CITY OF COUNCIL BLUFFS, IA PURCHASING POLICY

~~PURCHASING POLICY~~

~~(REVISED 6/15)~~APPROVED BY COUNCIL XX/XX/2019

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. ~~as well as the City's Purchasing Ordinance.~~

Our objective 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.

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. Exceptions to the threshold can be made on a case by case basis. Refer to the P-Card Policies and Procedures~~y~~ for further instruction.

Spending authority will be given by Department Heads. City positions 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

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.

~~PURCHASING REQUISITION FORM; APPENDIX A:~~

~~This form is to be prepared by the requesting employee or support staff and signed or approved by the Department Head or designee. If one department is making purchases on behalf of a~~

~~different department, approval of the appropriate department head or superintendant must be obtained. Complete and accurate information is defined as follows:~~

~~**Fund Source:**~~
~~Located in the upper right hand corner of the new requisition, you will find an area identified as "Fund Source". If you are submitting a requisition that requires the funds to be charged to a source other than the regular line items of your operating budget, or if the transaction requires special tracking by the Purchasing Division, please check all applicable options and provide appropriate budget codes, project codes, and supplemental information as required.~~

~~**Vendor:**~~
~~Company name, address, and zip code. When using companies that use abbreviations in their name, but also have full names, you should indicate both on requisition. Also, indicate any other pertinent information (i.e. P.O. Box number) if vendor is Co., Inc., etc., as well as extended zip code information. When submitting a requisition for a "new" vendor, please attach a copy of the source that was used to prepare the requisition for the new vendor (i.e. business card, letterhead, mailer, order form, etc). Purchasing will then obtain a W-9 from the new vendor. This information will ensure that the vendor information is accurately recorded in the vendor file.~~

~~**PO# (Purchase Order Number):**~~
~~**(NOT REQUIRED FOR INTERNET PURCHASE REQUESTS OR PURCHASING CARDS)**~~
~~Obtain by phoning, visiting the Purchasing Office, or e-mailing purchasing@councilbluffs-ia.gov.~~

~~**Account Code:**~~
~~Organization and object code that will be charged for the request.~~

~~**Date Ordered/Date Requested:**~~
~~Indicate the date ordered and date required/received. If item was picked up on order date, indicate the same date in both spaces. If item has to be ordered, indicate an approximate date that you expect the order to be completed.~~

~~**Order Faxed/Phoned:**~~
~~Indicate if you placed the order by fax, phone, or in person.~~

~~**Confirmation Number:**~~
~~Indicate confirmation numbers (if applicable) on faxed, internet, or phoned in orders.~~

~~**Pick Up/Deliver To:**~~
~~Indicate if item was picked up or if to be delivered. In the case of "deliver to", please indicate complete and accurate address. This helps identify the City's sales tax liability and provides proper shipping instructions to the vendors for ordered items.~~

~~**To Be Used For:**~~

~~Indicate if this purchase is for repairs or a new item. This information will be used in determining whether this purchase will be considered a fixed asset.~~

~~**Department/Division:**~~
~~List the department and division through which this purchase is being made.~~

~~**Complete Description:**~~
~~Indicate a complete description of items requested, (i.e.) quantity, unit of measure, part number, item description, work order number (optional), account code (organization and object code that will be charged for the request), unit cost, and total cost to the City. Full and detailed descriptions on ordered items are necessary for large, complex and/or multiple item orders. Also, indicate if there will be any shipping/handling charges on items ordered. Anything labeled solely as 'miscellaneous' will not be acceptable and will be returned to the respective Department/Division.~~

~~**Other Vendors Checked for Prices:**~~
~~Indicate the name of other vendors that were checked for price, if applicable.~~

~~**Requesting Employee:**~~
~~Indicate the name of the requesting employee.~~

~~**Signature of Department Head or Designee:**~~
~~Must be signed by Department Head or an authorized designee. Electronic signatures are also acceptable.~~

~~**ALL REQUISITION FORMS MUST BE IN THE POSESSION OF THE PURCHASING DIVISION BY 9:00 A.M. OF THE SECOND BUSINESS DAY FOLLOWING THE ISSUANCE OF THE PURCHASE ORDER NUMBER.**~~

~~Failure to follow this requirement may result in denial of future requests for purchase order numbers. Untimely and/or incomplete paperwork only causes unnecessary processing delays and is generally avoidable.~~

~~Requisitions will be processed until 2:00 p.m. daily. Anything received after 2:00 p.m. will be processed the following business day.~~

THE PURCHASING DIVISION WILL ISSUE PURCHASE ORDER NUMBERS TO APPROVED CITY STAFF ONLY. ~~We will not issue~~ Ppurchase order numbers will not be issued to sales representatives without prior request from an approved city employee.

~~Spending authority will be given by Department Heads. City positions 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~~

~~**REPORT OF GOODS RECEIVED FORM (ROG); APPENDIX B:**~~

~~This form is also essential to the purchasing process. This form will require basically the same information as the requisition with only minor differences and must also be complete and accurate as it also will be used to track items. This form allows the Purchasing Division to proceed with the closing of the purchase order and to make payment to the applicable vendor. This form should be completed and forwarded to the Purchasing Division immediately upon satisfactory receipt of the complete order.~~

~~Also, attach any and all receipts, packing slips, shipping documents, etc. to the completed R.O.G. before forwarding it to Purchasing. Remember, delays in reporting goods received will delay payments to the vendors.~~

~~Occasionally, materials or supplies are "backordered" by the vendors and delay the receipt of the requested item(s) by the City. Should this situation ever occur during a purchasing process initiated by your Department/Division, please contact the vendor and request that they provide you with an estimated delivery time of the backordered item(s). If the delay in delivery will be substantial, request that the vendor bill the City for the items already shipped or received and complete the R.O.G. form (less the backordered items) and forward the completed form to the Purchasing Division. This will allow the Purchasing Division to make payment to the vendor for the portion of the order already in the City's possession.~~

~~In the event of a backorder and after the aforementioned procedure has taken place, request a new purchase order for the backordered item(s), notify the vendor of the new number, and process the new requisition in accordance with the procedures set forth. If you need assistance in determining what would be considered a reasonable delay, please feel free to contact the Purchasing Office. The City's Internal Control Procedures specifically states "any shortage or rejections will be immediately communicated to the Purchasing Division".~~

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 ~~from~~ 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 1.32.080.~~strictly defined by procurement regulations as something that threatens public health, safety, or welfare and in which the following conditions exist: 1) it was unforeseen; 2) it calls for immediate action; 3) it cannot be responded to using normal procurement process. Use purchase order number 2000 to obtain necessary goods or services from vendors. At the start of the next business day following the use of the purchase order number 2000, contact the Purchasing Division to obtain a regular purchase order number to replace the number 2000 and notify the vendor accordingly. At this point, you can proceed with the usual form preparation and reporting procedures.~~

~~If an emergency PO is issued, written documentation will need to be provided. In cases where the total expenditures are less than $25,000.00, the written documentation will need verification from the department head. In cases where the total expenditures are greater than $25,000.00, mayoral approval must be obtained prior to making a purchase.~~

The Purchasing Division will screen all "Emergency" purchases to ensure procedure has been met. Failure to plan ahead does not constitute an emergency.

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's Procurement Policy for Federally Funded Projects.

NEGOTITED AND SOLE SOURCE PURCHASES:

As stated in the City's purchasing ordinances 1.32.070 and 1.32.080, sole source and negotiated 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.

SURPLUS PROPERTY:

Once the Department Head determines that property can no longer be utilized by his/her department, the purchasing division should be contacted to classify the property as junk or

surplus. ~~The Municipal Code of Council Bluffs, Iowa provides the guidelines for disposal of property declared surplus by the City.~~ The Purchasing Division 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. ~~Once the Department Head determines that property can no longer be utilized by his/her department, the purchasing division should be contacted to classify the property as junk or surplus.~~ 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.

~~Surplus items will be available for city personnel to review for no less than 5 business days. If there is use for the surplus by any other department, a price will be negotiated, if applicable, and transfer will take place. If there is no interest by other departments, the surplus will then be auctioned. If the original cost of the item exceeded $5,000 the purchasing division must be notified of that fact.~~ This procedure excludes land.

~~The Purchasing Division 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.~~

BIDS/ REQUESTS FOR PROPOSALS: ~~REQUEST FORM; APPENDIX C~~

~~Bid proposal request forms should be filled out~~ Aany 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~~.~~

~~This form must be filled out in its entirety and submitted to the Purchasing Division with no fewer than 10 working days notice from the time the bid/ RFP is to be released to the public.~~

~~If a bid/RFP of similar nature has been released within the last six months, that period is reduced to no fewer than 5 working days from the time the bid/RFP is to be released to the public.~~

FLOW OF BID/RFP

1. Department representative submits Bid/Proposal Request Form and specifications.
2. Purchasing creates document.
3. Document approved for release by department representative and department head.
4. Questions from vendors submitted in writing to purchasing.
5. After deadline, questions given to department, answered, and sent back to purchasing.
6. Answers posted by purchasing.
7. Bids collected by purchasing.
8. Winner chosen by department.
9. Notice of award ~~and~~ , bid tab, and contract execution ~~posted~~ administered by purchasing.

CITY OF COUNCIL BLUFFS, IA PURCHASING POLICY

STOP – NOW A SEPARATE DOCUMENT

PURCHASING CARD (P-Card) POLICY

INTRODUCTION

The City of Council Bluffs P-Card program is designed to improve efficiency in processing low dollar purchases from vendors. ~~Each~~ Standard P-Cards ha~~ves~~ a monthly limit of $5,000. Higher limits may be requested by department heads for certain individuals. Single transactions are allowed up to the user's authorized limit. Splitting a transaction to stay within the dollar limit is prohibited. Any cardholder that is found to engage in split purchases to circumvent single purchase limits will be subject to having their card privileges revoked.

This program will allow the cardholder, with proper I.D., to purchase approved commodities directly from suppliers and vendors without the issuance of a purchase order or invoice. The Finance department will monitor the performance of the program.

PURPOSE

The purpose of these policies and procedures is to accomplish the following:

- To provide an efficient method of purchasing and making point of sale payment for goods
- To provide an efficient method of arranging travel and lodging accommodations
- To ensure P-Card purchases are in accordance with City ordinances, policies and procedures
- To reduce the time spent by the Finance department to process low dollar, non-repetitive transactions as well as travel and/or lodging reimbursement
- To ensure that the City bears no legal liability from inappropriate use of the cards

LIMITS AND RESTRICTIONS

The P-Card must be signed by the named cardholder. Departmental P-cards require that the individual using the card show their City ID.

Proper security of your P-Card should be maintained at all times.

The P-Card is for official City business only. The purchase of non-business personal goods or services is prohibited. The cardholder will be held personally liable for any personal charges.

The card may also be used to arrange business-related travel, lodging, training expenses and fuel purchases. When gasoline is purchased for a City vehicle, the mileage and vehicle number must be indicated on the receipt. This information should be forwarded to Fleet Maintenance by the cardholder.

The purchase of tobacco products, alcohol, controlled substances or obtaining a cash advance is strictly prohibited.

Any rewards, cash, or cash-like value incentives earned because of City purchases are the property of the City and may not be used for personal gain. Examples of such incentives include, but are not limited to, gift cards, two-for-one purchases, and spend rewards. Cash advances are not allowed on p-cards.

LOST OR STOLEN CARDS

If a card is lost or stolen, immediately contact the Finance department at 712-890~~328~~-5303~~4605~~. ~~Verbal reports of a lost or stolen card must be accompanied by written memorandum or email to the Finance department within 24 hours.~~ The cardholder should~~can~~ also contact US Bank at 1-800-344-5696. The cardholder may need to know the card number and phone number associated with the card which is 712-~~328-4605~~890-5303 and e-mail, cbfinance@councilbluffs-ia.gov.

TAXES

The City is exempt from paying Iowa Sales Tax on purchases made in Iowa. This exempt status is indicated on each P-Card. The City may not be exempt from paying applicable sales tax in other states.

It is the cardholder's responsibility to inform suppliers/vendors of the City's tax-exempt status at the time of purchase. If materials are ordered by phone, inform the vendor at that time of the City's tax exempt status. Do not proceed with a purchase that incorrectly contains sales tax. ~~If sales tax has been charged on the receipt, the cardholder should contact the vendor for a credit back to the P-Card. Cash refunds are strictly prohibited.~~

RECORDKEEPING / RECONCILIATION OF RECEIPTS

Cardholders are responsible for providing itemized purchase documentation. Itemized sales receipts must be obtained at the time of purchase. It is the responsibility of the cardholder to retain transaction receipts for all transactions and to ensure that the description on the sales receipt is legible and that the receipt clearly describes the purchase.

It must be clear as to the "business purpose" for the expense. If it is not evident from the invoice or receipt as to the purpose of the expenditure, it must be documented. For example, if the purchase is for a class or event, include the agenda or press release for the event.

All receipts must be attached to the credit card statement. ~~-~~The statement must be signed by the credit cardholder and their supervisor prior to being sent on to the Finance department.

US BANK'S ACCESS ONLINE INFO

The statements must include organization and object code information for each of the charges. The statements received by Finance will be used to reconcile the City's monthly statement and will become part of the documentation used for the payment process.~~-~~ Documentation maintained must be accurate, accessible and complete, as it not only records the transaction, but also supports the legitimate business purpose of the purchase.

In the event that a receipt of a transaction is lost and all attempts to obtain a copy of said transaction have failed, the cardholder must provide a written description of the purchase, along with a signed certification that the purchase was made in accordance with the City Policy to Finance.~~-~~ Failure to provide certification may result in having the employee pay the City for the undocumented expense.

It is the cardholder's responsibility for ensuring receipt of materials and services and to follow up with the vendors to resolve any delivery problems, discrepancies, returns or damaged goods. It is also the cardholder's responsibility to ensure all sales tax is waived when applicable.

The Finance department will perform compliance reviews on cardholder's monthly statement documentation.~~-~~ The intent of the review is to analyze cardholder's transactions for completeness, accuracy, and compliance with the guidelines and procedures for the P-Card program.

BILLING STATEMENTS

Billing statements should include the following:

a) all receipts must be attached to the cardholder monthly statement with the documentation of the business purpose
b) the statement ~~should~~ must be signed by the cardholder to acknowledge all transactions on the statement were specifically authorized by the cardholder
c) the statement ~~should~~ must be signed by the designated supervisor to fully document the approval of all transactions
~~d)~~ the completed statement packet ~~should~~ must be returned to the Finance department ~~no later than 2 weeks after the end of the statement cycle~~by the requested date.

DISPUTES / ERRONEOUS CHARGES

It is the responsibility of the cardholder to document and resolve disputes and erroneous charges directly with the vendor. In most cases, disputes can be resolved in this manner. If a dispute cannot be resolved, contact the Finance department for assistance.

CARD TERMINATION

Violation of these P-Card policies, misuse of the procurement card, or repeated failure to submit procurement card reconciliation and documentation by the monthly deadline to the Finance department may result in termination of an employee's procurement card.

When a cardholder terminates employment with the City of Council Bluffs, the supervisor has the responsibility to reclaim the P-Card and return it to the Finance department. The supervisor is also responsible for reconciling the final charges and submitting the proper receipts/documentation to Finance.