

CITY OF LANSING PURCHASING MANUAL

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Purpose of Manual

The Purchasing manual shall be a complete source of purchasing information and detailed procedures for purchasing of all commodities, contractual services, and equipment. All City of Lansing employees should familiarize themselves with the regulations set forth and shall adhere to the procedures and practices established herein.

This manual has been prepared to serve as an informative guide for all employees purchasing in the name of the City of Lansing. Detailed explanations of department responsibilities in the procurement function are offered with this manual, as well as an overall summary of the entire purchasing process.

The Finance Department is prepared to offer assistance to any department whenever needs arise. Proper planning by departments, with assistance from the Finance Department, will eliminate duplication of effort and increase city purchasing power by consolidating purchases and encouraging competition among vendors.

Scope

The scope of this manual applies to every disposition for value or expenditure of public funds by the City, irrespective of the source of the funds. When the procurement or disposition involves federal/state assistance or contract funds and is also subject to federal/state regulations, the procurement or disposition shall be conducted in accordance with any applicable mandatory federal/state laws or regulation that is not reflected in this article. Nothing in this policy manual shall prevent the City of Lansing from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.

Nothing in this manual shall prevent the City of Lansing from using discretion in determining the lowest responsive and responsible bidder. Whereas a responsible bidder is a bidder whose reputation, past performance, and business and financial capabilities are such that they would be judged by the City to be capable of best satisfying the City's needs for a specific contract or purchase and a responsive bidder does not vary from the specifications and terms set out by the City.

GENERAL GUIDELINES

The general guidelines below should be considered administrative rules and are to be followed as closely as possible by all departments.

SECTION 1-1 Local Buying

Whenever practical, purchases will be made from local vendors from Lansing. This can be accomplished by ensuring that local vendors who have goods or services, which the City is in need of, are included in the competitive bidding process, which will precede most purchases. The City has a responsibility to its residents, however, to obtain the maximum value for each public dollar spent.

SECTION 1-2 Planning

Planning for purchases should be conducted on both a long-term and short-term basis. Small orders and last minute purchases should be minimized, thereby increasing the capability of each department to purchase its goods and services in large quantities in order to obtain the maximum discounts available. Planning will also assist in the reduction of clerical and supervisory time spent in documenting and receipt of purchases. Remember – the purchasing process begins with the annual budget.

SECTION 1-3 Taxes

The City is exempt from local and state sales taxes or federal excise taxes. The Finance Department will provide the necessary exemption documents to any vendor, upon request.

SECTION 1-4 Gratuities

It is a breach of ethical standards for any person to offer, give or agree to give any employee or public official a gratuity or an offer of employment in connection with any decision or recommendation concerning a possible or actual purchase on behalf of the City of Lansing. Gratuities shall not mean pens, pencils, calendars, or other novelty items used as advertising means or other meeting circumstances for the purpose of conducting or discussing official business, and totals less than fifteen dollars (\$15.00) in value.

PURCHASING AUTHORITY

SECTION 2-1 Emergency Situations

It is recognized that emergency situations occasionally arise in City operations. The City Administrator, or in his absence the Mayor, has approving authority for emergency purchases that are necessary for continued city operations when the cost exceeds the Department Head's purchasing authority. Department heads have authority for emergency purchases within their spending authority, and must report such instances to the City Administrator at their earliest opportunity.

No competitive bidding is required for emergency purchases. Emergencies are situations which require parts and labor necessary for repairs to equipment which must be kept operating, if a delay in obtaining required goods or services would create an economic hardship or personal, environmental, or health hazard. Any purchases made outside of normal purchasing procedures must be reported to the City Administrator as soon as is reasonably possible.

SECTION 2-2 City Administrator

The ultimate responsibility for all purchases for the City of Lansing is held by the City Administrator. The City Administrator shall establish the rules and regulations for the purchase and procurement of all goods and services which shall be followed by all City employees. The City Administrator, or in his absence the Mayor, possesses the authority for any deviation from the purchasing policy and/or manual. If improper purchasing practices or discretion may happen to appear, the City Administrator may invoke disciplinary actions upon the individual, division, and/or department. Disciplinary action may be in the form of restricted purchasing privileges, restitution, suspension, termination, or any other form deemed appropriate by the City Administrator. All capital outlay or improvement projects that total more than fifteen thousand dollars (\$15,000) must be approved by the City Council.

