

  Finance	<b>Date</b>	<b>Number</b>
	5/15/2020	20-04
	<b>Retention</b>	<b>Approval</b>
	Permanent	5/19/2020
<b>To:</b>		
ALL PERSONNEL		
<b>Subject:</b>		
PURCHASING POLICY		

Responsible management of the City’s financial resources is critical to the operations of the City of Wyoming. The Purchasing Policy has been developed to ensure proper accountability of the public funds entrusted to the City of Wyoming and to promote the goals of the City Council. The Purchasing Policy applies to all employees and officials of the City and relates to the procurement of services and/or goods, unless specifically exempted in this policy. Failure to comply with the policies and guidelines could result in disciplinary action and/or personal financial liability.

**PURPOSE**

It is the purpose of this policy to:

- Clarify the system of purchasing contractual services, material, and equipment for the City;
- Determine the levels of approval necessary before purchasing contractual services (except professional services), material, and equipment for the City;
- Provide public confidence in the procedures used in public purchasing;
- Ensure fair treatment of all persons who deal with the City procurement system;
- Provide economy and value in City purchasing activities;
- Foster competition within the free enterprise system where possible and appropriate;
- Provide safeguards for the assurance of a purchasing system of quality and integrity.
- Direct City funds towards environmentally sustainable goods and services

**GENERAL GUIDELINES**

This policy applies to all procurements of supplies, services, and construction, entered into by the City of Wyoming after the effective date of this policy. It shall apply to every expenditure of public funds by a City employee for City purchasing irrespective of the source of the funds. When the procurement involves the expenditure of federal assistance or contract funds, the procurement shall be conducted in accordance with any mandatory applicable federal law and regulations. Nothing in this policy shall prevent any City employee from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.

The City Administrator is hereby designated the Purchasing Agent, hereinafter named "Agent," for the City. The Agent may delegate authority to any designee for the preparation of specifications, the obtaining of quotations as may be required, and the purchase of items as specified in this policy.

- The terms of this policy are applicable to the purchase of all budgeted goods and non-professional services, and non budgeted items. .
- City departments shall adhere to this purchasing policy.
- The Agent is hereby granted the authority to make all budgeted purchases in accordance with the provisions of this policy for all items not specifically requiring Council approval. For items requiring Council approval, the Agent is authorized to solicit bids or quotes for Council approval.

### **PURCHASES REQUIRING COUNCIL APPROVAL**

Prior approval of the City Council is to be sought for all purchases in excess of ten thousand dollars (\$10,000.00), except for the following:

- Professional services such as legal, engineering, auditing that are rendered under an approved contract for such services.
- Utility expenditures such as electricity, natural gas and telephone services for all city owned properties.
- Payroll and related expenses such as employee medical premiums, pension payments and mandatory State and Federal withholding.
- Routine expenditures such as insurance premiums and bond payments which received prior Council approval and authorization through the budgetary process.
- Public improvement projects ordered by the City Council such as street paving, seal coating, sewer, water and storm sewer.

### **PETTY CASH DISBURSEMENTS**

Items purchased having a value that is less than twenty dollars (\$20.00) may be paid for from the Petty Cash Fund. The Petty Cash Fund shall be maintained at City Hall. All reasonable effort shall be made to maintain the petty cash fund cash on hand at less than two hundred dollars (\$200.00). A log of petty cash fund transactions shall be maintained by City Hall.

### **PURCHASES UP TO \$10,000.00**

City Department Heads are authorized to purchase materials, equipment and services having a value up to ten thousand dollars (\$10,000.00) without prior approval, providing there is funding in the budget for said purchases. Generally, these types of purchases are for services, materials, supplies and equipment needed for day-to-day operations

The authority to award or reject any and or all bids, proposals, and/or quotes in the amount of \$9,999.00 or less for all budgeted purposes may be delegated by the Agent

to an appropriate designee, but such purchases shall be subject to approval by the Agent and/or designee.

### **PURCHASES OVER \$10,000.00 AND UP TO \$25,000.00**

Written quotations shall be obtained from at least two (2) vendors for purchases having a value over ten thousand dollars (\$10,000.00) and up to twenty-five thousand dollars (\$25,000.00), and those quotations shall be presented to the City Council for approval. Whenever feasible the purchase shall be made from the lowest bidder offering quality merchandise.

### **PURCHASES BETWEEN \$25,000.00 AND \$175,000.00**

All materials, equipment and services costing more than twenty-five thousand dollars (\$25,000.00) but less than one hundred thousand dollars (\$100,000.00), competitive bidding is allowed but not required. The city has the option of either using the competitive bidding process or making the contract by direct negotiation. If direct negotiation is used, the city must get at least three (3) quotations, unless the single quote is from the State Contract or if a proprietary product situation is present, and keep them on file for at least one year. All purchases shall be let to the lowest responsible bidder, and the following procedure shall be followed:

1. The Department Head shall provide the Agent with notification concerning the requested expenditure of funds for the purchase of an item(s) with a cost greater than twenty-five thousand dollars (\$25,000.00), including supporting narrative as to whether or not the purchase is a budgeted item, and the intended source and availability of funds. It is the responsibility of the requesting Department Head to prepare specifications with Agent assistance.
2. If the requested purchase is a budgeted item, Council approval prior to bid letting is unnecessary.
3. If it is a non-budgeted item, the request shall be placed on the agenda for the next council work-session for discussion. If the Council recommends the purchase, the matter shall likewise be placed on the agenda for the next Council meeting.
4. If the Council authorizes bids for the purchase, the Agent or Designee shall see that appropriate notices are published, and distribute plans and specifications to interested persons/companies.
5. Bids shall be sealed, and held in the Administrative Office of the City of Wyoming prior to the formal bid opening.
6. When it is time for the formal bid opening, the Agent or Designee shall open all sealed bids which have been submitted for consideration, and read each and every one aloud. The Agent or Designee shall then see that a report is made to the Council concerning the bids received. The report shall contain his/her recommendation concerning the bid to be accepted, and, if a bid other than the lowest bid is recommended, the report shall state the reasons for such recommendation.
7. If the Council approves the report, a motion authorizing the acceptance of the bid shall be made.
8. The Council may, in times of emergency or when otherwise impractical, waive

the provisions of this section.

9. Professional services are excluded from the requirements of this section, where quality of service as well as fee will determine the acceptance of the proposals.

### **PURCHASES OVER \$175,000**

Contracts exceeding the estimated price of \$175,000 must use the competitive bidding process

### **EMERGENCY PURCHASES**

Under emergency conditions, purchases may be made by authorized departmental personnel provided a report of such purchase is made to the Agent as soon as practical and to the appropriate governing body at its next regularly scheduled meeting. Emergency conditions shall be defined as those purchases necessary to protect life, health, and safety.

### **LOCAL MERCHANTS AND BUSINESSES**

Taking price and service into account, the City shall give due consideration to local merchants and businesses.

### **Environmentally Preferable Purchasing**

Environmentally Preferable Purchasing is the purchasing of products or services with a reduced effect on human health or the environment when compared with products or services that serve the same purpose. Products or product usage procedures which are acknowledged to have minimal impact on the environment through their composition, their recyclability, or through a reduction in quantity and toxicity of waste products, energy use or water consumption are preferred.

Sustainable purchasing is both a financial question as well as an environmental one. Increased environmental standards may result in cost increases for products and services. The City should prioritize environmentally preferred products unless the cost exceeds 5% of the products or services without these provisions that serve the same purpose.

The goals of the Environmental Preferable Purchasing section of this policy are to:

- Conserve natural resources
- Reduce the use of water and energy
- Minimized environmental impacts such as pollution and use of water and energy
- Eliminate or reduce toxins that create hazards to workers or community members
- Support strong recycling efforts and utilize products where a high likelihood of recycling exists

- Reduce materials that are place in landfills
- Increase the use and availability of environmentally preferable products
- Encourage vendors to reduce environmental impacts in their production and distribution systems