

RESOLUTION NO. 1222

A RESOLUTION AMENDING THE CITY OF OSAWATOMIE'S PURCHASING POLICY

WHEREAS, the City of Osawatomie, Kansas, adopted a set of Comprehensive Financial Policies & Procedures in 2008 that are applicable to all city employees and other officials; and

WHEREAS, these financial policies have been amended as needed from time to time; and

WHEREAS, authorization of expenditures is a regular part of official business of the City of Osawatomie; and

WHEREAS, expenditure and/or purchasing policies for the City of Osawatomie have been spread across documents; and

WHEREAS, an update to the purchasing policy will simplify processes for staff and the Governing Body.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Osawatomie, Kansas:

SECTION 1. The Governing Body hereby amends Chapter 4, of the city's financial policies pertaining to travel and expense reimbursement is amended to read as follows (changes noted in red):

OSAWATOMIE PURCHASING POLICY:

The underlying purposes of this policy are: 1.) to ensure fair and equitable treatment of all persons who wish to, or do conduct business with the City of Osawatomie; 2.) to provide for the greatest possible economy in city procurement activities; 3.) to foster effective broad-based competition within the free enterprise system to ensure that the city will receive the best possible service or product at the lowest responsible bid price; and 4.) to ensure any purchases made are done so ethically. All employees who are responsible for, and have the authority to make purchases are reminded that the city's personnel policies and ethics policy prohibit the acceptance of gifts as outlined in Resolution 448 and Resolution 583.

Exemptions from this policy include: 1.) this policy shall not prevent the city from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law; 2.) when procurement involves the expenditure of state or federal assistance funds, the city shall comply with applicable state or federal law and regulations.

The City Manager or his/her designee is responsible to make procurements, solicit bids and proposals, enter into and administer contracts, and make written determinations for the city. Department heads may designate additional members of their staff as purchasing authorities in accordance with the procedures of this policy. The City Council must approve all expenses above ~~\$10,000~~ **\$20,000** and all purchases requiring transfers of budget between funds or from contingency/**(reserve)** funds.

Exceptions to competitive bidding or purchases not requiring formal solicitation but consistent with budgeted expenses include (NOTE: purchases shall not be artificially divided

so as to constitute a small purchase under these guidelines):

- 1.) Under ~~\$1,000~~ **\$2,500** – Department heads use their discretion regarding shopping the appropriate product, price and delivery subject to budget limitations. Purchases should be local if available.
- 2.) Over ~~\$1,000~~ **\$2,500** and up to ~~\$5,000~~ **\$10,000** – Department heads request verbal quotes from at least 3 sources, unless fewer than 3 sources can be identified and submitted to City Manager.
- 3.) Over ~~\$5,000~~ **\$10,000** and up to ~~\$10,000~~ **\$20,000** – Department heads issue a request for quotation and obtain written or faxed quotes from at least 3 sources, unless fewer than 3 sources can be identified and submitted to the City Manager.

Additionally, the following are exempt from competitive bidding requirements:

- 1.) Purchases made through cooperative purchasing contracts with other units of government when in the best interest of the city and pursuant to law;
- 2.) Purchases made from a single-source provider;
- 3.) Purchase must meet compatibility requirements with existing equipment owned by the city;
- 4.) Purchases required during an emergency (i.e. an eminent threat to the public's health, welfare, or safety). However, as much ~~as~~ competition as practical should be obtained and such purchases should be limited to amounts necessary to the resolution of the emergency;
- 5.) Professional services or services requiring special or technical skill, training or expertise (i.e. architects, engineers, attorneys, auditors, and other specialized consultants). The individual or company must be chosen based on accountability, reliability, responsibility, skill, education and training, judgment, integrity and moral worth. The City Council shall select all such services over ~~\$2,000~~ **\$5,000**.
- 6.) The dollar limits for quotations, and the use of purchase orders are waived for the following purchases:
 - a. Petty Cash Reimbursements;
 - b. Utility Bills;
 - c. Maintenance Repairs and parts (up to \$5,000);
 - d. Maintenance and Service Contracts (up to \$5,000);
 - e. Interdepartmental Transfers or Charges;
 - f. Medical Expenses;
 - g. Legal Notices;
 - h. Postage Costs;
 - i. Memberships and Dues;
 - j. Books and Periodicals;
 - k. Mileage, Travel, Conference Reimbursements;
 - l. Fees and Taxes of Other Units of Government;

Competitive Bidding – Sealed Bid Procedures:

- 1.) The competitive bidding process for contracts over ~~\$10,000~~ **\$20,000** shall be awarded by competitive sealed bidding to the “lowest responsible bidder” except as otherwise provided by this policy.
- 2.) An invitation for bids shall be issued when a contract is to be awarded by competitive

sealed bidding. The invitation shall include a purchase description, all contractual terms and conditions applicable to the procurement, time and place for bid opening and whether a bid deposit or bond(s) will be required. Under KSA 60-1111, a payment bond is required for construction projects which exceed ~~\$40,000~~ \$100,000 and all other bonds as required by the City Council.

- 3.) Any Procurement in excess of \$20,000 shall require a minimum 10-day notice in the official city newspaper, the ~~Osawatomi Graphic~~ **Miami County Republic OR published on the city's website.**
- 4.) Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. All bids shall be open to public inspection.
- 5.) Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids.
- 6.) Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted.
- 7.) An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interests of the city.

Criteria for determining "Lowest Responsible Bidder" include, but are not limited to:

- 1.) The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
- 2.) The ability of the bidder to perform promptly or within the time specified, without delay or interference.
- 3.) The reputation and experience of the bidder, including the city's previous experience with the bidder.
- 4.) The quality, availability, and adaptability of the supplies or contractual services to the particular use required.
- 5.) The ability and availability of the bidder to provide future maintenance and service for the use of the subject of the contract.
- 6.) Any conditions attached to the bid by the bidder.
- 7.) Businesses located within Osawatomi who choose to respond to any request for bids shall be afforded a ½% difference from the low bidder. In the event a business located in Osawatomi is within ½% of the low bid, city staff are hereby permitted to purchase from the local vendor, provided all things are otherwise equal. Local businesses who are above the lowest bid between ½% and 5% shall be afforded the opportunity to adjust their bid to within ½% after bids are open and known in order to earn the business, provided everything else is equal.

Cost -plus-a-percentage-of-cost contracts are prohibited. A cost -reimbursement contract may be used only when a determination by the City Manager is made in writing that such contract is likely to be less costly to the City than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.

Disposal of goods shall follow the following requirements: 1.) Goods with an expected value of less than ~~\$1,000~~ \$2,500 may be disposed of in the most appropriate manner with the

authorization of the City Manager; 2.) Upon approval of the City Council, goods with an expected value of over ~~\$1,000~~ **\$2,500** may be disposed of by either a trade-in, public auction, or by solicitation in the city newspaper; 3.) All items which might be donated to another town or non-profit organization shall require approval of the City Council; 4.) The City Clerk shall establish a procedure for maintaining an up-to-date property and inventory record of all equipment, except expendables, held by the city and for the disposal of obsolete surplus or non-usable materials, supplies and equipment.

No person involved in making procurement decisions may have personal investments in any business entity which will create a substantial conflict between their private interests and their public duties. Any person involved in making procurement decisions ~~is guilty of a~~ **may be charged with** a felony if the person asks, receives, or offers to receive any compensation, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own benefit or any other person or organization from anyone interested in selling to the city.

~~Appeals from any actual or prospective bidder who feels aggrieved in connection with the solicitation or award of a contract may appeal to the City Manager. An appeal shall be submitted in writing within 5 working days after the aggrieved person knows or should have known of the facts. The City Manager shall promptly issue a written decisions regarding any appeal, if it is not settled by a mutual agreement. The decision shall state the reasons for the action taken and inform the actual or prospective bidder of the right to appeal to the City Council. The City Council shall be the final appeal at the city level.~~

SECTION 2. The Governing Body hereby repeals Council Policy 102.

PASSED AND ADOPTED by the Governing Body of the City of Osawatomie, Kansas this 11th day of April, 2024, a majority being in favor thereof.

APPROVED AND SIGNED by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk