

**CITY OF SCANDIA
RESOLUTION NO.: 08-21-18-03**

RESOLUTION UPDATING PURCHASING POLICIES

WHEREAS, the Scandia City Council has determined that a purchasing policy is necessary to provide guidance to staff involved in the purchasing of materials, equipment and services; and

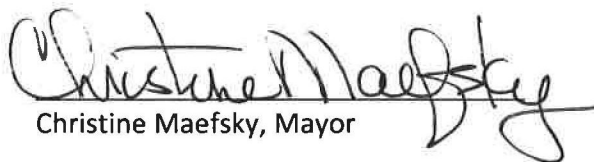
WHEREAS, the objectives of the policy are:

- To obtain supplies, equipment, and services as economically as possible.
- To ensure that all purchases are best suited to the specific needs of the city.
- To ensure adherence to the budget approved by the City Council.
- To provide for the most efficient use of staff and City Council time and resources.
- To ensure compliance with all applicable policies, statutes, and regulations of the City, the State, and the Federal Government.
- To ensure that qualified and responsible bidders are selected for city projects.
- To purchase sustainably when practicable.

WHEREAS, the Scandia City Council has determined that the Purchasing Policy adopted on July 15, 2008, amended October 16, 2012, and amended February 19, 2013.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCANDIA, WASHINGTON COUNTY, MINNESOTA, that it should and hereby does adopt the attached "Purchasing Policy", said policy taking precedence over any other policy that may have been established in the past that may be in conflict.

Adopted by the Scandia City Council this 21st day of August, 2018.


Christine Maefsky, Mayor

ATTEST:



Administrator/ City Clerk

**City of Scandia
Purchasing Policy**

Approved by the City Council August 21, 2018

I. INTRODUCTION & OBJECTIVES

The purchasing policy for the City of Scandia is established by the City Council to provide guidance to staff involved in the purchasing process. Council grants staff the authority to purchase materials, equipment and services, within the budget previously approved by the Council, consistent with this policy. The objectives of the policy are:

- a) To obtain supplies, equipment, and services as economically as possible.
- b) To ensure that all purchases are best suited to the specific needs of the city.
- c) To ensure adherence to the budget approved by the City Council.
- d) To provide for the most efficient use of staff and City Council time and resources.
- e) To ensure compliance with all applicable policies, statutes, and regulations of the City, the State, and the Federal Government.
- f) To ensure that qualified and responsible bidders are selected for city projects.
- g) To purchase sustainably when practicable.

II. PURCHASING STANDARDS AND METHODS

a) Small Purchases Less than \$2,000

Purchase of budgeted items or services costing less than \$2,000 may be authorized by the City Administrator or department head (Fire Chief and Maintenance Supervisor.) The City Administrator, Fire Chief or Maintenance Superintendent may require a purchase order prior to the expenditure of any funds. Such small items may be charged on account, on a city-authorized credit card or purchased with petty cash as may be appropriate or most convenient for the particular purchase. The staff member making the purchase shall endeavor to obtain the best prices available on the open market.

b) Purchases Greater than \$2,000 and less than \$ 5,000

Purchase of items or services costing more than \$2,000 and less than \$ 5,000 may be authorized by the City Administrator. The Administrator may require the department to obtain two or more quotes to be included on the purchasing order to ensure that the price is competitive. Quotes will not be required if the purchase is available from a single source. Prior review of the purchase by the City Council is required in the following cases:

- 1) if the purchase would cause an individual line item in the departmental budget to be exceeded by \$1,000, or cause the departmental budget to be exceeded by any amount for that year; or
 - 2) if the purchase is budgeted within the Capital Improvement, Equipment Replacement or Park Capital Improvement Fund budgets.
- c) **Purchases Greater than \$ 5,000 and less than \$50,000**
All purchases costing more than \$ 5,000 and less than \$50,000 must be pre-authorized by the City Council. At least two quotes shall be obtained and reviewed by the City Administrator prior to submission to the City Council. The quotes shall be kept on file for one year.
- d) **Purchases greater than \$50,000**
Sealed bids shall be solicited when and in the manner provided by state law for all purchases over \$50,000. Prior to solicitation of bids, the department shall prepare specifications to be reviewed by the City Administrator and approved by the City Council. The specifications shall reserve the city's right to reject any and all bids and waive informalities or irregularities. After bids are received and tabulated, the successful bid will be presented to the City Council for approval by resolution. The bid will be awarded to the lowest responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, represents the best combination of quality, service and price. The determination of whether or not the bidder is responsible will be made by the City Council based on Section IX of this policy.
- e) **Consultants and Professional Services**
The city hires a variety of consultants and purchases professional services on an on-going basis (such as City Engineer, City Planner, City Attorney, etc.) as well as on a project-by-project basis. Competitive bidding is not required for professional services. For new on-going services, and for projects or assignments exceeding \$2,000 in cost, the City Council shall review and approve a request for proposals prior to its issuance. The Council shall also determine the procedure to be used to select the consultant or contractor.