The City Administrator shall inform the City Council of any such exceptions as soon as is reasonably possible. The City Administrator shall also make the City Council aware of all purchases of non-routine items with an aggregate total exceeding fifteen thousand dollars (\$15,000).

SECTION 2-3 Department Heads

Department Heads are given the responsibility of ensuring that all personnel in their department are knowledgeable of and fully understand the purchasing procedures. By following the requirements established within this manual, department heads may be able to make better use of budgeted funds for their department. Through proper planning of purchases, departments will be able to realize savings through competition between vendors and will not be faced with shortages of commodities and materials.

The following goods and services must be approved by the City Administrator's office:

1. All non-routine purchases.
2. All capital outlay or improvement projects.
3. Contracts that will represent the City of Lansing.
4. Insurance.
5. Other items consistent with policy and/or practice of the City Administrator.

The requesting department shares the responsibility of not overspending annual budget limitations with the Finance Department. It is for this reason that annual budget requests should be carefully formulated and reviewed.

SECTION 2-4 Superintendent

Purchases which are routine in nature and total less than the authority limit outlined in Section 4 of the Purchasing Policy may be obtained by Superintendent if the goods and services fall within the regulations established by the Purchasing Manual. Invoices must be submitted to the Department Head who will return the invoice with completed purchase requisitions to the Finance Department on a weekly basis. Through prompt attention of invoices, the City may take advantage of discounts and bills can be paid to avoid late charges. Any damages or shortages on received shipments should be noted on freight receipt. All deliveries should be carefully accounted for by employees.

SECTION 2-5 Employees

Employees in each department or division must obtain permission from his/her supervisor or department head before making any purchase. When making purchases, the employee is to put his/her signature and department on the invoice. Invoices are also to be signed by the superintendent and/or department head and coded to the appropriate expense account. Invoices should be turned in to the employee's supervisor and/or department head, who will forward the invoice and a completed purchase requisition to the Finance Department.

PURCHASE REQUISITIONS

SECTION 3-1 Purchase Requisitions

A purchase requisition shall be used as the payment voucher for all individual purchases, except where 30 day purchase requisitions or charge cards are in effect. When items are purchased, a purchase requisition shall be forwarded with the original invoice to the Finance Department. The requesting department shall maintain a file copy of the purchase requisition. Purchase requisitions shall have affixed the required signatures as outlined in Section 4 of the Purchasing Policy.

Any department or division needing to pay an invoice shall properly prepare a purchase requisition request form in complete detail. This request, should reflect as much information that is known by the department, including the following:

1. Date of request.
2. Department making the request.
3. Authorized person requesting payment.
4. Vendor name and address.
5. Account number.
6. Quantity of requested items.
7. Brief description of items.
8. Price.
9. Brief explanation of goods or services.
10. Signature of appropriate Department Head and City Administrator if required.

QUOTATIONS, BIDS, & SEALED PROPOSALS

SECTION 4-1 Quotations

All Department Heads must plan in advance their regular budgeted purchases. Purchases in excess of the amounts outlined in Section 8 of the Purchasing Policy require that price quotes, proposals, or bids may be obtained. Award of bids, proposals or quotations will be given to the most responsible and qualified vendor, with the best price.

Quotations may be obtained by Department Heads in the following manner:

1. In person.
2. Over the phone.
3. Written quotation as per "Request for Quotation".

SECTION 4-2 Sealed Bids

A. Conditions for Use.

Contracts or purchases for capital outlay or improvement projects shall be awarded by the City Council through a competitive sealed bid process, unless the City Administrator determines that the method may not be in the best interest of the City.

B. Public Notice.

A "Notice to Contractors" or Invitation for Bids that will be awarded by the City Council shall be published in the official City newspaper, allowing a reasonable amount of time to prepare and return bids. A "Notice to Contractors" or Invitation for Bids that will be awarded by the City Council may also be emailed or mailed to prospective bidders by the requesting department. Written notice shall be sent by email to all qualified prospective bidders for the type of work being bid.

C. Bid Opening.

All sealed bids shall be delivered at the time and day designated in bid information.

Bids shall be publicly opened by the Department Head at the time and date designated. The City representative shall announce the bidders and bid amounts and state the date and provisions for awarding of contract.

D. Award.

All bids shall all be tabulated by the Department Head for review by the City Administrator, and the City Council. The responsible Department Head shall recommend to the City Administrator the most responsible bid at the best price. The City Council may accept and/or reject any or all bids and shall award the bid that shall be most advantageous to the City, taking in to consideration price and other evaluation factors as presented by the Department Head.

E. Bid Performance Bonds.

Specifications may stipulate that each bidder must submit with the bid a cashier's check, certified check, or bid bond by a cooperate company licensed to do business in the State of Kansas in an amount not less than five percent (5%) of the total bid This requirement will be surety that the bidder, if successful, will enter into the contract.

Successful bidders may be required to furnish a performance bond equal to twenty five percent (25%) of the amount for the contract. The performance bond is surety that the successful bidder will satisfactorily comply with the terms of the contract.

F. Additional Alternate Bids.

Additional alternate bids may be required whenever it is deemed desirable or necessary by the Department Head or City Administrator.

G. Correction or Withdrawal of bids.

Correction or withdrawal of bids after opening may be allowed to the extent permitted by the City Administrator.

H. Pre-Bid Conference.

The responsible Department Head may notify prospective bidders that a conference has been scheduled in an attempt to clarify for vendors the intention of bid specifications and expectations. Conferences may be scheduled before or after invitations to bid have been issued. The pre-bid conference is an attempt to facilitate that accuracy and comprehensiveness of the bid process, but is not required.

I. Fax Usage.

Faxed sealed bids are not recommended but are acceptable at the option of the Department Head under the following conditions: Faxes are to be sent to the City Clerk's Office at (913) 828-4579; faxes are to be clearly marked "bid for Purchasing", and the product being bid on. The City Clerk will immediately secure the bid in a sealed envelope. The envelope will be clearly marked what the bid is for and be delivered to the responsible Department Head. Remember, use of the fax in these instances

could compromise the secrecy of the pricing, and compromise the integrity of the "bid" process, so act accordingly.

SECTION 4-3 Competitive Sealed Proposals

A. Conditions for Use.

Competitive sealed proposals may be issued when it is necessary to provide an opportunity for reasonable price analysis, based on technical or qualitative evaluation factors. Generally, competitive sealed proposals shall be used when the purchase is for technical equipment or specialty items, complex, professional or trade services, or the purchase of nonstandard items.

B. Evaluation Factors.

Proposal evaluation criteria should measure how well each vendor meets the desired performance requirements established before proposals are received. Final consideration for awarding of contract shall not be based solely on price. A combination of price, quantity and/or quality offered, and capacity to fulfill all requirements of the contract.

C. Discussion after Proposal Opening.

Post-opening discussions of proposals with vendors shall be allowed. Final agreement or terms may be negotiated under a proposed contract.

D. Fax Usage.

Faxed sealed proposals are not recommended but are acceptable at the option of the Department Head under the following conditions: Faxes are to be sent to the City Clerk's Office at (913) 828-4579; faxes are to be clearly marked "bid for Purchasing", and the product being bid on. The City Clerk will immediately secure the bid in a sealed envelope. The envelope will be clearly marked what the bid is for and delivered to the responsible Department Head. Remember, use of the fax in these instances could compromise the secrecy of the pricing, and compromise the integrity of the "bid" process, so act accordingly.

SECTION 4-4 Professional Services

Normal competitive procedures cannot be reasonably utilized in securing professional services such as engineers, appraisers, planners, computer-related counseling, and other professional people whose services are often based on hourly rates or a percentage of a contract amount and are not likely to enter into a competitive bidding process. In securing professional services, it is the primary goal of the city to obtain these services from a provider who has a proven record of offering such services in a professional way and is the best suited provider for the particular project. The cost of services will not be the sole criteria.

It will be the duty of the City Administrator and the requesting department to determine if a Qualification Based Selection Process shall be used. This determination will be made on an individual project basis. The selection process the city will use for acquiring Professional Services is outlined in the following sections.

