be used.)
- E. Visit the vendor's plant. This might help solve the problem and will assist in verifying any reasons for the delay.
- F. Cancel the contract for nonperformance.

## **7.2 DELINQUENT DELIVERIES**

When follow-up efforts have failed, and deliveries have become delinquent, one of two actions must be taken:

- A. Authorize additional time for delivery; or
- B. Cancel and order from another source(s).

In making the decision as to which of these actions should be taken, several factors must be considered:

- C. Needs and requirements of the city;
- D. Agreements with the vendor;
- E. Availability of the items from other sources; and
- F. The time it would take for delivery if reordered from another source.

In all cases, the reasons for delinquent deliveries should be documented. This information may be needed in evaluating future bids submitted by that vendor.

## **7.3 PARTIAL DELIVERIES**

Some purchase orders may list several items. In this event it may be possible for the vendor to complete timely delivery on some of the items, which would be referred to as "partial deliveries" on the complete bid. If these items can be used separately, partial payments can and should be authorized. However, if the separate items were part of a system, then partial deliveries would be of little value to the city. In this case, partial payments should not be authorized.

## **7.4 SUBSTITUTION**

To meet the contractual delivery schedule, it may be appropriate in some situations to consider substitute items. The specifications should cover this eventuality and would govern the legality of the transaction. However, substitutions may be necessary, regardless of the specifications, if it is necessary for the city to have the material by a specified date. Other reasons for substitution may be design changes, raw material shortages, or health and safety priorities.

Whenever substitutions are necessary, due to shortcomings of the vendor, it is the responsibility of the purchaser to seek and obtain an adjustment for lower prices on the substituted items. This action will serve to meet the legal requirements of the contract and to discourage future substitutions by the same vendor. In addition, this action will serve notice on the other bidders that no favoritism was shown and that compliance with specifications is expected from all vendors.

## **7.5 BID BONDS**

A bid bond may be required for certain large sum purchases to protect the city in the event that the low bidder attempts to withdraw his bid or to serve as a barrier to financially irresponsible bidders. The bid deposit, which may be in the form of a cashier's check or other form of cash, represents what the bidder agrees to forfeit to the city as liquidated damages in the event of failure to sign a contract or to provide a satisfactory performance bond, if required.

## **7.6 PERFORMANCE PAYMENT BONDS**

Per RSMO Sec 107.17, a performance payment bond is required on all public works contracts with an estimated cost exceeding \$25,000 when the city enters into a construction contract, and may be required in other contracts involving phased work and phased payment schedules when, in the opinion of the Department Director or the City Administrator finding another contractor to complete the work would financially damage the city. These bonds are in the form of cash or a third party guarantee. They increase the cost of a contract and are sometimes difficult to enforce. The city only accepts performance bonds from firms licensed by the State of Missouri and that have a "AA" rating from an appropriate rating service.

## **7.7 NON-PERFORMANCE**

Should the vendor fail to meet any requirement of the specifications, the vendor can be cited for nonperformance. The seriousness of nonperformance must be evaluated based on the circumstances surrounding each violation. However, there should always be some recourse to the city when a vendor fails to perform in accordance with the terms and conditions of a contract.

These recourses include:

- A. The city may exercise its rights under a liquidated damages clause or under the terms of a performance bond.
- B. The city may obtain the needed items from another source and charge the delinquent vendor the excess difference in cost. However, obtaining the delinquent items from another source is not always an acceptable solution, since additional delivery time may be required. A revised delivery schedule with the vendor may be the best remedy.
- C. The city may terminate the contract for default if it is in the best interest of the city and if the items can be obtained under more favorable conditions from other sources.

## 7.8 INSPECTION AND TESTING

Human lives as well as the success of expensive projects may depend upon how well the purchased items meet design and performance specifications.

Supplies and materials should be checked at the time of receipt to detect any damage or defects. Inspection also includes assuring that the material complies with the specifications.

A variety of tests may be conducted to determine if the merchandise meets specifications. Certain forms of inspection and testing will only be conducted on a percentage of the items, as the procedure may make the items unusable. Inspecting/testing every item received is neither economical nor practical.

Inspection and testing may be performed at origin or destination. These tests are classified as sampling, chemical/lab, functional, and endurance tests. In some cases, a certification of compliance will be accepted.

All requirements for inspection and testing must be clearly stated in the specifications.

