

RESOLUTION NO. R-15-50

A RESOLUTION AUTHORIZING A REVISED PURCHASING POLICY FOR THE CITY OF GLADSTONE, MISSOURI.

WHEREAS, Resolution No. R-99-58 passed on July 26, 1999 adopted a “**Purchasing Policy**” as a guideline for the purchase of all goods and services for the City of Gladstone and an administrative update occurred in 2010; and

WHEREAS, new technology has automated the purchasing, accounts payable, and procurement card processing, a review of the current purchasing policy was conducted and found that certain revisions are necessary; and

WHEREAS, recommended updates and revisions were outlined and discussed with Gladstone City Council during a study session on July 27, 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

THAT, a revised “**City of Gladstone, Missouri Purchasing, Procurement Card, and Accounts Payable Policy**” attached hereto as Exhibit “A” is hereby adopted, and shall be used as the guideline for purchase of all goods and services for the City of Gladstone, Missouri.

INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 10TH DAY OF AUGUST, 2015.



Mayor Bill Garnos

Attest:


Ruth E. Bocchino, City Clerk



7010 N Holmes Gladstone, Missouri 64118 816-436-2200 Fax 816-436-2228 Gladstone.mo

August 6, 2015

TO: Kirk Davis, City Manager

From: Dominic Accurso, Accountant
Debra Daily, Director of Finance

RE: Resolution Purchasing, Procurement Card, Accounts Payable Policy

A study session highlighting recommended updates to the Purchasing, Procurement Card, and Accounts Payable Policy was conducted on July 27, 2015. The original memo, the red-lined policy, and the proposed final policy are provided for your reference. The attached resolution recommended for approval will be placed on the August 10, 2015 agenda for Council consideration. If there are any questions, please let us know.



7010 N Holmes Gladstone, Missouri 64118 816-436-2200 Fax 816-436-2228 Gladstone.mo

July 20, 2015

TO: Kirk Davis, City Manager

From: Dominic Accurso, Accountant
Debra Daily, Director of Finance

RE: Updates to the Purchasing, Procurement Card, Accounts Payable Policy

The objective of the City's purchasing policy is to set parameters and give guidance on how the City should purchase goods and services. All purchasing will demonstrate a reasonable and good faith effort to obtain goods and services at the lowest possible cost with the optimum quality needed. Competition among suppliers is encouraged with a preference given to local vendors if all other things are equal. The last purchasing policy was adopted by resolution in 1999 and received an administrative update in 2010 for minor administrative changes. This update combined the credit card policy, the accounts payable policy, and the purchasing policy into a single comprehensive purchasing policy. The City is recommending additional updates to this purchasing policy.

The majority of the recommended updates are due to financial software changes. All previous approval levels and internal control oversight are still in place. However, approvals and oversight are now done electronically instead of through a manual process. In addition, all contracts must also be reviewed and approved by the City Attorney and an original executed contract provided to the City Clerk.

Finally, the updated policy will include requirements for purchases made with federal grant funds. Procurement, suspension, and debarment are one of the 14 compliance requirements when purchases are made with federal funds. This requirement states that federal funds cannot be paid to parties that are suspended or debarred or whose principals are suspended or debarred. When federal grant funds are used any vendor will be checked for suspension or debarment using the System for Award Management (SAM).

For every contract lasting longer than a year, an updated search will be done to ensure that there has been no change in status.

The proposed updates to the current policy are provided for Council review with a redlined copy, along with a final draft policy. A resolution will be placed on the August 10, 2015 agenda for Council consideration. If there are any questions, please contact me at your convenience.

CITY OF GLADSTONE



PURCHASING, PROCUREMENT CARD, ACCOUNTS PAYABLE POLICY

CITY OF GLADSTONE, MISSOURI PURCHASING POLICY

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I. GENERAL

This policy provides guidelines to be followed in purchasing goods and services for the City. These policies and procedures supersede all prior purchasing directives, memoranda, and practices. The City Manager shall be responsible for enforcing this policy.

All purchasing will demonstrate a reasonable and good faith effort to obtain goods and services at the lowest possible cost with the optimum quality needed. Competition among suppliers shall be encouraged.

Vendors will be treated in a fair and businesslike manner with preference given to local vendors, if all other things are equal.

No City employee or official shall have a financial interest in any purchase or contract issued by the City. Accepting gratuities in exchange for preferential treatment is strictly prohibited.

The City Council sets goals, priorities, and standards for City programs and services through adoption of the annual budget. The budget establishes expenditure levels for each department. No further Council action is required to initiate purchases within the budget limits, except as outlined in Sections III and IV.

Department Heads are granted full responsibility and broad discretion by the City Manager to make purchases within the scope of their departmental appropriations. Budget appropriations do not mandate expenditures unless the need continues to exist at the time of purchase. The City Manager may establish spending levels below those budgeted if revenue collections are inadequate to fulfill budgetary needs. Expenditures in excess of the appropriated personnel services element require written approval of the City Manager.

All City Purchases are exempt from the sales taxes of Missouri and its political subdivisions.

II. PURCHASING DEFINITIONS

The following words or terms, when used in this policy, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

Authorized/Designated Person: Any City employee approved by the City Manager or a Department Director to make procurement decisions on behalf of the City.

Award: The presentation, after careful consideration, of a purchase agreement or contract to the selected bidder.

Bidder: A person who submits a bid in response to a public notice or invitation for bid.

City: The City of Gladstone, Missouri.

City Manager: The chief administrative officer of the City.

Contract: A legally binding agreement for the procurement of supplies, services or construction.

Contractor: A person or entity pursuing, or a party to, a contract with the City.

Council: Duly elected governing body of the City.

Procurement: Purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction, including performance of any necessary functions, such as writing specifications, selection and solicitation of sources, preparation and award of contract, and contract administration.

Procurement Card: An efficient, cost-effective method of purchasing and paying for items. The program utilizes a credit card to consolidate many transactions on one monthly payment to the sponsoring bank. The card can be used for in-store purchases as well as mail, phone, fax or on-line orders.

Professional Services: Services including, but not limited to, appraisal, architectural, auditing, banking, engineering, environmental, financial, geo-technical, legal, real estate, surveying and title.

Purchase Order: A purchaser's written document to a supplier formally stating the terms and conditions of a proposed transaction.

Quotation: A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser by letter, fax, telephone or other means of communication.

Request for Proposals: Any document utilized for soliciting proposals.

Specification: Any description of the physical or functional characteristics of a supply, service or construction item. It may include a description or any requirement for inspecting, testing or preparing a supply, service or construction item for delivery.

III. APPROVAL REQUIREMENTS AND THRESHOLDS

Amount	Approvals	Bids*
\$0-999.99	Division, Dept. Head (or Finance Director for Capital items)	None
\$1,000-4,999.99	Division, Dept. Head (or Finance Director for Capital items)	Verbal
\$5,000-19,999.99	Division, Dept. Head, Finance Director, City Manager	Written
\$20,000-over	Division, Dept. Head, Finance Director, City Manager, City Council	Formal

*See Section IV regarding competitive quotes and bids.

- A. Capital purchases in any amount (60's line items) shall require the approval of the Division Head and the Finance Director. These will ordinarily be \$5,000 or greater in amount.
- B. Supplies and Services purchases (20's, 30's, and 40's line items) less than \$1,000 shall require the approval of the Division Head, and Department Head.
- C. Supplies and Services purchases (20's, 30's, and 40's line items) at least \$1,000 but less than \$5,000 shall require the approval of the Division Head, Department Head, and Finance Director.
- D. All purchases greater than \$4,999.99 but less than \$20,000 shall require the approval of the Division Head, Department Head, Finance Director, and City Manager.
- E. Purchases of \$20,000 or more shall require the approval of the Division Head, Department Head, Finance Director, City Manager, and City Council.
- F. In addition, purchases of computer hardware or software must also be approved by Information Technology (IT) to assure compatibility with the existing computer network.

IV. COMPETITIVE QUOTES AND BIDS

Purchases in excess of \$1,000 from a single vendor shall require competitive verbal quotations. Verbal quotes may be obtained by telephone, fax, in writing, or from current catalog price lists. Verbal quotes shall be solicited from at least three (3) vendors. See required recordkeeping in Section V. Listing of verbal quotes shall be included in the Purchase RequisitionOrder.

Purchases in excess of \$5,000 require written specifications and written competitive quotes from at least three (3) vendors. Specifications will include detailed requirements for the items to be purchased and procedures for submitting quotations. Written quotes must be maintained by the requesting department and listing of written quotes must be included in the Purchase RequisitionOrder.

Copies of written quotes ~~(including requisition number)~~ must be submitted to Finance before final reviews can be completed and purchase order approved and issued. Written quotes should also be listed in the purchase requisitionorder when it is entered by the department. Contracts must be reviewed and approved by the City Attorney.

Purchases in excess of \$20,000 require legal advertisement, written specifications, sealed bids, and are awarded by the City Council. Sealed bids shall be submitted to the City Clerk for public opening and evaluation prior to City Council action. Contracts must be reviewed and approved by the City Attorney, and an original executed contract must be provided to the City Clerk.

These guidelines may be modified or waived under any of the conditions listed below. Written justification for such must be submitted with the Purchase Requisition.

- A. The goods or services are available from only one vendor;
- B. Any emergency exists;
- C. The repair or maintenance work does not substantially alter, add to or change any equipment, building, structure, or facility;
- D. A concession or maintenance service agreement is being renewed for good workmanship, material, or performance for no more than one (1) year if allowed under the contract terms;
- E. It is advantageous to purchase through the purchasing contracts of other governmental agencies;
- F. The services are not conducive to lowest price bidding, for example legal, engineering, audit, or medical services, or services for senior citizen activities;
- G. For purchases that are of an on-going, repetitive nature, i.e., concrete, asphalt, equipment repairs, or any other items approved by the City Manager. The City Manager shall have the authority to approve, on an annual basis, a vendor listing of not less than three (3) vendors to be used by the city for each approved product or service. Vendors shall annually submit price lists and purchases may then be made by Department Heads on a price/availability basis for purchases up to \$5,000 without obtaining separate quotes on each purchase;
- H. Professional services for architecture, engineering, or land surveying shall be obtained as further outlined in Section XII.

V. **RECORD KEEPING**

All purchasing activities should be documented to verify a good faith effort to obtain the lowest possible price at the optimum quality. Verbal quotes will be included with the Purchase Requisition. The requesting department will maintain original written quotes, list them in the Purchase Requisition, and send copies of the written quotes to Finance.

A record of any quotes or bids will document vendor competition. This record shall include a list of vendors solicited, persons contacted, dates, prices, quantities, and any other pertinent information.

All purchasing documentation will include verification of receipt and actual cost. The department shall maintain any original receiving slips with the original documentation of the verbal or written quotes. Original invoices or sales receipts of any size, ~~with the signature of the department head or his/her designated representative to verify receipt of the goods or services,~~ shall be forwarded to Accounts Payable for processing.

VI. PURCHASES MADE WITH FEDERAL FUNDS

When the City uses federal grant money to purchase goods or services, all recipients of federal money need to be checked for suspension or debarment to receive federal funds. This process needs to be documented as well.

Construction Services – When a construction project is awarded to a contractor, and will receive federal grant money for the project, the Construction Contract Coordinator will use the System for Award Management or SAM (www.sam.gov) to ensure and document that the contractor is eligible to receive federal money and has not been suspended or debarred before entering into the contract.

Other Goods or Services – When anything other than construction services are procured, the Accountant will use the System for Award Management or SAM (www.sam.gov) to ensure and document that the vendor is eligible to receive federal money and has not been suspended or debarred before the P.O. is approved.

For any contract or vendor used longer than a year, an updated search will be done to ensure that there has been no change in the contractor's or vendor's status with SAM.

VII.

VI:VIII. PURCHASE MECHANISMS

The City uses ~~four~~ three mechanisms for making approved purchases. These are Visa procurement cards, check requests, ~~field purchase orders (FPOs), and purchase requisitions/~~purchase orders (POs). The chart below shows how these mechanisms should be used to pay for purchases. Exceptions to these processes must be approved by the Finance Director and/or City Manager.

Purchase type	Amount	Preferred purchase mechanism		
		Visa card	Check Request	Purchase Order
Routine Supplies, either operations (20's) or maintenance (30's); routine Services, either operations (40's) or maintenance (50's) (see exceptions below)	\$0.01-\$999.99	1	NA	2
Routine Supplies, either operations (20's) or maintenance (30's); routine Services, either operations (40's) or maintenance (50's) (see exceptions below)	\$1,000 and up	NA	NA	1
Ongoing, repetitive purchases under annual contract arrangements approved in advance by the City Manager	Up to \$5,000	1	NA	1
Capital Purchases (60's)	\$5,000 and up	NA	NA	1
Lodging for training classes	Up to \$1,000	1	NA	1
Lodging for training classes	\$1,000 and up	NA	NA	1
Meals for training classes (local--reimburse employee with receipt, or use Visa)	Any	1	1	NA
Meals for training classes (out of town, use per diem)	Any	NA	1	NA
Services related to senior-citizen activities/trips	Any	1	NA	1
Refunds from revenue accounts	Any	NA	1	NA
Payments for liabilities (payroll expenses, taxes, debt, escrow refunds) or from assets (establish cash drawer)	Any	NA	1	NA

Key:
1. Preferred method
2. Acceptable, but not preferred
NA Not allowed for this purchase type

VII-IX. VISA CARDS

The purpose of the City of Gladstone Visa Procurement Card Program is to establish an efficient, cost-effective method of purchasing and paying for small-dollar goods and services directly associated with City business. It is a complement to, not a replacement for, the requisition/purchase order system and travel policy.