- 1) Quality of work and applicability of work products to specific circumstances are the most important considerations in acquiring services performed by or under the direction of licensed professionals such as engineers, architects, geologists, appraisers, easement negotiators, and surveyors, as well as information technology professionals. Quality and effectiveness of professional design, analysis, reviews, and inspections are directly reflected in lower life cycle costs of the end products, and high quality project plans minimize project cost overruns. As such, the following qualification based selection process shall be used to select individuals or firms for services provided by or performed under the direction of licensed professionals, and for information technology, as opposed to selection by bid or price quote. If a qualified firm has been chosen utilizing the QBS process within the last 18 months for a project of a similar nature, or there is an extension of an existing project, and satisfactory services were received, the City Administrator may direct staff to solicit that same firm for additional work on other projects, and not require an additional qualifications based selection process. If the City Administrator determines that a reasonable fee for services has not been reached, city staff shall notify

the firm that negotiations are terminated, and shall follow the selection processes set forth in A or B, et seq.

A. Selection Process for Professional Services in Excess of \$20,000

- 1) Notification shall be sent describing the proposed work to be performed to three to five, or more, firms or individuals who, by prequalification or by reputation, are well qualified to perform the proposed work, inviting them, if interested, to submit a letter of interest, along with information on their firm's qualifications, experience, and resources directly related to the type of work proposed, and résumés of the specific individuals they anticipate would work on the project. The firms or individuals shall also be asked to return a completed "Certification by Prospective Participants as to Current History Regarding Debarment, Eligibility, Indictments, Convictions, or Civil Judgments" form. In the event there are not three firms well qualified for the particular work in the area or that could reasonably and competitively provide the service, fewer than three is allowable.
- 2) A Selection Committee of at least three individuals, including one Lansing elected official, representing the City and/or any other entity with direct interest in the work shall be formed. Individuals from outside the City who are well suited to assess the qualifications of the submittals may be included on the Committee.
- 3) A reasonable set of criteria shall be established by City staff and the Committee upon which to assess submittals. Evaluation criteria shall include, but not be limited to, price, ability to perform, experience, technical expertise, and availability.
- 4) The Selection Committee members shall individually assess and rank submittals from all interested firms according to the criteria established.
- 5) The Selection Committee assessments shall be combined to determine the three firms that appear best qualified and best suited to the specific work, and pass those three firms without rank to the Negotiating Committee, which will invite those firms to submit a proposed detailed scope of services, schedule, and breakdown of anticipated hours by task and position (without hourly rates or price information), and shall be invited to make a presentation on their approach to the work and stand for interview questions. The Negotiating Committee shall be similar in makeup to the Selection Committee, and may be the same members as the Selection Committee.
- 6) The Negotiating Committee, with recommendations from City staff, shall establish a rating criteria for the additional submittals, presentations, and interview answers upon which to provide a final ranking of the firms in order of best qualified and best suited to the specific proposed work.
- 7) Following the presentations and questions, the Negotiating Committee will individually rank the firms, develop a composite ranking, and deliberate on the basis of their rankings, if necessary, to concur on a final rank for the firms.
- 8) The first ranked firm will be asked to submit a proposal with all the elements noted in item 5, along with hourly rates and total price for the work.
- 9) The Negotiating Committee will review the proposal, determine if the price is reasonable, and propose reductions in fee or scope if warranted.
- 10) If the Negotiating Committee determines that a reasonable fee has not been reached, they shall notify the 1st ranked firm that negotiations are terminated, and shall open negotiations with the 2nd ranked firm as set forth in 8, et seq.
- 11) As soon as the Negotiating Committee makes a determination that a reasonable fee has been proposed, said proposal will be placed on the City Council agenda with a recommendation for approval.

B. Selection Process for Professional Services \$20,000 or less:

- 2) Notification shall be sent describing the proposed work to be performed to three to five, or more, firms or individuals who, by prequalification or by reputation, are well qualified to perform the proposed work, inviting them, if interested, to submit a letter of interest, along with information on their firm's qualifications, experience, and resources directly related to the type of work proposed, and résumés of the specific individuals they anticipate would work on the project. The firms or individuals shall also be asked to return a completed "Certification by Prospective Participants as to Current History Regarding Debarment, Eligibility, Indictments, Convictions, or Civil Judgments" form. In the event there are not

three firms well qualified for the particular work in the area or that could reasonably and competitively provide the service, fewer than three is allowable.

