CITY OF COUNCIL BLUFFS
PURCHASING POLICY

Council Approval: DRAFT
Resolution #:

The Purchasing Division's main function is to assist in all purchases made by the City of Council Bluffs and to ensure these purchases are in compliance with State and City Municipal Codes.

The objective of the Purchasing Division is to process all purchase requests and associated documentation in a timely manner and to ensure all goods, services, and materials are properly authorized, received, and recorded. Purchasing operates on how much will be spent on a single product/service this fiscal year. City threshold amount requirements are outlined in the City's Purchasing Overview Chart, as well as, City Ordinance Chapter 1.32 Purchasing. Best practice is to start the procurement process as soon as the department is made aware of the purchase need, project, or concern. Waiting to contact Purchasing with a purchasing need, may delay delivery of the purchased item(s).

Purchase orders are to be requested either when it is a vendor requirement or when the dollar amount of the purchase exceeds $5,000. City P-Cards should be used, whenever possible, under that dollar amount. Refer to the P-Card Policies and Procedures for further instruction.

All personnel involved in the procurement of goods and services, whether in the Purchasing Division or a requesting department, must have a thorough understanding of purchasing policies and procedures. It is the responsibility of personnel in departments that perform purchasing functions to know and apply applicable laws, policies, and procedures. Spending authority will be given by Department Heads. City personnel may be assigned to the following spending authority levels:

- Level 1 – Up to $250
- Level 2 – Up to $1,000
- Level 3 – Up to $5,000
- Level 4 – Up to $20,000

An individual may not make any purchase that exceed his/her assigned spending authority. Spending authority will be assigned by the Department Heads based on, but not limited to, the following factors: job description, need, volume, and functional convenience. Spending authority must be contemporaneously recorded and those records maintained according to the applicable retention policy.

Only City staff with adequate spending authority are authorized to request and execute purchase orders. Vendor name, account code, complete description, dollar amount, and any applicable documentation are required for purchase order generation.

An authorized representative must confirm the receipt of goods in order to fully process a purchase order. THE PURCHASING DIVISION WILL ISSUE PURCHASE ORDER NUMBERS TO APPROVED CITY STAFF ONLY. Purchase order numbers will not be issued to sales representatives without prior request from an approved City employee.

The following are prohibited practices:

- **Serial Purchasing:** The practice of issuing a series of orders within a ninety day period to the same vendor for the same item or service in order to avoid the appropriate competitive procurement process.
- **Fragmented Purchasing:** The intentional splitting of requisitions for like items or services in order to avoid the appropriate competitive process. This differs from serial purchasing in that the fragmented purchases usually occur at the same time, and the items may not be identical, though they are related by project or commodity.
- **Personal Gain:** When City employees obtain financial gain or anything of substantive value as a result of their positions as a City employee. Personal gain is extended to include the employee's immediate family and any organizations with which the employee is associated. Specific examples include the following:
    - Using City funds to make purchases of goods or services from yourself, your immediate family, as defined in the Financial Disclosure Form, or an associated organization.
    - Converting City property to personal use or gain without legally obtaining the property through normal surplus procedures.

EMERGENCY PURCHASES:

An Emergency can be justification for suspending the rules on competitive procurement. An emergency is defined in City ordinance 1.32.085.

The Purchasing Division will screen all "Emergency" purchases to ensure procedure has been met. **Departments must contact Purchasing as soon as they are made aware of a purchase need, project, or concern. Failure to plan ahead does not constitute an emergency.** The Department Head must complete and sign the Emergency Purchase Justification Form as his/her written approval of the emergency purchase and submit this form to the Purchasing Division for documentation and audit purposes.

REIMBURSABLE PURCHASES:

All purchases which are to be reimbursed by an outside entity must be procured in a manner that follows local regulations, applicable state regulations, applicable federal regulations, and the regulations of the reimbursing entity, whichever is most restrictive.