Cards are issued to employees upon request of the department head and approval by the Finance Department. The card is issued under the name of the employee cardholder, and should be protected the same as if the card was the employee's personal card. No one other than the employee whose name is on the card should use it. Under no circumstances should the card be used for personal business or for business of any entity other than the City of Gladstone. Any use of the card outside these guidelines may result in the employee cardholder being held personally liable for the transactions and may result in disciplinary action.

Each card has both a transaction dollar limit (how much can be charged at one time) and a cycle limit (how much can be charged each month). Each card also is assigned to an "exclude group" consisting of business types where the card's use is not allowed. All of these limits are assigned by the joint decision of the department head and the Finance department. If the card is declined and the cardholder thinks it should not have been, the cardholder may call the Finance department Visa coordinator who will contact the bank to find out why the decline occurred. Most declines occur when a business has been coded incorrectly in the Visa system; if that is the case, the bank will be instructed to remove that code from the exclude list at least temporarily to allow the purchase to go through.

Examples of business types that are "excluded" include, but are not limited to:

- Financial Institutions for cash advances (including ATMs)
- Steamship and Cruise Lines
- Boat Dealers
- Bars and Taverns
- Religious Goods Store

These are not the types of firm with which the City will ordinarily be doing business.

There may be other business types that are blocked for some employees but not for others. This will vary depending on the employee's needs to perform his or her normal duties. The main example here is travel-related businesses such as hotels and rental cars. Employees who do not travel as part of their normal routine do not have access to those businesses. However, if an employee is to be sent for training, the department head may contact Finance to have the employee's "exclude list" changed temporarily to allow the card to be used for those transactions.

In the rare instance that a decline occurs due to either the transaction or cycle limit, it is unlikely that the charge will be allowed to go through. Cardholders are responsible for knowing their limits and maintaining records of how much has been spent each month. In cases of emergency the Finance Director and City Manager may authorize extending limits temporarily.

The employee cardholder is responsible for the security of the Visa card and account number. In the event that the card is lost or stolen, or if the cardholder suspects that the account number has been compromised, he or she must notify the Finance Visa coordinator immediately. The card will be canceled and a replacement requested.

Visa cards are specific to the individual in a particular position. If an employee vacates a position, the card must be turned in to Finance. If that employee is moving to a new position in a new department the old card will be canceled and a new one issued with limits appropriate to the new position.

Recordkeeping is the key to success of the Visa program. Monthly statements are mailed to each cardholder, with a master statement mailed to Finance for payment to the bank. Each department has an assigned coordinator who is responsible for making sure that all receipts are turned in. That individual is also responsible for coding transactions ~~on the bank's website each week in the accounting software after Finance uploads the transaction file from the bank.~~ Although each department may establish its own general policy for how the month's charges are submitted to Finance, there are a few common requirements.

- Each transaction must be verified by an original receipt showing what was purchased and when.
- Each cardholder must sign and date his/her statement or an attached logsheet of all transactions on the statement indicating that it is correct.
- Each department head must review the statements and ~~sign and date the master listing indicating that he or she has done so must approve all Visa transactions via work flow in the accounting software.~~
- Receipts and statements must be submitted timely so that the coordinators can forward the signed department transaction listing to Finance for payment by the due date. Statements cycle on the first business day of the month and payment is due 25 days later, so that normally means that everything must be completed by the 15th to get ~~the bank's payment into Accounts Payable in time to mail the check to the bank payment processed before the due date of the 26th.~~

Each department is responsible for keeping track of all purchases on the Visa cards in relation to budget. Purchases on the Visa cards are not ~~entered-encumbered into the accounting system and subtracted from available budget until all approvals have been completed in the accounting system, and do not show up as paid until all~~ departments have turned in their transactions on or around the 15th of the following month ~~and Finance can post the payment to the bank; therefore, it~~ may be as long as six weeks before a purchase shows up completely in the general ledger. To avoid going over budget, no purchases should be made without approval from the department or division head responsible for the budget.

~~VIII~~X. ACCOUNTS PAYABLE SYSTEM

General Overview

The Accounts Payable system encompasses check requests, ~~field purchase orders (FPOs), and purchase requisitions/~~ and purchase orders (POs).

Accounts Payable Processing Summary

- Any vendor setup will be done by Finance. This ensures that all information necessary for yearly IRS reporting purposes has been received, and provides for necessary internal control over fraudulent or duplicate payments to vendors. If a new vendor is needed, please send Accounts Payable an email that lists the vendor's name, address, fax number, and other relevant contact information. Finance will then follow up with the vendor to get all the necessary information. No vendor will be paid until ~~they return~~ the required information is received.
- Vendors send all invoices directly to Accounts Payable.
- Accounts Payable date stamps the invoices and ~~sends copies~~ sends electronic images of the invoices to departments for processing.
- Departments request payments of invoices ~~either through the requisition-purchase order process or the FPO process. Requisitions-Purchase orders~~ can be used for any payment request ~~but FPO's can only be used for invoices amounting to less than \$1,000.~~
- ~~FPO's and requisitions~~ Purchase orders are electronically approved by department heads or their designee. Each department head will retain ultimate responsibility for all purchases made by his/her department. However, circumstances in each department may warrant that some of the day-to-day duties be delegated. At the department head's discretion, he/she may designate others in the department who may do the online approvals (division or department) ~~and/or sign and date the invoices.~~ Such designation shall be in writing or via email and, shall include specific line items that the person is authorized to use, ~~as well as the signature both of the department head and any subordinate who will be doing the approvals.~~ This designation must be updated annually in July.
- ~~Departments send invoices (see required documentation below) to Accounts Payable for final payment processing. Required documentation serves as proof of receipt of goods and is matched up with the system FPO or requisition and processed for payment on Thursday of each week or according to AP schedule. Once approvals are completed, Accounts Payable will officially issue the pPurchase oOrder, making it available for receipts.~~
- Departments are responsible for entering receipts against the issued pPurchase oOrders. This is electronic acknowledgement that the items have been received in good order, and are ready for payment. Accounts Payable will not pay invoices until the pPurchase oOrder has been marked received.
- Invoices received back with all approvals and receipts in place by Wednesday 5:00 p.m. will be processed in time for that Friday's check run. However, all vendor terms will be observed. Under the Uniform Commercial Code, payment is due to the vendor 30 days after the invoice date unless otherwise specified by the vendor. Under normal circumstances this is plenty of time to allow for ~~requisition-purchase order~~ entry, all approval levels including the City Manager's if needed, and processing by accounts payable. If invoices are processed regularly in all departments there should be no problems with late payments. Occasionally a vendor will offer a discount for a shorter

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payment time (i.e., 2% discount in 10 days, or net invoice amount due in 30 days). Accounts Payable will work with the departments to expedite payments to take advantage of any offered discounts.

- Check is cut and sent directly to vendor along with any remittance advice provided by departments.

Required documentation for payment processing consists of:

- ~~Original invoice (if applicable) or other original purchase receipt with approval signature, date, and FPO or requisition number for reference and matching with electronic system payment requests.~~ Original receipts/invoices are required for any payment to be made. Statements do not qualify as original invoices. Finance will maintain all original invoices. In the event of a lost invoice, a clearly-marked duplicate faxed from the vendor will be considered as a substitute for the original. Photocopies will not be accepted.
- ~~All purchase orders require an electronic attachment before they can be processed. If the department has already completed the purchase, a copy of the invoice or receipt should be attached. If the order is pending, then a copy of any competitive quotes or specifications or an accepted proposal should be attached.~~
- ~~Copy of date stamped invoice (initially sent out by Accounts Payable) with FPO or requisition number for reference and matching with system payment requests.~~

IX.XI. REQUISITION/PURCHASE ORDER PROCESS

Purchase orders should be considered the primary avenue for payments from the accounts payable system. The purchase requisition system is designed to get all required approvals as outlined above. When a requisition purchase order is processed ~~into a purchase order~~ prior to placing the order, the resulting purchase order represents a contract between the City and the Vendor.

~~Blanket Purchase Orders A blanket PO is simply a mechanism that gives authorization to make multiple small purchases to a single vendor up to a maximum in a given period of time. Since blanket POs sidestep the electronic approval process, their use will be limited to multiple small purchases to a single vendor, under circumstances where the Visa cards cannot be used. Limits on Blanket order amounts in total and for each individual item will be determined based on additional discussion with departments. To establish a blanket PO the department should complete a blanket purchase order request form and submit to Accounts Payable. Accounts Payable will establish the blanket PO and let the department know the PO number to use. Because the receiving function is essentially the same as the requisition entry for a normal PO request, this is the one instance where the department will be required to "receive" a purchase in HTE (all other "receipts processing" will be done in Finance as part of the process of entering approved invoices.)~~

X. FIELD PURCHASE ORDER PROCESS

~~Field Purchase Orders (FPOs) are the second payment mechanism in the HTE accounts payable system. They are simpler than purchase requisitions, requiring~~

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~~less data entry, but are also limited in the number of approvals required. They therefore cannot be used for anything that requires approval at a level beyond the department head, meaning they cannot be for anything over \$1,000. FPOs also require that a vendor number be on file before processing; you cannot type in the name and proceed with approvals while waiting for vendor setup.~~

XI.XII. CHECK REQUESTS

Check requests are the ~~final other~~ payment mechanism from the accounts payable system. This form is used for those relatively few instances that do not fit in with either the Visa program or the purchase order/~~field purchase order~~ categories. These include all payments to employees for reimbursements or for travel; refunds from revenue accounts; payments from escrow accounts or other liabilities; or payments from asset accounts. This would also include small one-time payments to vendors who do not accept Visa. The form to be used for check requests is located on the network at [T:\FORMS\AP Forms & Instructions\Electronic Check Request.xls](#).

Requests for refunds issued to citizens must be accompanied by a copy of a system-generated receipt or proof of previous payment. This verifies that the person is actually entitled to the reimbursement. However, because it does not prove that program participation was canceled, the department head or designee must provide signature approval for the refund. Because a refund is, by nature, a one-time payment, the required documentation should be attached to the one time payment form, signed and dated by the department head, and forwarded to Accounts Payable for processing.

Please reference the [Travel Policy/Travel Reconciliation](#) for detailed information on travel reimbursements.

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XII.XIII. PROFESSIONAL ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING SERVICES

A. DEFINITIONS

1. The term, "professional services" shall mean those services within the scope of practices of architecture, engineering, or land surveying, as defined by the laws of the State of Missouri, or those performed by any architect, professional engineer, or registered land surveyor in connection with this professional employment or practice.
2. The term, "firm" shall mean any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice architecture, engineering, or land surveying in the State of Missouri, or to provide professional services as described herein.

C. GENERAL PROCEDURE AND RESPONSIBILITIES

1. The procurement policy herein described shall be initiated for projects whose expenditure value exceeds \$20,000 or in other cases in which the City Manager may deem it advisable. At such time that the procedures described in this section have been completed, and before a contract or purchase order is issued, the bid solicitation, bid tabulation, and supporting documentation will be forwarded to the Contract Administrator in the Finance Department to be reviewed for procedural compliance.
2. Project Initiation. When a Department Head identifies a project for which professional services will be necessary, the department will draft a scope of services for the specific project. This scope of services will be submitted to the City Manager for authorization to initiate the project, and a determination as to which type of selection will be required in accordance with the policies of the Purchasing Manual. The scope of services should include the following:
 - a) A description of the work required and its objectives.
 - b) The nature of specific tasks and services to be accomplished.
 - c) The type and amount of assistance to be given by the City department involved.
 - d) Required time frame.
 - e) Financial conditions or limitations; grant programs involved.
3. Expressions of Interest. After authorization, the Department Head will contact those firms on the roster and those firms responding to advertisements, if applicable, for a written expression of interest in the specific project. The request should invite comment as to the special experience in the project being considered, describe previous experience with similar projects, and the availability of the firm to provide required service within any time limitations.
4. Screening and Requests for Proposals. The expressions of interest will then be presented to the Department Head for initial screening. Factors to be determined in the initial screening will include:
 - a) Specialized experience in the type of work required.
 - b) Record of the firm in accomplishing work on other projects in the required time.

- c) Quality of work previously performed by the firm for the City.
- d) Recent experience showing accuracy of cost estimates.
- e) Community relations including evidence of sensitivity to citizen concerns.
- f) Geographic location of the office of the firm which would serve the project.
- g) Qualifications and experience of key personnel.
- h) Relations with previous clients.

The Department Head, with the advice and consent of the City Manager, will designate three or four firms who will be requested to present detailed proposals on the project and be interviewed.

5. Detailed Proposals. Firms submitting detailed proposals will be asked to provide the following:
 - a) A resume of the firm principal who will be responsible for the project.
 - b) A resume of the proposed project supervisor.
 - c) Resumes of key project personnel.
 - d) A statement of the ability of the firm to meet required time schedules.
 - e) A description of how the project would be conducted.
 - f) A schedule of hourly rates for various services offered and a proposed project fee range.
 - g) A list of municipal references for similar types of projects.
 - h) Any other pertinent information the firm wished to present.
6. Interview and Selection. Upon receipt of the detailed proposals, the Department Head will review the proposals, interview the prospective firms, and make the final selections as to the firm for the project. Similar systems for rating shall be used on similar projects and will be

standardized where possible. The prime factors to be rated in the final screening are the firm's:

- a) Management capabilities
- b) Technical capabilities
- c) Approach to the project
- d) Understanding of City's objectives
- e) Proposed work schedule
- f) Staff to be assigned
- g) Fee and/or schedule of hourly rates
- h) Knowledge of local situation
- i) Ability to communicate
- j) Presentation and attitude
- k) Confidence factor

7. Contract Negotiation. The selected firm will then be requested to come in for a final conference with the Department Head to define precisely the scope of services to be provided and to finalize the compensation requirements for the work. A contract will then be prepared and submitted to the City Counselor for review, and then submitted to the City Manager for presentation to the City Council for approval, as required by the Purchasing Manual. An original executed contract shall be provided to the City Clerk.

7.8. _____

If, after reasonable effort, a contract cannot be negotiated, the negotiations with the designated firm shall be terminated and negotiations shall be started with the next firm recommended.

8.9. Exceptions.

- a) In view of the fact that special conditions will occasionally arise that make use of this policy impractical, there can be exceptions made. Reasons for exceptions may include an emergency situation which precludes a selection time frame of at least two (2) months, or an extremely specialized need in which there is only one feasible source of expertise. If it appears there is a need for an exception to the policy, the City Manager will inform the City Council to allow them the opportunity to deny the exception.
- b) If the number of firms willing and available to perform a specific task is small, the step involving initial screening may be skipped and the selection process will go directly to detailed proposals. If two or more projects, during any three (3) year period, are of such similar nature, the Department Head, with the approval of the City Manager, may request a detailed proposal from a previously-contracted firm and then, following an interview, enter into contract negotiations with that firm. Should contract terms not be reached with the selected firm, the Department Head must revert to the procedures as outlined previously in this policy.

D. COMPENSATION OR FEE

This amount will include all services to be rendered to the City by the firm, with the exception of certain pass-through expenses that will be identified by contract, if applicable, and it will be calculated by one of the following methods, at the preference of the City:

1. Lump sum or fixed fee
2. Cost per unit
3. Hourly basis with total not to exceed a fixed amount

E. PROHIBITION AGAINST CONTINGENT FEES

1. Each contract entered into by the City Council for professional services shall contain a prohibition against contingent fees as follows:

“No firm shall retain a person, to solicit or secure a City contract for professional services upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.”

2. For the breach or violation of the foregoing provision, the City Council shall have the right to terminate the agreement without liability and, at its

discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift, or consideration.

| XIII.XIV. _____ **SURPLUS PROPERTY**

A detailed list of any surplus, obsolete, worn-out, or confiscated department property shall be submitted to the Director of Public Safety with recommendation for disposal. The list will be circulated to all Department Heads and provided to the Finance Department upon completion for fixed asset accounting purposes. Upon request, items may be transferred to another department subject to approval of the City Manager.

Surplus property may be sold by sealed bid or public auction with authorization of the City Council. Such items shall be stripped of all City identification and City information prior to sale. Unsold items may be recycled, junked and/or sold for scrap upon approval of the City Manager.

CITY OF GLADSTONE



Proposed

PURCHASING, PROCUREMENT CARD, ACCOUNTS PAYABLE POLICY

**CITY OF GLADSTONE, MISSOURI
PURCHASING POLICY**

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I. GENERAL

This policy provides guidelines to be followed in purchasing goods and services for the City. These policies and procedures supersede all prior purchasing directives, memoranda, and practices. The City Manager shall be responsible for enforcing this policy.

All purchasing will demonstrate a reasonable and good faith effort to obtain goods and services at the lowest possible cost with the optimum quality needed. Competition among suppliers shall be encouraged.

Vendors will be treated in a fair and businesslike manner with preference given to local vendors, if all other things are equal.

No City employee or official shall have a financial interest in any purchase or contract issued by the City. Accepting gratuities in exchange for preferential treatment is strictly prohibited.

The City Council sets goals, priorities, and standards for City programs and services through adoption of the annual budget. The budget establishes expenditure levels for each department. No further Council action is required to initiate purchases within the budget limits, except as outlined in Sections III and IV.

Department Heads are granted full responsibility and broad discretion by the City Manager to make purchases within the scope of their departmental appropriations. Budget appropriations do not mandate expenditures unless the need continues to exist at the time of purchase. The City Manager may establish spending levels below those budgeted if revenue collections are inadequate to fulfill budgetary needs. Expenditures in excess of the appropriated personnel services element require written approval of the City Manager.

All City Purchases are exempt from the sales taxes of Missouri and its political subdivisions.

II. PURCHASING DEFINITIONS

The following words or terms, when used in this policy, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

Authorized/Designated Person: Any City employee approved by the City Manager or a Department Director to make procurement decisions on behalf of the City.

Award: The presentation, after careful consideration, of a purchase agreement or contract to the selected bidder.

Bidder: A person who submits a bid in response to a public notice or invitation for bid.

City: The City of Gladstone, Missouri.

City Manager: The chief administrative officer of the City.

Contract: A legally binding agreement for the procurement of supplies, services or construction.

Contractor: A person or entity pursuing, or a party to, a contract with the City.

Council: Duly elected governing body of the City.

Procurement: Purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction, including performance of any necessary functions, such as writing specifications, selection and solicitation of sources, preparation and award of contract, and contract administration.

Procurement Card: An efficient, cost-effective method of purchasing and paying for items. The program utilizes a credit card to consolidate many transactions on one monthly payment to the sponsoring bank. The card can be used for in-store purchases as well as mail, phone, fax or on-line orders.

Professional Services: Services including, but not limited to, appraisal, architectural, auditing, banking, engineering, environmental, financial, geo-technical, legal, real estate, surveying and title.

Purchase Order: A purchaser's written document to a supplier formally stating the terms and conditions of a proposed transaction.

Quotation: A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser by letter, fax, telephone or other means of communication.

Request for Proposals: Any document utilized for soliciting proposals.

Specification: Any description of the physical or functional characteristics of a supply, service or construction item. It may include a description or any requirement for inspecting, testing or preparing a supply, service or construction item for delivery.

III. APPROVAL REQUIREMENTS AND THRESHOLDS

Amount	Approvals	Bids*
\$0-999.99	Division, Dept. Head (or Finance Director for Capital items)	None
\$1,000-4,999.99	Division, Dept. Head (or Finance Director for Capital items)	Verbal
\$5,000-19,999.99	Division, Dept. Head, Finance Director, City Manager	Written
\$20,000-over	Division, Dept. Head, Finance Director, City Manager, City Council	Formal

*See Section IV regarding competitive quotes and bids.