Both inspection and testing are costly, but the benefits far outweigh the expense when defects can be detected before they cause loss of life, injury, or equipment failure.

Inspection, testing, and acceptance are conclusive, except for latent defects or fraud.

- A. **Reports, Rejection, and Return Authorization** - Whenever an inspection is performed, all reports to properly support claims or actions must be thoroughly documented. Sufficient time should be scheduled to allow for an inspection immediately upon arrival of the supplies, taking into consideration required tests as necessary.

Supplies should be inspected for damage, quantity, quality, price, and for all other requirements listed in the specifications. A copy of the inspection report will normally be used to substantiate payment for the supplies and verification of receipt.

In case of rejection, for whatever purpose, certain steps must be taken to inform and to protect the rights of the vendor as well as of the city. Reasons for rejection must be listed and these reasons should reference specific requirements of the contract.

- B. **Damage During Shipment** - One of the major reasons for inspection at the time of receipt is to detect any visible damage. It is important that all damage be completely described on the receiving report. Any evidence of concealed damage should also be noted at this time. This notation is necessary to support the filing of damage claims against the carrier. The carrier should be notified immediately, and a joint inspection should be scheduled with the carrier's representative.

When it is apparent that the extent of the damage causes the supplies to be worthless, they should not be accepted. If the shipment is "f.o.b. destination," the vendor is responsible for assisting with the settlement of the claim and for full replacement of the damaged items. Payment will be withheld until the claims are settled.

- C. **Latent Defects** - Latent defects may be the result of damages in transit or of failure of the manufacturer to conform to specifications. Consequently, it is sometimes very difficult to fix responsibility for the defective material. If the carrier is suspected to be the one at fault, then the carrier's representative should be invited to come in for a joint inspection. Subsequently, a claim describing the situation should be filed with the respective carrier.

A similar procedure should be followed if the vendor or manufacturer is suspected to be at fault. Specifying the destination at which the city accepts delivery of shipments (f.o.b. destination) is important because the vendors are responsible for rectifying the situation or for correcting the defect. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the city may have to file a claim against all parties, seeking their cooperation in resolving the situation.

## **SECTION VIII - LEGAL AND CONTRACTUAL REMEDIES**

### **8.1 RIGHT TO PROTEST**

Any actual or prospective bidder or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the City Administrator. The protest must be submitted in writing within 3 working days after such aggrieved person knows or should have known the facts giving rise to the protest.

### **8.2 AUTHORITY TO RESOLVE PROTEST**

The City Administrator has the authority, prior to the commencement of an action in court concerning the controversy, to settle and resolve a protest arising out of these regulations. This authority is limited to settlement within the scope of the solicitation and the city's procurement regulations.

### **8.3 DECISION**

If the protest is not resolved by mutual agreement between the bidder and the City Administrator, the Purchasing Manager will promptly issue a decision in writing. The decision will be final. A copy of the decision will be mailed or otherwise furnished immediately to the protestant.

### **8.4 FINALITY**

A decision by the Purchasing Manager is final and conclusive unless the protestant submits a written appeal to the City Administrator within three (3) working days of the receipt of the Purchasing Manager's decision. The City Administrator's decision is final and no further appeals shall be made.

### **8.5 STAY OF PROCUREMENT DURING PROTESTS**

In the event of a timely protest, the city will not proceed further with the solicitation of or the award of a contract unless the City Administrator makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the city.

### **8.6 DEBARMENT OF SUPPLIERS**

The Purchasing Manager has the authority, after conferring with the City Attorney, to debar suppliers from receiving any business from the city for a stated period of time, not to exceed three (3) years. The causes for debarment include:

- A. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract, or sub-contract, or in the performance of such contract or sub-contract.
- B. Conviction under state or federal statutes of embezzlement, theft, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty that seriously and directly affects responsibility as a city contractor.

- C. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.
- D. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in a contract.
- E. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts provided that said failure to perform was caused by acts beyond the control of the contractor.
- F. Any other cause the Purchasing Manager determines is so serious and compelling as to affect responsibility as a city contractor, including debarment by another governmental agency for any cause listed in regulations.
- G. A decision by the Purchasing Manager to debar shall be final and conclusive, unless the debarred person submits a written appeal to the City Administrator within three (3) working days of the receipt of the Purchasing Manager's decision. The City Administrator's decision is final and no further appeals shall be made.