- 3) Form a Selection/Negotiation Committee of at least three individuals, including one Lansing elected official, representing the City and/or any other entity with direct interest in the work. Individuals from outside the City, but well suited to assess the qualifications of the submittals, may be included on the Committee.
- 4) A reasonable set of criteria shall be established by City staff and the Committee upon which to assess submittals.
- 5) The Selection/Negotiation Committee members shall individually assess and rank submittals from all interested firms according to the criteria established.
- 6) The Selection/Negotiation Committee will develop a composite ranking and deliberate on the basis of their rankings, if necessary, to concur on a final rank for the firms.
- 7) The first ranked firm will be asked to submit a proposal with all the elements noted in item A5, along with hourly rates and total price for the work.
- 8) The Selection/Negotiation Committee will review the proposal, determine if the price is reasonable, and propose reductions in fee or scope if warranted.
- 9) If the Selection/Negotiation Committee determines that a reasonable fee has not been reached, they shall notify the 1st ranked firm that negotiations are terminated, and shall open negotiations with the 2nd ranked firm as set forth in 8, et seq.
- 10) As soon as the Selection/Negotiation Committee makes a determination that a reasonable fee has been proposed, said proposal will be placed on the City Council agenda with a recommendation for approval.

In the case of professional services for federal or state funded projects, the Kansas Department of Transportation's selection process shall supersede this policy process.

SECTION 4-5 Professional Trade Work

Professional trade work may include but not be limited to building, mechanical, electrical, and plumbing. Guidelines for obtaining these services are outlined in Section 8 of the Purchasing Policy.

Maintenance Contracts may be used for acquiring ongoing maintenance on specific groups of items that can be easily identified and competitively bid. Maintenance contracts could include such items as:

1. Electrical maintenance on traffic control signals
2. Repair of the public safety radio system
3. Emergency jetter/CCTV work
4. Root control services
5. SCADA and GIS system updates and maintenance
6. Hydraulic modeling maintenance

Maintenance Contracts will be issued, if possible, on a two year contract with a one year extension through mutual consent of both the City and the contractor.

SECTION 4-6 Irresponsible Vendor

Any vendor who fails to comply with the terms of an awarded bid, quotation, or the required specifications contained within the bid, may be declared an irresponsible vendor upon the recommendation of the Department Head and approval of the City Administrator. An irresponsible vendor may be purged from future bid notifications. Vendors will be notified by the responsible Department Head if they are removed. Any vendor wishing to appeal this decision may request that the City Council consider the matter at a formal meeting.

SECTION 4-7 Local Vendors

The City Council is conscious of the economic impact created by purchasing goods and services locally; therefore, the City reserves the right to award bids to local vendors if it is deemed to be in the best economic interest of the City.

SECTION 4-8 Standard Specifications

Standard specifications should be established so maximum competition can be secured. Specifications for each item should be definite and precise to eliminate the possibility of misunderstanding on the part of the vendor or the purchaser. Specifications which call for only one "brand or trade name" item to be furnished shall not be issued unless prior approval is granted by the City Administrator. Such brand names may be used to establish acceptable or minimum standards that all vendors must meet or exceed, and shall include the language "- or equal".

SECTION 4-9 Preparation of Specifications

It is the responsibility of the Department Head to ensure that technical knowledge is obtained so specifications truly reflect the needs of the department. During preparation of specifications the Department Head may also work closely with and use the expertise of appropriate vendors. All specifications shall be approved by the City Administrator prior to issuance.

SECTION 4-10 Sole Source Purchases

Order requests for any material or service which can only be supplied by a sole source should be accompanied with a written explanation fully justifying why conditions exist which require the item(s) to be purchased from only one vendor.

REPAIR OF EQUIPMENT

SECTION 5-1 Repair parts

Parts required to repair equipment may be purchased if total parts cost shall not exceed the purchasing authority limitations outlined in Section 4 of the Purchasing Policy. Parts required for items whose replacement cost would currently be less than five thousand dollars (\$5,000.00) shall be limited to twenty-five percent (25%) of their replacement cost unless approved by the City Administrator.

SECTION 5-2 Contractual Repairs

If City vehicles or equipment require maintenance or repair, the Supervisor should provide the Department Head with an estimate of the cost for the repair. Upon delivery of equipment to be repaired, the Supervisor shall establish cost limitations for contracted repairs with the vendor. If required repairs exceed the approved estimate, the Supervisor shall receive approval for proceeding with repair services from the responsible Department Head and/or City Administrator.

COMMODITIES

SECTION 6-1 Office Supply Stock

Each department shall maintain and adequately stock an office supply inventory. If a department employee is in need of office supplies, the responsible Department Head should be notified of the items required. The Department Head shall be responsible for approval and purchase of the required materials.

