

RESOLUTION NO. 2014-453

RESOLUTION AMENDING THE CITY OF CLINTON'S PURCHASING POLICY

WHEREAS, the City Council last amended the City of Clinton Purchasing Policy on September 9, 2008, with Resolution 08-411; and

WHEREAS, there is a need for an updated policy to reflect changes in procurement processes and dollar thresholds for public improvements.

THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLINTON, IOWA, that the attached Purchasing Policy is hereby amended and supersedes all prior versions of the Purchasing Policy

_____, MAYOR

ATTEST:

CITY CLERK

ADOPTED: **October 28, 2014**

CITY OF CLINTON PURCHASING POLICY

Purpose

This policy is to promote efficiency, transparency, and fairness in procurement of goods and services at prices taxpayers can afford. Purchasing of goods for the City is to be accomplished impartially, with no favoritism toward any individual vendor, and with no appearance of impropriety. Departments are required to obtain the maximum value for each dollar spent, consistent with established quality standards and the particular needs of the City.

Definitions

Emergency Purchase

A purchase of a good or service made when time is of the essence due to a sudden, unforeseen critical situation which requires the immediate purchase of the good or service in order to rectify the critical situation.

Horizontal Infrastructure

Public improvements such as roads, streets, bridges and culverts.

Responsible Bidder

Requirement in public procurement which focuses on the bidder, meaning the bid is submitted by a bidder who has the financial and technical ability to perform and complete the required work.

Responsive Bid

Requirement in public procurement which focuses on the bid and is a check to ensure the bidder agrees to all that is required in the plans, specifications and other requirements of the project.

Responsive, Responsible Bidder

The bidder who provides a bid which complies with all applicable specifications set forth by the City, and which undertakes to fulfill the specifications in a manner recognized as “responsible” under the law, and at the lowest price among the competing bids.

Vertical Infrastructure

Public improvements such as buildings, parking facilities, utilities, and trails.

Policy

The City of Clinton requires different processes for procurement of certain goods, services, or infrastructure. The processes are broken down by dollar threshold to be easy to understand.

Good and Services

City departments are obligated to seek the most favorable price for products or services regardless of the cost of the product or service being sought. Documentation and purchasing requirements of the product or service vary according to the chart below.

AMOUNT	APPROVAL REQUIRED	PROCUREMENT METHOD
Up to \$500	Division/Department Manager	To be determined by the department

\$500- \$2,000	Department Manager	To be determined by the department
\$2,000- \$10,000	Finance Director	At least two (2) written quotations
\$10,000- \$40,000	City Administrator	Request for Quote or Request for Proposal
\$40,000 and Greater	City Council	Request for Quote or Request for Proposal

A purchase requisition is required for any good or service valued at \$2,000 or more. The written quotations or responses received to a request for quote or proposal must be attached to the purchase requisition.

Public Improvements

The City is required to follow Chapter 26 of the Code of Iowa for the bidding of public construction work. (Engineering and architectural services are not subject to the requirements below, but are considered a service, and are therefore handled under the Goods and Services process above.)

<u>Horizontal Infrastructure</u>		
Up to \$48,999	City Administrator	Request for Quotes or Request for Proposal
\$49,000 and Greater	City Council	Competitive Bid

<u>Vertical Infrastructure</u>		
Up to \$49,999	City Administrator	Request for Quotes or Request for Proposal
\$50,000 to \$129,999	City Council	Competitive Quote
\$130,000 and Greater	City Council	Competitive Bid

Waivers of Procurement Requirements

The City Administrator may waive any of the quotation requirements up to \$10,000 when, in the City Administrator’s judgment, it is in the best interest of the City to do so. A purchase requisition is required to be processed with the appropriate documentation attached explaining the reasons for such a waiver.

The City Council reserves the right to waive purchasing requirements above \$10,000 when, in the Council’s judgment, it is in the best interest of the City to do so, except for situations governed by the bidding and competitive quotations requirements stated in Section 26.3 of the Code of Iowa.

Bidding requirements may be waived for the purchase of any used equipment approved in the budget. All used equipment purchases shall be preceded by assurance to the City Administrator that availability and performance comparisons were performed and the purchase is justified.

If a project is using only donated funds and the City makes no contribution to the project, the requirements are waived.

Credit Card Authorization

Credit cards are issued to individual City departments and are governed by a separate credit card policy. Credit cards may only be used on purchases up to \$2,000. Orders may not be split in order to keep a total transaction under \$2,000

Sole Source Purchases

Sole source purchases shall be allowed only in cases where it a good faith review of available sources reveals only one practicably available source. The purchase requisition in such cases shall include documentation from the responsible person that good faith effort was made to identify other available sources for the purchase and that there appears to be only one source which is practicably available for the purchase.

Proprietary software purchases are exempt from the Purchasing Policy as long as documentation is provided to evidence that utilizing an existing software vendor is more advantageous than seeking proposals from other software providers.

State or Consortium Purchasing

The State of Iowa establishes contracts which are extended to all political subdivisions. These contracts may be used in lieu of competitive bidding for such products or services available under such contracts. Purchase requisitions are still required and the notation "State Bid Prices" shall be stated on the form.

Other national purchasing consortiums exist which provide existing contracts and pricing for goods and services to cities. The City may utilize this contract pricing in lieu of the competitive bidding process.

Emergency Purchases

Emergency purchases are exempted from the requirements of this policy, but only while "emergency" conditions exist. The situation resulting in the "emergency" must be fully documented and attached to the purchase requisition. The City Administrator shall review and evaluate any such emergency purchases as soon after the purchase as time permits. Disciplinary action against the responsible parties may be imposed in cases of poor organization or planning resulting in the emergency purpose. .

Local Preference

Vendors within Clinton County will be solicited to the extent convenience and cost will allow. For the purchases of goods or services, if a local source price is within 2.5% of the lowest price, the local source will be favored.

To the extent precluded by federal law or regulation, local preference will not be considered in situations involving the use of federal funds.

Purchases from City Officers or Employees

In compliance with Iowa Code Chapter 362.5, a city officer or employee shall not have an interest, direct or indirect, in any contract or job of work or material or the profits thereof or services to be furnished or performed for the City. This provision may be waived if a written competitive bid process is publicly noticed and opened. At the time of providing a bid, all officers and employees must identify any conflicts they may have which would necessitate the process noted.

Procedure

The information below provides a brief description of the various methods of procurement and the necessary steps to complete each process. With each procedure described below, a contract for a good or service or public improvement can only proceed with an action of the City Council. The City Council reserves the right in any process to reject all bids.

Request for Quotes

This process should be used when a good or service which can be easily defined and the total cost is estimated to be greater than \$10,000.

- Staff prepares specifications for a good or service and a list of potential vendors to be solicited.
- If budgetary authority for the project does not exist, the City Council must authorize the distribution of an RFQ
- Public notice of the RFQ will be made, with a stated date and time for a public bid opening and the time for receipt of all bids.
- Staff will evaluate the responses and identify the lowest responsible, responsive bidder and make a recommendation to the City Council if Council approval is required.

Request for Proposals

This process should be utilized when the requirements for a project or services are qualitative rather than quantitative, or when a solution to a long-term or particularly complex problem is sought. Non-price factors regarding the skills and attributes of a successful bidder are included in the evaluation process.

- Staff prepares a Request for Proposal document, outlining the scope of work and evaluation criteria. Staff prepares a list of potential vendors to be solicited.
- If budgetary authority for the project does not exist, the City Council must provide such authority.
- Public notice of the RFP will be made, with a stated date and time for receipt of responsive proposals.
- Staff will evaluate the responses in relation to the evaluation criteria specified in the contract and make a recommendation to the City Council if Council approval is required.

Request for Qualifications

Architectural and engineering services related to public improvements do not require a competitive bidding process. The procurement of these services shall be based on qualifications alone. This process should be utilized when qualifications are the controlling evaluation factor.

- Staff prepares document outlining plan, specifications, and/or scope of work and identifies known vendors who may have an interest in providing the goods or services. The RFQ is sent to the identified vendors and is advertised.
- A minimum of a two-week response period will be allowed.
- Council action is required only if a contract or purchase is recommended by City staff.

Request for Information

This process should also be utilized if there is not intent to issue a Request for Proposal but to just gather information.

- Staff prepares document outlining plan, specifications, and/or scope of work and identifies known vendors who may have an interest in providing the goods or services. The RFI is sent to the identified vendors and is advertised.
- A minimum of a two-week response period will be allowed.
- Council action is required only if a contract or purchase is recommended by City staff.

Competitive Bid

A competitive bid is required for horizontal infrastructure projects greater than \$49,000 and vertical infrastructure project greater than \$130,000.

- City Engineer prepares plans and specifications and calculates the estimated total cost of the project.
- City Council approves a resolution to approve construction of the improvement, to set a public hearing and to direct advertisement bids.
- City Council holds a public hearing on the plans, specifications, form of contract and estimated cost of the project.
- City Council considers a resolution to award the contract to the lowest responsive, responsible bidder.
- If awarded, a contract and bond is placed on file in the City Clerk's office.

Competitive Quote

This process is used only for vertical infrastructure projects with an estimated cost between \$50,000 to \$129,999. The City must make a good faith effort to obtain quotes from at least two contractors regularly engaged in the required work before awarding a contract.

- Engineer prepares plans and specifications and calculates the estimated total cost of the project.
- Staff provides plans and specifications to at least two contractors regularly engaged in the required work.
- Notification is provided to the contractors designating a time, place, and manner for returning quotations, which may be received by fax, email or in-person. These quotations are not required to be sealed.
- Engineer or other assigned staff member may make a recommendation to the City Council to award the contract to the party submitting the lowest responsive, responsible quote, or to reject all quotes.
- Council considers a resolution awarding the quote.
- If the work can be performed by employees of the City, the City may file a competitive quotation for the work to be performed in the same manner as a contractor. For purposes of comparing the City's quote to a contractor's quote, the amount of estimated sales tax and fuel tax in the contractor's quote must be deducted from the contractor's quote. If no quotes are received from any contractor, or if the City's estimated cost to do the work is less than the lowest responsive, responsible quote, the City may authorize its employees to perform the work.