## **SECTION IX - DISPOSAL OF SURPLUS SUPPLIES**

Supplies become obsolete or they wear out. Occasionally they are overstocked. Changing technology, accumulation of waste, and fulfillment of the useful life of supplies make the disposal of surplus inevitable. The city is interested in full realization of the value of supplies it purchases and disposes of. Competitive selling of surplus, obsolete, or usable supplies is required. This may be achieved through a public auction and requires the approval of the Department Director and Purchasing Manager.

### **9.1 AVOIDANCE OF CONFLICTS**

No employee of a disposing department may directly or indirectly purchase or agree with another person to purchase surplus property owned by the City. City employees may purchase surplus property through the public means initiated by the City.

### **9.2 AUCTIONS**

Auctions are an acceptable alternative to soliciting sealed bids. The use of an auction company is authorized to facilitate the sale of surplus vehicles, equipment and supplies. The City of Grandview utilizes the auction company approved through Mid-America Regional Council (MARC).

A Schedule of Surplus Property (**Appendix F**) must be prepared by the disposing department for all surplus vehicles, heavy equipment, and machinery. The schedule must be approved by the Department Director and submitted to the Purchasing Manager for final review and approval. All obsolete or surplus computers, printers, office equipment and other miscellaneous property from each department should be moved to a central location within the City as determined by Facilities Management. Facilities Management will periodically prepare a detailed list of these items and submit to the Purchasing Manager for approval. The Purchasing Manager will make the final arrangements for disposition of all surplus property with the auction company as approved by MARC.

## **SECTION X - TRAVEL REGULATIONS AND REIMBURSEMENTS**

### **10.1 PURPOSE AND SCOPE**

City employees and elected officials are often authorized to incur travel expenses in order to attend conferences, seminars, and meetings pertaining to City business. Training related travel afforded employees should be viewed as a privilege to be handled with accountability and frugality. Due to the increasingly sensitive nature of travel expenses incurred by municipal government officials, a written statement of policy and procedure is necessary to ensure proper approval of all travel requests, understanding as to the acceptability of reimbursable travel expenses, and consistency as to the appropriate methods of requesting travel reimbursement. In order to ensure compliance with the following policies, assignment of Finance Department staff to various internal control functions are also necessary. Although the following list of required procedures often refers to City employees, all City officials, including elected officials, are subject to the policies and procedures of this statement. This statement pertains to all travel and all travel-related expenses, but does not apply to social functions where the City requires attendance of employees, elected officials, and their spouses.

### **10.2 POLICIES AND PROCEDURES**

The Department Director must approve all travel requests for his/her respective department. The Mayor must approve all travel requests of \$1,000 or more for the City Administrator. The Mayor and Board of Aldermen must review and approve all travel requests of the Mayor and Board of Aldermen. The City Administrator must approve all department travel requests of \$1,000 or more and Finance Department requests of \$500 or more. The Purchasing Manager or his/her designee must approve all travel requests of \$500 or more. In addition, all travel requests of \$500 or more must be audited by the Finance Department for compliance with City travel policies at least ten business days prior to traveling unless other arrangements have been made. All travel requests and subsequent approvals must be documented on a Travel Funds Request form. If more than one employee is attending the same conference, seminar, or meeting, the above dollar threshold applies to the group, not each individual employee. The Finance Department will maintain a file of all approved travel requests.

### **10.3 ACCEPTABLE TRAVEL EXPENSES**

Upon approval of the Travel Funds Request form, the employee must utilize a City issued purchasing card for commercial transportation, lodging and registration fees. The employee will only be reimbursed for mileage, meals, and other miscellaneous expenses such as communication charges, parking fees, and shuttle or taxi fees. The City will not reimburse travel-related expenses for the spouse or other personal guests of an employee or elected official. Entertainment expenses are not reimbursable.

#### **A. Transportation**

Transportation-related expenses must be paid with a City issued purchasing card (except mileage) and will be based upon the least expensive mode of transportation available, unless a more expensive mode is necessary due to business-related requirements.

Employees are expected to travel to approved out-of-state conferences or training by air because of the extra time required to drive. In instances where driving would require less than a full day, employees may be allowed to drive if approved by the Department Director and City Administrator. If an employee chooses to drive to a conference instead of flying via commercial airlines, the employee should claim the lesser of actual airfare cost or round trip mileage at the prescribed mileage rate. Commercial bus fares should not be considered in determining the least expensive mode of transportation. If an employee is approved to drive, the employee must document the estimated cost of alternative modes of transportation in order to determine the least expensive reimbursable cost.

Mileage reimbursement for authorized use of a personal vehicle will be at the rate of 80% of the rate established by the U.S. General Services Administration "Privately Owned Vehicle (POV) Mileage Reimbursement. Go to [www.gsa.gov/mileage](http://www.gsa.gov/mileage).

The use of city vehicles is encouraged, and they should be utilized for city related travel whenever feasible within an approximate 300-mile radius of the City. The employee should contact the Police Department to check for city vehicle availability and to reserve a city-owned vehicle for a specified seminar or conference. Car pooling is also strongly encouraged for employees traveling to the same seminar or conference.

#### B. Lodging

Lodging expenses must be paid with a City issued purchasing card and will be based on the normal and reasonable cost for the area. Proximity to the conference, seminar, or meeting will also be taken into account. If a double room is required because a spouse or personal guest has accompanied an employee, the City will reimburse only the cost of a single room. The employee should always request a Government rate when making hotel accommodations if applicable. All business-related communications costs such as telephone, facsimile, or modem charges should be added to the lodging bill and also paid with a purchasing card. The City will not reimburse the cost of any in-room videos, movies or personal communication costs.

#### C. Meals

Employees will be reimbursed for meals using a standard meal allowance based on the U.S. General Services Administration's "Domestic Per Diem Rate" schedule. Go to [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem). This reimbursement is dependent on travel location rather than keeping records of actual meal costs. To use the standard meal allowance method, an employee must be traveling away from home. Travel away from home is defined as travel during which an employee has to stop for sleep or rest.

Employees should claim a pro rata amount of standard daily meal allowance on the day travel begins and a pro rata amount of the standard daily meal allowance on the day travel ends. If meals are included with the registration fee, such as a conference banquet, the standard meal allowance should be reduced by the GSA approved meal allowance cost for that meal. Complimentary continental breakfasts will not be considered meals and will not reduce a daily standard meal allowance.

D. Registration Fees

The cost of registration fees may be processed for payment upon final approval of a Travel Funds Request form. Whenever possible, registration fees should be processed with a City purchasing card. However, if for some reason the City purchasing card is not an acceptable mode of payment by the conference or seminar, then an invoice should be initiated through the City's financial management system in order for an accounts payable check to be processed for the conference registration fees. All city employees should attempt to take advantage of any early bird specials available on registration fees when feasible.

E. Other Miscellaneous Expenses

These costs include other reimbursable travel costs not already covered in the above paragraphs, such as rental vehicles, parking fees, and shuttle or taxi fees. Whenever possible, miscellaneous expenses should be paid for with a City purchasing card.

The City will only pay for rental vehicles when it is less expensive than the alternatives such as taxis and shuttles. When requesting a rental vehicle, employees must provide documentation that this alternative will be more economical for the City. This documentation must be included with Travel Funds Request Form, and a purchasing card must be utilized for the payment whenever possible. If an employee chooses to incur rental car expenses for personal reasons, the employee may, with proper documentation, request partial reimbursement via purchasing card based on the estimated costs of taxis and shuttles available at the conference.

## 10.4 TRAVEL FUNDS REQUEST FORM

All city employees traveling on official city business must complete a Travel Funds Request form (**Appendix G**) at least ten days prior to travel.

After a Travel Funds Request form has been completed and signed by the employee, it must be approved as follows: If more than one employee is attending the same conference, seminar, or meeting, these dollar thresholds apply to the group, not individual employees.

A. The Department Director must approve all travel requests for his/her respective department.

1. If \$500 or more, submit to Finance for further review.
2. If less than \$500, no further approval is required.

B. The Purchasing Manager must approve all travel requests of \$500 or more.

1. Review for compliance with City travel policy.
2. If \$1,000 or more (or \$500 or more for the Finance Department), submit to City Administrator for further review.
3. If less than \$1,000, Finance Department will make a file copy.
4. Submit final approved original Travel Funds Request form back to originating department.

- C. The City Administrator must approve all Department Director travel requests of \$1,000 or more, and Finance Department travel requests of \$500 or more.
  - 1. Final review and approval.
  - 2. Submit back to the Finance Department.
  - 3. Finance Department will make a file copy.
  - 4. Submit final approved original Travel Funds Request form back to originating department.
  