SECTION 6-2 Contractual Printing

All contractual printing shall be managed by each department and should adhere to Section 8 of the Purchasing Policy.

CREDIT CARD PURCHASING

SECTION 7-1 Commercial Card

Use of a commercial credit cards in the name of the City of Lansing will be used only for the purchase of goods and services in support of City business. Employees must adhere to the guidelines in the Commercial Card Policies and Procedures.

Employees will be responsible for retaining all receipts. At the end of each billing cycle, the Accountant will distribute individual statements to employees. Each employee shall submit to the Finance Department a Purchase Log of Transactions (PLOT) with all receipts and the credit card statement

attached. The PLOT must be signed by the supervisor and/or department head. Employees shall submit these promptly so that the City will never be responsible for paying any interest on charges. Department heads are responsible for ensuring that departmental funds are available when credit card charges are incurred and for monitoring expenditures within available budgets.

COOPERATIVE PURCHASING

SECTION 8-1 Cooperative Purchasing Authorized

The City, acting through the City Administrator, may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the purchase of any supplies, services, or construction with one or more units of government in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts between units of government and open-ended State contracts which are made available to cities.

SECTION 8-2 Restrictions on Cooperative Activities

All the participants in cooperative purchasing must agree to abide by all contractual requirements, including prompt payment of invoices.

ETHICS IN PURCHASING

SECTION 9-1 General Statement

Any attempt to realize personal gain through public employment is a breach of public trust.

SECTION 9-2 Gratuities

It is a breach of ethical standards for any person to offer, give or agree to give any employee or public official a gratuity or an offer of employment in connection with any decision or recommendation concerning a possible or actual purchase on behalf of the City of Lansing. Gratuities shall not mean pens, pencils, calendars, or other novelty items used as advertising meals or other meeting circumstances for the purpose of conducting or discussing official business, and totals less than fifteen dollars (\$15.00) in value.

SECTION 9-3 Confidential Information

It shall be a breach of ethical standards for any employee or public official to knowingly use confidential information for personal gain, or the personal gain of others.

SOCIO-ECONOMIC POLICIES

SECTION 10-1 Affirmative Action

The City of Lansing sets forth a policy to eliminate and prevent discrimination, segregation or separation because of race, sex, religion, physical handicap, color, national origin or ancestry, and to assure equal opportunities and encouragement of every person, regardless of race, sex, religion, physical handicap, color, national origin or ancestry, in securing and holding without discrimination, employment in any field of work or labor for which the person is properly qualified.

SECTION 10-2 Contracts Greater than \$5,000.00

Federal and State of Kansas laws prohibit discrimination, segregation and separation, and provide for equal opportunities and encouragement for every person regardless of race, sex, religion, physical handicap, color, age, national origin or ancestry. Kansas Statute 44-1030 requires that all contractors or vendors whose contract with the City of Lansing is an amount greater than five thousand dollars (\$5,000.00), or any contract with a contractor or vendor who does aggregate annual business with the City in excess of five thousand dollars (\$5,000.00) shall observe the provisions of the Kansas Act Against Discrimination.

As part of the City of Lansing's on-going commitment to goals of equal opportunity for all persons, the City shall require all vendors or contractors doing business with the City of Lansing in an amount in excess of five thousand dollars (\$5,000.00) to complete a "Questionnaire of Equal Opportunity

Compliance". The questionnaire shall be submitted to the Human Resource Director annually for the calendar year and/or concurrently with or prior to any contract bid or proposal. The Human Resource Director shall receive and review the Questionnaire and notify the City Administrator of its acceptability or, if the responses to the Questionnaire do not meet established standards, the Director shall specify the necessary modifications to be acceptable. The Human Resource Director shall periodically review the City's contract compliance program and shall be available to assist any vendor or contractor in complying with state and federal equal employment opportunity laws.

SECTION 10-3 Failure to Comply

Any person or business failing or refusing to comply with the City's Equal Employment opportunity requirements shall be declared ineligible to enter into any contracts with the City until the vendor has complied with standards established by the City of Lansing and approved by the City Administrator. The City Council shall be notified of any vendor ineligible for City contracts.

CLASSIFICATION OF EXPENDITURES

SECTION 11-1 Accounts

The establishment of new accounts shall be the responsibility of the Finance Department. It is the responsibility of each Department Head and/or Superintendent to properly code each purchase to the proper accounts.

DISPOSAL OF EQUIPMENT

SECTION 12-1 Transfer

Whenever a Department Head determines that equipment assigned to his or her Department is of no further benefit to the Department's operation, he/she shall notify the Finance Department so the appropriate changes may be made to the Capital Assets Inventory. If the equipment is not to be traded in, the Department Head shall notify other city departments of the availability of the equipment which may be useful to their operation.

SECTION 12-2 Disposal

Any equipment no longer useful to City of Lansing operations shall be disposed of by sealed bid, public auction, or ebay. Items to be disposed of by bid or auction shall have been approved by the City Administrator. The Finance Department should be notified of all items being disposed of so that they may make appropriate changes to Capital Assets Inventory. No City employee may purchase equipment or materials from the City except through a formal sealed bid procedure or at the public auction. No department shall loan, destroy or remove equipment or materials from the City's custody without prior approval from the City Administrator.

SECTION 12-3 Proceeds from Sale of Equipment

Any proceeds received from the sale of equipment shall be receipted into the appropriate Equipment Reserve Fund.

APPROVED by the governing body of the City of Lansing, County of Leavenworth, State of Kansas this 7th day of May, 2015.



Louis E. Kirby
Louis E Kirby, Mayor

Attest:

Sarah Bodensteiner
Sarah Bodensteiner, City Clerk

APPENDIX A

CITY OF LANSING

PURCHASING POLICY

I. PURPOSE:

To establish purchasing authority levels for City of Lansing expenditures.

II. THE PROGRAM:

1. Departmental accounts shall be established in each fund. These accounts shall be divided into four (4) broad areas:
 - a. Personnel Services, Contractual Services, Commodities, and Capital Outlay. Operating accounts shall be created under each fund type as follows:
 - i. **GENERAL FUND:** Administration Department; Police Department; Municipal Court Division; Emergency Operations/Preparedness Division; Street Division; Building Maintenance Division; Street Lighting Division; Parks and Recreation Department; Community Development Division; Finance Department; Public Works Department, Community Center Division, Economic Development Department, Lansing Activity Center, Human Resources Department, Non-departmental Division, and Office of the City Administrator.
 - ii. **SPECIAL REVENUE FUNDS:** Library; Consolidated Street and Highway; Special Parks and Recreation; Special Alcoholic Liquor Fund; Mayor's Christmas Tree Fund; KS Regional Prison Museum Fund; Transient Guest Tax Fund; and Economic Development Fund.
 - iii. **DEBT SERVICE FUND:** Bond and Interest Fund.
 - iv. **ENTERPRISE FUNDS:** Wastewater Utility and Solid Waste Utility Funds.
 - v. **RESERVE FUNDS:** Capital Improvements and Equipment Reserve Funds.
 - b. During budget preparation each department/division shall establish (but are not limited to) the following accounts: Personnel Services - i.e., Regular Payroll, Part-time Payroll, Overtime and Benefits; Contractual Services - i.e., Insurance, Legal, and Utilities; Commodities - i.e., Office Supplies and Maintenance; and Capital Outlay - i.e., Acquisition and Replacement Accounts.
 - c. If other funds or accounts are necessary for efficient and effective service delivery they may be developed.
2. Upon determining the budgeted amount for operating accounts, each department is committed to expending NO MORE THAN THE BUDGETED AMOUNT FOR THAT OPERATION ACCOUNT. It is understood that certain contingencies are unforeseen in the course of operation; therefore budget authority is transferable within individual department, division, or fund (in addition to the budget amendments as authorized by statute). Each department director may petition the Finance Director for a transfer of budget authority within an individual department or division. The Finance Director, based on his/her overall supervisory authority of purchases, may deny the transfer if it is judged in the best interests of the city. The Finance

Director, in consultation with the City Administrator, may also transfer budget authority within funds (i.e., General Fund - Administration to General Fund - Streets) when it is in the best interests of the city. Budgeted transfers of money between funds (i.e., General Fund to Capital Improvements Fund) require city council authorization. The Finance Director, based on his/her overall supervisory authority of purchases, may deny any requested transfer if it is judged in the best interests of the city.