III. EMERGENCY PURCHASES

Emergency purchases not meeting the requirements of this policy may be made by staff where an immediate purchase is necessary to correct a situation which would adversely affect the life, the health and safety of people, personnel and/or to protect the environment. To the greatest extent possible, this policy should be followed, and every effort shall be made to notify the department head and City Administrator as soon as possible when the need for an emergency purchase arises. Such emergency purchase shall be explained to the City Administrator on the next

working day, and to the City Council at their next regular meeting.

IV. COOPERATIVE PURCHASING

Where a purchase contract has been awarded in compliance with applicable state statutes, and where it is legally permissible for the city to participate in that contract, the City Administrator or appropriate Department Head may purchase supplies named in that contract, without obtaining quotes or fulfilling the competitive bidding requirements

V. SUSTAINABLE PURCHASING

The City Council supports purchasing that reflects the City's commitment to improving the quality of life for its residents by seeking to minimize expenditures on energy, minimize the city's contribution to the total amount of paper waste produced, and improving the operating costs of city-owned buildings. Subject to budgetary constraints in making purchasing decisions, City staff will evaluate the option to purchase paper products containing the highest post-consumer content practicable but no less than 30% recycled-content for copy paper, to buy in bulk whenever practicable to reduce packaging, to purchase appliances for which the US EPA Energy Star certification is available, and to purchase water saving products that meet the WaterSense certification.

VI. CITY CREDIT CARD ACCOUNTS

The City Council authorizes city credit cards to be issued in the names of the City Administrator, Treasurer, Fire Chief and Public Works Director. Credit cards may be used for small purchases less than \$2,000 as authorized by this policy. No cash advances or checks for transfers shall be permitted. Any purchase directed by or made by an employee using a city credit card that is not approved by the Council shall be the responsibility of the employee.

VII. DOCUMENTATION OF PURCHASES

As soon as practical following any purchase, the responsible staff person shall submit documentation including receipts and quotes to the department head, who shall initial them signifying approval before forwarding them to the City Administrator's office. Credit card statements alone will not qualify as adequate documentation. The City Administrator shall ensure that proper documentation has been provided before submitting claims to the City Council for approval. All receipts and quotes shall be retained as required by the city's retention policy.

VIII. PAYMENT OF CLAIMS

The City Administrator/Clerk shall present a list of all claims to be paid to the City Council for approval at its regular monthly meeting. The Council delegates authority to staff to pay the following type of claims prior to Council approval:

- a) Payroll and related expenses (such as taxes, employee benefits, etc.)
- b) Principal and interest payments on obligations of the city.
- c) Claims that would result in payment of late charges or interest if payment is deferred until the next regular Council meeting.
- d) Electronic funds transfers to the State of Minnesota for permit surcharges.
- e) Payments for postage to the U.S. Post Office or for refilling a postage meter, if credit card payments are not accepted or timely Council approval is not practical.

IX. DISPOSITION OF SURPLUS PROPERTY

Surplus, salvage, obsolete and unneeded materials or equipment belonging to the city may be disposed of by the City Administrator, or by a department head upon the approval of the Administrator. Disposal of any item valued at \$100 or more shall require prior authorization by the City Council. The method of disposition shall be appropriate to the type of item and shall be approved by the Council at the time they determine that the item may be disposed of. The method of disposal shall comply with all requirements of state law, including all restrictions on the sale of city-owned property to a city officer or employee.

X. RESPONSIBLE BIDDER POLICY

The City Council will review the qualifications and experiences of bidders for construction, alteration, repair, or maintenance of real or personal property after bids are opened and before a contract is awarded, to determine if the bidder is "responsible". A "responsible" bidder is a bidder qualified to do the work. This will be determined by assessing the bidder's skill, resources, experience, successful performance or similar contracts (on time and on budget), and all other matters bearing upon the likelihood that the contract will be successfully completed. In all cases where a bidder is unknown or where there are any questions about the qualifications of the bidder, the following information will be required of the apparent low bidder in the form of a questionnaire, as follows: