

**I. SCOPE**

This purchasing policy shall apply to all Officers and employees of all departments without exception. The policy shall include: (1) a statement of procedures to be followed in making purchases of goods and services, which statement shall be consistent with the policies contained herein; (2) limitations on the authority of employees and Officers to make purchases of goods and services and (3) a statement governing all budgeted expenditures for departments. Generally, however, it is the responsibility of the Department Head, with their Council appointed Committee Chair, to manage their budgets and to keep the Chair, the City Administrator/City Clerk and, when required, the City Council informed of significant and material expenditures. The City Administrator or his/her designee shall submit a monthly listing of expenditures in aggregate to the City Council for approval. So long as the Cash Basis Law and Budget Law are complied with, the failure to comply with the policy shall not be deemed to be an illegal expenditure of public funds.

II. PURPOSE

To establish a uniform policy for bid solicitation, purchase order system. This policy is intended to provide a method for the most prudent and effective expenditure of City funds and for maximum protection of the taxpayer.

III. RESPONSIBILITY

City Administrator

IV. POLICY**A. Purchasing**

1. A commodity or service should be obtained at the lowest cost possible consistent with the quality required to maintain efficient operations of city departments.
2. Even though the Governing Body approves a level of expenditures for any given program, that in itself is not a permit nor a directive to expend funds unless the need exists at the time of purchase and the item to be purchased is within the budget limits. Purchases will not be made only because funds are available.
3. No employee of any department shall make any purchase of an unbudgeted item without prior notice and approval from the Department Head who will in turn work with the City Administrator. The City Administrator will work with the Governing Body if the spending limit exceeds limits set per this policy. The Department Head will inform and receive consent in advance from the Governing Body for unbudgeted expenses when funds cannot be used from other approved sources within the department's approved annual budget. In general, even if an expense is considered unbudgeted, but necessary for the

fulfillment of a City program or project need, the unbudgeted item must be consistent with the established programs and projects approved by the City Council and established either by ordinance, policy or the annual budget and Capital Improvement Plan.

B. Sustainable/Green Purchasing – Purchases will be made in accordance with the City's Green Purchasing Policy (as adopted).

C. Local Preference Purchasing

Whenever possible the City of Roeland Park will make purchases of goods and services within the city limits. If the product can be found cheaper outside of city limits, the Roeland Park based business will be given the opportunity to match or beat those expenses. Exceptions to this policy can be considered if the product or service does not meet one of the following conditions:

- a.) The product is not available within the city limits
- b.) Buying locally increases the costs by more than a 2.5 percent cost variation.

D. Bids or informal price quotes from a minimum of three (3) vendors will be taken for any single item purchased for the following amounts and by the following method:

1. *Open Market Purchases:* No bids will be required for any single item costing less than \$2,500. All departments are encouraged to solicit three (3) informal written price quotes.
2. *Competitive Informal Quotes:* Three informal written or electronic price quotes will be required for any single item costing between \$2,501 and \$10,000.
3. *Competitive Formal Quotes:* Formal written or electronic price quotes will be required for any single item costing \$10,001 or more. The City will post notice of the opportunity for quotes along with specifications on the City's website in addition to soliciting quotes from known qualified vendors and/or service providers and firms that have registered with the City to receive notifications for quotes.
4. The Council may choose to employ variants of the above purchasing options if an opportunity for greater competition exists, the item being purchased is highly specialized, or unique circumstances or changes in the marketplace would justify a variation. Sealed bids will not be required unless specifically mandated by Federal or State law; such as may be the case when receiving grants. The bid process followed shall comply with applicable state or federal law.

E. Exceptions:

1. The goods or services are available from only one vendor; or
2. It is advantageous to purchase through the purchasing contracts of other governmental agencies.
3. Professional services are being obtained pursuant to qualification-based selection.

F. Expenditure limitations will be set as follows:

1. Directors/Department Heads shall have the authority to spend up to \$5,000 on a single item. \$5,001 - \$15,000 will require approval by the City Administrator.
2. City Administrator shall have the authority to spend up to \$15,000 on a single item.

3. Council approval shall be required for purchases beyond \$15,001 for a single item unless the item is preapproved during the Budget process and the amount of the item falls within the parameters of the established budget.

G. Expenditures Not Requiring special approval by the City Administrator or Council are:

1. Expenditures of less than \$5,000 not outlined in item F of this policy.
2. Monthly or regular expenditures for contractual agreements such as, but not limited to, the following:
 - a.) Lease agreement payments
 - b.) Utility payments
 - c.) Debt service payments
 - d.) Motor Fuel
 - e.) Payroll liability payments
3. Blanket purchase authority may be used for those merchants from whom many repetitive purchases are made, as supplies are required. Blanket purchase authority may be used for items such as, but not limited to, the following: Office Supplies, Salt, Asphalt, Auto Parts, Tires, Tree Service, and Printing. If there is more than one accessible supplier, the bids will be taken and awarded to the best bidder. Bids may be taken on a yearly basis.
4. Emergency Purchases – An emergency shall be defined as situations when the department's operations would be severely hampered if the purchase were not made immediately. In these instances, the purchase authority policy may be bypassed and the purchasing department will furnish a requisition as soon as possible. In these instances the City Administrator shall have the authority to approve purchases in excess of \$15,000. "EMERGENCY" should be boldly written across the purchase requisition. The purchase authority process should only be bypassed in extreme emergencies with department head approval.

H. Tax Exempt Status

The City is tax exempt as a political subdivision under Section 4221(b) of the IRS Code and K.S.A. 79-3606. Under Missouri Statute, the City's exempt status is valid only when items purchased from Missouri vendors are delivered within the State of Kansas.

I. Declaration of Surplus Property

1. Department Heads shall notify the City Clerk in writing when there is equipment or supplies that are no longer of value to the department.
2. Surplus property may be disposed through online or live auction or online sales sites. Sale of property will go to the highest legitimate offer.
3. Department heads shall notify the Administrative office of the disposition of all items in order that fixed asset records may be maintained.
4. The disposal of real-property must be authorized by the Governing Body.

J. Public Art Purchases

1. Public Art is publicly accessible original art that enriches the city and evokes meaning. This policy pertains to permanent and temporary art, displayed anywhere publicly accessible, such as city rights-of-way or parks, and is purchased and/or owned by the City.
2. The City's Art Advisory Committee will make recommendations for the purchase and placement of public art to the City Council.

3. The art should be appropriate for the proposed location taking into consideration the opportunity for damage due to vandalism or other man-made damage as well as general safety to the public.
4. The Arts Advisory Committee shall make a formal recommendation to the City Council at a workshop with a final decision to be made by the City Council at a future Council meeting.
5. This policy applies to all publicly displayed permanent and temporary installations.

K. PROCEDURES

1. Department heads shall maintain a list of qualified vendors for the purchase of routine or on-call services. A vendor may be deleted for late delivery, failure to meet specifications and failure to provide the necessary maintenance or service. The above will be noted and placed in the vendor file.
 2. In no case shall vendors or bidders for goods and services purchased by the City have any direct familial, business or other monetary relationship to anyone serving as a Department Head or as a member of the City Council unless proper notification is made to the City Council in advance of the purchase and approval is given by the City Council to make an exception to this guideline.
 3. The City Governing Body and/or the City Administrator has the right to refuse all or any part of the bid when it is felt it is in the best interest of the City.
 4. The City Administrator may approve a single change order on Capital Improvements projects up to 10 percent of the contract value up to a maximum of \$20,000 to account for elements that were unknown at the time a work package was assembled.
 5. An original invoice showing place, amount and date of purchase must accompany each purchase. All individual expenditures from the Department will be marked with the Department budget line item and initialed by the Department Head and/or City Administrator prior to submission for payment with the requisite documentation of the purchase.
 6. Quotes will be furnished when repairs involve an insurance loss or claim
 7. Petty cash fund may be used for the reimbursable purchase of miscellaneous small items of supplies or equipment, meals, and mileage, under control and supervision of the appropriate Department Head. Anyone being reimbursed for expenses with petty cash must furnish a receipt in order to be reimbursed. All reimbursements must be signed off by the designated petty cash custodian.
 8. Certain goods or services are required on an "as needed" basis to enable departments to maintain their level of service. The invoice of service products purchased will be turned in to the Administrative Office within 24 hours. Examples are: sand and salt, asphalt, gravel, emergency needs, automobile parts and repairs.
 9. The purchase of real property must be authorized by the Governing Body.
 10. Any deviation of this purchasing policy shall be first approved by the City Administrator for items less than \$7,500.
- L. The City Council at their discretion and for good cause shown can waive the purchasing policy.

M. Ethics Provision

1. All City employees authorized to conduct purchasing activities on behalf of the City shall adhere to the highest degree of ethical standards, including the avoidance of nepotism.

When engaged in the Competitive Informal or Competitive Formal Quote processes, no employee shall engage in or permit any illegal or improper purchasing practice, including, but not limited to, sharing price quote amounts with other vendors to gain either a better price or to award the contract to a specific vendor. Further, any employee having knowledge of any questionable practice shall immediately report this knowledge to their respective Department Head, the City Administrator, or where appropriate, to the Mayor. Engaging in or permitting unethical or illegal conduct constitutes grounds for disciplinary action in accordance with the City's disciplinary policies.

2. 2. It shall not be a violation of the ethics provision to deploy cost savings efforts or value engineering prior to the award of a contract or the final selection of a vendor.