3. If a department director believes the "request for a budget authority transfer" is denied for some reason other than the best interest of the city, he/she may appeal the request to the City Administrator. If it is found that the transfer was denied for any reason other than the best interest of the city, the City Administrator may approve or disapprove the department director's request for transfer.
4. Purchasing authority limitations shall be set as follows:

<u>AUTHORITY LEVEL</u>	<u>AMOUNT</u>
a. Superintendent.....	\$ 3,000
i. Public Information Officer	
ii. Street Superintendent	
iii. Parks & Recreation Superintendent	
iv. Recreation Programmer	
v. Community Development Superintendent	
vi. Wastewater Utility Superintendent	
vii. Police Captain	
b. Department Head.....	\$ 7,500
i. Finance Director	
ii. Public Works Director	
iii. Police Chief	
iv. Human Resources Director/City Clerk	
v. Parks & Recreation Director	
vi. WWT Director	
vii. Economic/CVB Director	
viii. Library Director	
c. City Administrator.....	\$ 15,000
d. Mayor.....	\$15,000
e. Where a purchase amount exceeds an authority level's limit, approval from the next purchasing level must be granted. For example, a \$3,100 purchase requested by a superintendent must also be approved by his/her department head prior to obtaining a purchase order. City council's approval is required for any purchase greater than \$15,000, except for routine monthly obligations (i.e. utility bills), and contractual obligations (i.e. bond payments, worker's compensation premiums, progress payments on contracts).	

5. The City Administrator, or in his absence the Mayor, has approving authority for emergency purchases that are necessary for continued city operations, provided the emergency is documented. Department heads have authority for emergency purchases within their spending authority, and must report such instances to the City Administrator at their earliest opportunity. No competitive bidding is required for emergency purchases.

6. Combining purchasing authority to circumvent levels of purchasing authorization is prohibited.

- 7. For convenience and to reduce costs, 30 day accounts with approved vendors shall be used for all routine supplies and services. Whenever possible, department heads shall establish monthly purchase requisitions with the approved vendors, and the purchases indicated shall be authorized up to the amount of the monthly purchase order.
- 8. Individual purchases or purchases of repair parts of an amount less than \$1,500 do not require competition. However, every effort shall be made to insure that all purchases are made in the most economic manner. For purchases of an \$1,500 or more, the following documentation is required:

<u>AMOUNT</u>	<u>DOCUMENTATION</u>
a. \$1,500 - \$2,999	Two Quotes
b. \$3,000 - \$7,499	Three Quotes
c. \$7,500 - \$19,999	Three Written Quotes
d. \$20,000 or greater	Sealed bids received in accordance with an <u>advertised</u> request for proposal.

- 9. When the City of Lansing solicits quotations or bids for the purchase of goods or services, it is common to receive responses from vendors domiciled both within and outside the Lansing city limits. In such circumstances, if the low quotation or bid is submitted by a vendor domiciled outside the Lansing city limits, then the vendor domiciled within the Lansing city or Leavenworth County limits may be deemed the preferred vendor and awarded the contract, provided that:
 - a. the goods or services quoted or bid by the vendor domiciled within the Lansing city or Leavenworth County limits meets the specifications of the procurement; and
 - b. the amount of the quotation or bid of the vendor domiciled within the Lansing city limits is no more than 2% greater than the amount of the low quotation or bid.
 - c. if there is no vendor domiciled within the Lansing city limits, then the amount of the quotation or bid of the vendor domiciled within the Leavenworth County limits that is no more than 1% greater than the amount of the low quotation or bid will be considered.
 - d. This section shall not apply to the procurement of goods or services that relate to public improvements governed by K.S.A. 14-440.
 - e. For the purpose of this policy, "a vendor domiciled within the Lansing city limits " is defined as a vendor who:
 - i. maintains a permanent place of business within the Lansing city limits, and
 - ii. has a valid State sales tax registration certificate.
 - f. For the purpose of this policy, "a vendor domiciled within the Leavenworth County limits " is defined as a vendor who:
 - i. maintains a permanent place of business outside the Lansing City limits but within the Leavenworth County limits, and

ii. has a valid State sales tax registration certificate.

g. For the purposes of this policy, "an advertised request for proposal" is defined as:

i. advertisement in the local newspaper, and

ii. advertisement on the city's website and Channel 2.

10. For specialized services, or where alternate suppliers do not exist (i.e., training, seminars, utility bills, insurance, and other contractual obligations), or to utilize a previously bid State or other governmental contract; or because the services required are of a professional nature the City Administrator may waive the requirement for competitive quotes or bids.

