CITY OF COUNCIL BLUFFS, IA PURCHASING POLICY

APPROVED BY CITY 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.

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. 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 be 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 purchases that exceed his/her assigned spending authority. Spending authority will be assigned by Department Heads based on, but not limited to, the following factors: job description, need, volume, and functional convenience.

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.

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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 1.32.080.

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:

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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 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. 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:

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

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, bid tab, and contract execution administered by purchasing.

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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. Standard P-Cards have 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 712-890-5303. The cardholder should 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 712-890-5303 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.

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 must be signed by the cardholder to acknowledge all transactions on the statement were specifically authorized by the cardholder
c) the statement must be signed by the designated supervisor to fully document the approval of all transactions
   the completed statement packet must be returned to the Finance department 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.