Procurements which are to be reimbursed by the federal government must also, at a **minimum**, comply with the City of Council Bluffs, IA Procurement Policy for Federally Funded Projects.

SOLE SOURCE AND COOPERATIVE PURCHASES:

As stated in the City's purchasing ordinances 1.32.070 and 1.32.080, sole source and cooperative purchases are permissible. Definitions can be found on the Procurement Justification Form and the same is to be executed for any and all such purchases. These definitions are taken from the National Institute of Governmental Purchasing (NIGP) Institute for Public Procurement.

EXCEPTIONS:

As stated in the City's purchasing ordinance 1.32.100, use of the exceptions provision is discouraged and shall be utilized only when absolutely necessary. A Department Head may determine a purchase does not meet the requirements or provisions of Chapter 1.32 Purchasing after establishing good cause. The Mayor is authorized to review and approve such exceptions after submission of the Purchasing Exception Form. The form must clearly identify good cause. "Good cause" shall meet **at least three** of the following circumstances:

a) more than one required purchasing method (Bid, Request for Quotes, RFP, Sole Source, Single Source, Cooperative, etc.) was attempted but unsuccessful;
b) the time frame required is such that an expedient purchase is in the best interest of the City;
c) an explanation that a requirement or provision of this chapter would likely result in an unintended, undesirable, or adverse consequence or outcome to the City;
d) the desired good or service could not have been reasonably foreseen or anticipated and immediate delivery or furnishings meet the needs of the City; and/or
e) there is a need for the purchase of used equipment or vehicles that meet standard operating requirements of the City, defined by the Equipment Maintenance Division.

SURPLUS PROPERTY:

Once the Department Head determines that property can no longer be utilized by his/her department, the Central Stores Manager should be contacted to classify the property as junk or surplus. The Central Stores Manager reserves the right to transfer items declared as surplus between departments or to dispose of sale surplus in accordance with the guidelines set forth by the Municipal Code 1.32.090. Anything considered junk will be disposed of properly. All surplus

electronic equipment considered junk must be transported directly to the Solid Waste Management Facility located at 4441 Gifford Road for proper disposal.

This procedure excludes land.

BIDS/REQUESTS FOR PROPOSALS (RFP):

Any time a department would like the Purchasing Division's assistance in obtaining quotes, bids, or RFPs, the department should contact Purchasing as early in the process as possible. The City utilizes an electronic bidding system. The City no longer accepts paper Bids/RFPs.

FLOW OF BID/RFP:

1. Authorized staff for the department submits Bid or RFP request via email to the Purchasing Officer along with the specifications.
2. Purchasing creates the Bid or RFP in the electronic bidding system.
3. Bid or RFP approved for release in the electronic bidding system by authorized staff for the department to include Department Head, if applicable.
4. Questions from vendors submitted electronically via the electronic bidding system to Purchasing.
5. Questions may be answered prior to or after the questions deadline. The questions are sent to the authorized staff for the department, answered, and sent back to Purchasing.
6. Purchasing posts the answers in the electronic bidding system.
7. Upon the bid opening date and time, the Purchasing Officer unseals the Bid or RFP in the electronic bidding system and sends the pertinent documentation to the authorized staff for the department.
8. The awarded bidder is chosen by the Department. If the apparent low bidder is not recommended, the recommendation to award to an alternate bidder must be presented to and approved by City Council.
9. Notice of award, bid tab, and contract execution administered by Purchasing.

DEFINITIONS:

- **Authorized Representative:** Individual staff assigned purchasing rights by the department head
- **Cooperative Purchase:** When two or more entities combine their requirement to obtain advantage of volume purchases, including administrative savings and other benefits.
- **Single Source (preferred manufacturer):** Competitive sources may be available but decision made for standardization, warranty, or other similar factors.
- **Sole Source:** Only one supplier possesses unique ability to meet particular requirements of the solicitation.