- D. The Mayor must approve all travel requests of \$1,000 or more for the City Administrator.
  
- E. The Mayor and Board of Aldermen must review and approve all travel requests of the Mayor and Board of Aldermen.

### **10.5 EMPLOYEE ADVANCE FOR ANTICIPATED TRAVEL EXPENSES**

An employee is eligible to receive a travel advance for the standard meal allowance or per diem identified on the approved Travel Funds Request form. Travel advances will not be processed for airfare, lodging accommodations, conference registration fees, and vehicle rentals. It is the department's responsibility to initiate a manual check request for all approved employee travel advances. The Finance Department will process a check for each travel advance received three to seven business days prior to the anticipated departure date as indicated on the Travel Funds Request form. Checks will not be issued for advances of less than \$50.00; petty cash funds will be used for these travel advances. It is expected that employees will utilize their City purchasing card for airfare, approved rental vehicles and lodging related expenditures. Additionally, use of City purchasing card is also strongly encouraged for all other miscellaneous expenses, such as rental vehicles, parking fees, and shuttle or taxi fees.

### **10.6 REQUEST FOR TRAVEL REIMBURSEMENT**

After travel has been completed and reimbursable travel-related expenses have been incurred, employees must complete and sign a Request for Travel Reimbursement form (**Appendix H**) to receive reimbursement. All Travel Reimbursement Request forms must be approved by the department director. For travel reimbursement requests over \$1,000, approval is required from the City Administrator. For travel reimbursement requests by the City Administrator, Mayor, or Aldermen, the Travel Request Form must be signed by both the Mayor and City Administrator.

Prepaid expenditures for airfare and conference registration fees **do not** need to be entered on the Request for Travel Reimbursement form. All other travel expenses, including lodging expenses and travel advances, must be entered on the Request for Travel Reimbursement form.

Within ten business days of returning from a conference trip, employees must submit a properly authorized Request for Travel Reimbursement form with appropriate receipts and documentation to the Finance Department for review. If a cash advance was originally processed, a copy of the cash advance check should be attached as part of the required documentation.

If an employee is due a reimbursement, the Request for Travel Reimbursement form with appropriate receipts should be submitted to the Finance Department. After review and final approval by the Purchasing Manager, an invoice will be processed through the City FMS and a manual check for reimbursement will be issued.

If the City is due a reimbursement, employees should take the reimbursement funds (preferably in the form of a check) to Finance collection counter or their respective department's collection counter. Employees will receive a receipt from the cashier, and a copy of the receipt must be attached to the Request for Travel Reimbursement form.

If there is a zero dollar balance, a Request for Travel Reimbursement form must be completed and submitted to the Finance Department for final review in order to complete the travel cost documentation for the trip.

The Purchasing Manager or his/her designee will match each Travel Funds Request form to the corresponding Request for Travel Reimbursement form. Every month, the Purchasing Manager will report to the Finance Director any employee who is late submitting a Request for Travel Reimbursement form based on information obtained from the Travel Funds Request form. The Finance Director will notify the employee and/or the department director of the overdue travel reimbursement documentation and indicate that the employee will be prohibited from incurring any additional reimbursable travel expenses until a completed travel reimbursement form has been submitted to the Finance Department. If there is no response within two business days from the Finance Director's notification, the Finance Director will notify the City Administrator of the employee's apparent failure to comply with the policy. The affected employee shall also be subject to disciplinary action unless and until the travel reimbursement forms have been submitted and any remaining amounts due the City are paid.

## 10.7 TRAVEL POLICY DUE DATES

TIME FRAME	ACTION
1. At least 10 business days prior to Travel.	Complete Travel Request Form & submit to the Finance Department for approval.
2. 3-7 business days prior to departure.	Manual Check for Per Diem will be processed.
3. After Travel and within 10 business days.	FINALIZE Travel Forms and return all receipts attached to the Finance Department.
4. Within 7 business days.	<b>REMINDER</b> email will be sent to Employee, Department Director & Purchasing Manager.
5. On the 10 <sup>th</sup> business day.	<b>FINAL NOTICE</b> email will be sent to the Finance Director to determine if further action is necessary.
6. After 12 days business days.	If documents are still <u>NOT</u> received the <b><u>FINAL NOTICE will be forwarded to the City Administrator.</u></b>