- A. Capital purchases in any amount (60's line items) shall require the approval of the Division Head and the Finance Director. These will ordinarily be \$5,000 or greater in amount.
- B. Supplies and Services purchases (20's, 30's, and 40's line items) less than \$1,000 shall require the approval of the Division Head, and Department Head.
- C. Supplies and Services purchases (20's, 30's, and 40's line items) at least \$1,000 but less than \$5,000 shall require the approval of the Division Head, Department Head, and Finance Director.
- D. All purchases greater than \$4,999.99 but less than \$20,000 shall require the approval of the Division Head, Department Head, Finance Director, and City Manager.
- E. Purchases of \$20,000 or more shall require the approval of the Division Head, Department Head, Finance Director, City Manager, and City Council.
- F. In addition, purchases of computer hardware or software must also be approved by Information Technology (IT) to assure compatibility with the existing computer network.

IV. COMPETITIVE QUOTES AND BIDS

Purchases in excess of \$1,000 from a single vendor shall require competitive verbal quotations. Verbal quotes may be obtained by telephone, fax, in writing, or from current catalog price lists. Verbal quotes shall be solicited from at least three (3) vendors. See required recordkeeping in Section V. Listing of verbal quotes shall be included in the Purchase Order.

Purchases in excess of \$5,000 require written specifications and written competitive quotes from at least three (3) vendors. Specifications will include detailed requirements for the items to be purchased and procedures for submitting quotations. Written quotes must be maintained by the requesting department and listing of written quotes must be included in the Purchase Order. Copies of written quotes must be submitted to Finance before final reviews can be completed and purchase order approved and issued. Written quotes should also be listed in the purchase order when it is entered by the department. Contracts must be reviewed and approved by the City Attorney.

Purchases in excess of \$20,000 require legal advertisement, written specifications, sealed bids, and are awarded by the City Council. Sealed bids shall be submitted to the City Clerk for public opening and evaluation prior to City Council action. Contracts must be reviewed and approved by the City Attorney, and an original executed contract must be provided to the City Clerk.

These guidelines may be modified or waived under any of the conditions listed below. Written justification for such must be submitted with the Purchase Requisition.

- A. The goods or services are available from only one vendor;
- B. Any emergency exists;
- C. The repair or maintenance work does not substantially alter, add to or change any equipment, building, structure, or facility;
- D. A concession or maintenance service agreement is being renewed for good workmanship, material, or performance for no more than one (1) year if allowed under the contract terms;
- E. It is advantageous to purchase through the purchasing contracts of other governmental agencies;
- F. The services are not conducive to lowest price bidding, for example legal, engineering, audit, or medical services, or services for senior citizen activities;
- G. For purchases that are of an on-going, repetitive nature, i.e., concrete, asphalt, equipment repairs, or any other items approved by the City Manager. The City Manager shall have the authority to approve, on an annual basis, a vendor listing of not less than three (3) vendors to be used by the city for each approved product or service. Vendors shall annually submit price lists and purchases may then be made by Department Heads on a price/availability basis for purchases up to \$5,000 without obtaining separate quotes on each purchase;
- H. Professional services for architecture, engineering, or land surveying shall be obtained as further outlined in Section XII.

V. RECORD KEEPING

All purchasing activities should be documented to verify a good faith effort to obtain the lowest possible price at the optimum quality. Verbal quotes will be included with the Purchase Requisition. The requesting department will maintain original written quotes, list them in the Purchase Requisition, and send copies of the written quotes to Finance.

A record of any quotes or bids will document vendor competition. This record shall include a list of vendors solicited, persons contacted, dates, prices, quantities, and any other pertinent information.

All purchasing documentation will include verification of receipt and actual cost. The department shall maintain any original receiving slips with the original documentation of the verbal or written quotes. Original invoices or sales receipts of any size shall be forwarded to Accounts Payable for processing.

VI. PURCHASES MADE WITH FEDERAL FUNDS

When the City uses federal grant money to purchase goods or services, all recipients of federal money need to be checked for suspension or debarment to receive federal funds. This process needs to be documented as well.

Construction Services – When a construction project is awarded to a contractor, and will receive federal grant money for the project, the Construction Contract Coordinator will use the System for Award Management or SAM (www.sam.gov) to ensure and document that the contractor is eligible to receive federal money and has not been suspended or debarred before entering into the contract.

Other Goods or Services – When anything other than construction services are procured, the Accountant will use the System for Award Management or SAM (www.sam.gov) to ensure and document that the vendor is eligible to receive federal money and has not been suspended or debarred before the P.O. is approved.

For any contract or vendor used longer than a year, an updated search will be done to ensure that there has been no change in the contractor's or vendor's status with SAM.

VII.

VIII. PURCHASE MECHANISMS

The City uses three mechanisms for making approved purchases. These are Visa procurement cards, check requests, and /purchase orders (POs). The chart below shows how these mechanisms should be used to pay for purchases. Exceptions to these processes must be approved by the Finance Director and/or City Manager.

Purchase type	Amount	Preferred purchase mechanism		
		Visa card	Check Request	Purchase Order
Routine Supplies, either operations (20's) or maintenance (30's); routine Services, either operations (40's) or maintenance (50's) (see exceptions below)	\$0.01-\$999.99	1	NA	2
Routine Supplies, either operations (20's) or maintenance (30's); routine Services, either operations (40's) or maintenance (50's) (see exceptions below)	\$1,000 and up	NA	NA	1
Ongoing, repetitive purchases under annual contract arrangements approved in advance by the City Manager	Up to \$5,000	1	NA	1
Capital Purchases (60's)	\$5,000 and up	NA	NA	1
Lodging for training classes	Up to \$1,000	1	NA	1
Lodging for training classes	\$1,000 and up	NA	NA	1
Meals for training classes (local--reimburse employee with receipt, or use Visa)	Any	1	1	NA
Meals for training classes (out of town, use per diem)	Any	NA	1	NA
Services related to senior-citizen activities/trips	Any	1	NA	1
Refunds from revenue accounts	Any	NA	1	NA
Payments for liabilities (payroll expenses, taxes, debt, escrow refunds) or from assets (establish cash drawer)	Any	NA	1	NA

Key:

- 1. Preferred method
- 2. Acceptable, but not preferred
- NA Not allowed for this purchase type

IX. VISA CARDS

The purpose of the City of Gladstone Visa Procurement Card Program is to establish an efficient, cost-effective method of purchasing and paying for small-dollar goods and services directly associated with City business. It is a complement to, not a replacement for, the purchase order system and travel policy.

Cards are issued to employees upon request of the department head and approval by the Finance Department. The card is issued under the name of the employee cardholder, and should be protected the same as if the card was the employee's personal card. No one other than the employee whose name is on the card should use it. Under no circumstances should the card be used for personal business or for business of any entity other than the City of Gladstone. Any use of the card outside these guidelines may result in the employee cardholder being held personally liable for the transactions and may result in disciplinary action.

Each card has both a transaction dollar limit (how much can be charged at one time) and a cycle limit (how much can be charged each month). Each card also is assigned to an "exclude group" consisting of business types where the card's use is not allowed. All of these limits are assigned by the joint decision of the department head and the Finance department. If the card is declined and the cardholder thinks it should not have been, the cardholder may call the Finance department Visa coordinator who will contact the bank to find out why the decline occurred. Most declines occur when a business has been coded incorrectly in the Visa system; if that is the case, the bank will be instructed to remove that code from the exclude list at least temporarily to allow the purchase to go through.

Examples of business types that are "excluded" include, but are not limited to:

- Financial Institutions for cash advances (including ATMs)
- Steamship and Cruise Lines
- Boat Dealers
- Bars and Taverns
- Religious Goods Store

These are not the types of firm with which the City will ordinarily be doing business.

There may be other business types that are blocked for some employees but not for others. This will vary depending on the employee's needs to perform his or her normal duties. The main example here is travel-related businesses such as hotels and rental cars. Employees who do not travel as part of their normal routine do not have access to those businesses. However, if an employee is to be sent for training, the department head may contact Finance to have the employee's "exclude list" changed temporarily to allow the card to be used for those transactions.

In the rare instance that a decline occurs due to either the transaction or cycle limit, it is unlikely that the charge will be allowed to go through. Cardholders are responsible for knowing their limits and maintaining records of how much has been spent each month. In cases of emergency the Finance Director and City Manager may authorize extending limits temporarily.

The employee cardholder is responsible for the security of the Visa card and account number. In the event that the card is lost or stolen, or if the cardholder suspects that the account number has been compromised, he or she must notify the Finance Visa coordinator immediately. The card will be canceled and a replacement requested.

Visa cards are specific to the individual in a particular position. If an employee vacates a position, the card must be turned in to Finance. If that employee is moving to a new position in a new department the old card will be canceled and a new one issued with limits appropriate to the new position.

Recordkeeping is the key to success of the Visa program. Monthly statements are mailed to each cardholder, with a master statement mailed to Finance for payment to the bank. Each department has an assigned coordinator who is responsible for making sure that all receipts are turned in. That individual is also responsible for coding transactions each week in the accounting software after Finance uploads the transaction file from the bank. Although each department may establish its own general policy for how the month's charges are submitted to Finance, there are a few common requirements.

- Each transaction must be verified by an original receipt showing what was purchased and when.
- Each cardholder must sign and date his/her statement or an attached logsheet of all transactions on the statement indicating that it is correct.
- Each department head must review the statements and must approve all Visa transactions via work flow in the accounting software.
- Receipts and statements must be submitted timely so that the coordinators can forward the signed department transaction listing to Finance for payment by the due date. Statements cycle on the first business day of the month and payment is due 25 days later, so that normally means that everything must be completed by the 15th to get payment processed before the due date of the 26th.

Each department is responsible for keeping track of all purchases on the Visa cards in relation to budget. Purchases on the Visa cards are not encumbered and subtracted from available budget until all approvals have been completed in the accounting system, and do not show up as paid until all departments have turned in their transactions on or around the 15th of the following month and Finance can post the payment to the bank. It may be as long as six weeks before a purchase shows up completely in the general ledger. To avoid going over budget, no purchases should be made without approval from the department or division head responsible for the budget.

X. ACCOUNTS PAYABLE SYSTEM

General Overview

The Accounts Payable system encompasses check requests and purchase orders (POs).

Accounts Payable Processing Summary

- Any vendor setup will be done by Finance. This ensures that all information necessary for yearly IRS reporting purposes has been received, and provides for necessary internal control over fraudulent or duplicate payments to vendors. If a new vendor is needed, please send Accounts Payable an email that lists the vendor's name, address, fax number, and other relevant contact information. Finance will then follow up with the vendor to get all the necessary information. No vendor will be paid until the required information is received.
- Vendors send all invoices directly to Accounts Payable.
- Accounts Payable date stamps the invoices and sends electronic images of the invoices to departments for processing.
- Departments request payments of invoices through the purchase order process. Purchase orders can be used for any payment request.
- Purchase orders are electronically approved by department heads or their designee. Each department head will retain ultimate responsibility for all purchases made by his/her department. However, circumstances in each department may warrant that some of the day-to-day duties be delegated. At the department head's discretion, he/she may designate others in the department who may do the online approvals (division or department) . Such designation shall be in writing or via email and shall include specific line items that the person is authorized to use. This designation must be updated annually in July.
- Once approvals are completed, Accounts Payable will officially issue the purchase order, making it available for receipts.
- Departments are responsible for entering receipts against the issued purchase orders. This is electronic acknowledgement that the items have been received in good order, and are ready for payment. Accounts Payable will not pay invoices until the purchase order has been marked received.
- Invoices received back with all approvals and receipts in place by Wednesday 5:00 p.m. will be processed in time for that Friday's check run. However, all vendor terms will be observed. Under the Uniform Commercial Code, payment is due to the vendor 30 days after the invoice date unless otherwise specified by the vendor. Under normal circumstances this is plenty of time to allow for purchase order entry, all approval levels including the City Manager's if needed, and processing by accounts payable. If invoices are processed regularly in all departments there should be no problems with late payments. Occasionally a vendor will offer a discount for a shorter payment time (i.e., 2% discount in 10 days, or net invoice amount due in 30 days). Accounts Payable will work with the departments to expedite payments to take advantage of any offered discounts.
- Check is cut and sent directly to vendor along with any remittance advice provided by departments.

Required documentation for payment processing consists of:

- Original receipts/invoices are required for any payment to be made. Statements do not qualify as original invoices. Finance will maintain all original invoices. In the event of a lost invoice, a clearly-marked duplicate faxed from the vendor will be considered as a substitute for the original. Photocopies will not be accepted.
- All purchase orders require an electronic attachment before they can be processed. If the department has already completed the purchase, a copy of the invoice or receipt should be

attached. If the order is pending, then a copy of any competitive quotes or specifications or an accepted proposal should be attached.

XI. PURCHASE ORDER PROCESS

Purchase orders should be considered the primary avenue for payments from the accounts payable system. The purchase requisition system is designed to get all required approvals as outlined above. When a purchase order is processed prior to placing the order, it represents a contract between the City and the Vendor.

XII. CHECK REQUESTS

Check requests are the other payment mechanism from the accounts payable system. This form is used for those relatively few instances that do not fit in with either the Visa program or the purchase order categories. These include all payments to employees for reimbursements or for travel; refunds from revenue accounts; payments from escrow accounts or other liabilities; or payments from asset accounts. This would also include small one-time payments to vendors who do not accept Visa. The form to be used for check requests is located on the network at <T:\FORMS\AP Forms & Instructions\Electronic Check Request.xls>.

Requests for refunds issued to citizens must be accompanied by a copy of a system-generated receipt or proof of previous payment. This verifies that the person is actually entitled to the reimbursement. However, because it does not prove that program participation was canceled, the department head or designee must provide signature approval for the refund. Because a refund is, by nature, a one-time payment, the required documentation should be attached to the one time payment form, signed and dated by the department head, and forwarded to Accounts Payable for processing.

Please reference the [Travel Reconciliation](#) for detailed information on travel reimbursements.

XIII. PROFESSIONAL ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING SERVICES

A. DEFINITIONS

1. The term, "professional services" shall mean those services within the scope of practices of architecture, engineering, or land surveying, as defined by the laws of the State of Missouri, or those performed by any architect, professional engineer, or registered land surveyor in connection with this professional employment or practice.

2. The term, “firm” shall mean any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice architecture, engineering, or land surveying in the State of Missouri, or to provide professional services as described herein.

C. GENERAL PROCEDURE AND RESPONSIBILITIES

1. The procurement policy herein described shall be initiated for projects whose expenditure value exceeds \$20,000 or in other cases in which the City Manager may deem it advisable. At such time that the procedures described in this section have been completed, and before a contract or purchase order is issued, the bid solicitation, bid tabulation, and supporting documentation will be forwarded to the Contract Administrator in the Finance Department to be reviewed for procedural compliance.
2. Project Initiation. When a Department Head identifies a project for which professional services will be necessary, the department will draft a scope of services for the specific project. This scope of services will be submitted to the City Manager for authorization to initiate the project, and a determination as to which type of selection will be required in accordance with the policies of the Purchasing Manual. The scope of services should include the following:
 - a) A description of the work required and its objectives.
 - b) The nature of specific tasks and services to be accomplished.
 - c) The type and amount of assistance to be given by the City department involved.
 - d) Required time frame.
 - e) Financial conditions or limitations; grant programs involved.
3. Expressions of Interest. After authorization, the Department Head will contact those firms on the roster and those firms responding to advertisements, if applicable, for a written expression of interest in the specific project. The request should invite comment as to the special experience in the project being considered, describe previous experience with similar projects, and the availability of the firm to provide required service within any time limitations.
4. Screening and Requests for Proposals. The expressions of interest will then be presented to the Department Head for initial screening. Factors to be determined in the initial screening will include:

- a) Specialized experience in the type of work required.
- b) Record of the firm in accomplishing work on other projects in the required time.
- c) Quality of work previously performed by the firm for the City.
- d) Recent experience showing accuracy of cost estimates.
- e) Community relations including evidence of sensitivity to citizen concerns.
- f) Geographic location of the office of the firm which would serve the project.
- g) Qualifications and experience of key personnel.
- h) Relations with previous clients.

The Department Head, with the advice and consent of the City Manager, will designate three or four firms who will be requested to present detailed proposals on the project and be interviewed.

5. Detailed Proposals. Firms submitting detailed proposals will be asked to provide the following:

- a) A resume of the firm principal who will be responsible for the project.
- b) A resume of the proposed project supervisor.
- c) Resumes of key project personnel.
- d) A statement of the ability of the firm to meet required time schedules.
- e) A description of how the project would be conducted.
- f) A schedule of hourly rates for various services offered and a proposed project fee range.
- g) A list of municipal references for similar types of projects.
- h) Any other pertinent information the firm wished to present.

6. Interview and Selection. Upon receipt of the detailed proposals, the Department Head will review the proposals, interview the prospective firms, and make the final selections as to the firm for the project. Similar systems for rating shall be used on similar projects and will be standardized where possible. The prime factors to be rated in the final screening are the firm's:

- a) Management capabilities
- b) Technical capabilities
- c) Approach to the project
- d) Understanding of City's objectives
- e) Proposed work schedule
- f) Staff to be assigned
- g) Fee and/or schedule of hourly rates
- h) Knowledge of local situation
- i) Ability to communicate
- j) Presentation and attitude
- k) Confidence factor

7. Contract Negotiation. The selected firm will then be requested to come in for a final conference with the Department Head to define precisely the scope of services to be provided and to finalize the compensation requirements for the work. A contract will then be prepared and submitted to the City Counselor for review, and then submitted to the City Manager for presentation to the City Council for approval, as required by the Purchasing Policy. An original executed contract shall be provided to the City Clerk.

8.

If, after reasonable effort, a contract cannot be negotiated, the negotiations with the designated firm shall be terminated and negotiations shall be started with the next firm recommended.

9. Exceptions.

- a) In view of the fact that special conditions will occasionally arise that make use of this policy impractical, there can be exceptions made. Reasons for exceptions may include an emergency situation which precludes a selection time frame of at least two (2) months, or an extremely specialized need in which there is only one feasible source of expertise. If it appears there is a need for an exception to the policy, the City Manager will inform the City Council to allow them the opportunity to deny the exception.
- b) If the number of firms willing and available to perform a specific task is small, the step involving initial screening may be skipped and the selection process will go directly to detailed proposals. If two or more projects, during any three (3) year period, are of such similar nature, the Department Head, with the approval of the City Manager, may request a detailed proposal from a previously-contracted firm and then, following an interview, enter into contract negotiations with that firm. Should contract terms not be reached with the selected firm, the Department Head must revert to the procedures as outlined previously in this policy.

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This amount will include all services to be rendered to the City by the firm, with the exception of certain pass-through expenses that will be identified by contract, if applicable, and it will be calculated by one of the following methods, at the preference of the City:

1. Lump sum or fixed fee
2. Cost per unit
3. Hourly basis with total not to exceed a fixed amount

E. PROHIBITION AGAINST CONTINGENT FEES

1. Each contract entered into by the City Council for professional services shall contain a prohibition against contingent fees as follows:

“No firm shall retain a person, to solicit or secure a City contract for professional services upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide

employees or bona fide established commercial selling agencies for the purpose of securing business.”

2. For the breach or violation of the foregoing provision, the City Council shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift, or consideration.

XIV. SURPLUS PROPERTY

A detailed list of any surplus, obsolete, worn-out, or confiscated department property shall be submitted to the Director of Public Safety with recommendation for disposal. The list will be circulated to all Department Heads and provided to the Finance Department upon completion for fixed asset accounting purposes. Upon request, items may be transferred to another department subject to approval of the City Manager.

Surplus property may be sold by sealed bid or public auction with authorization of the City Council. Such items shall be stripped of all City identification and City information prior to sale. Unsold items may be recycled, junked and/or sold for scrap upon approval of the City Manager.