

NOTICE OF STUDY SESSION
OF THE
UNIVERSITY CITY COUNCIL

Public Notice is hereby given that a Study Session of the City Council of University City will be held on **Monday, November 8, 2021, at 5:30 p.m.**, at City Hall, fifth floor, 6801 Delmar, University City, MO.

On March 20, 2020, City Manager Gregory Rose declared a State of Emergency for the City of University City due to the COVID-19 Pandemic. Due to the ongoing efforts to limit the spread of the COVID-19 virus, those who are not fully vaccinated are asked to wear face coverings. To provide for social distancing during Council meetings **in-person public attendance will be limited to the first 25 people.**

Citizen may also observe the Meeting via Live Stream on YouTube:

<https://www.youtube.com/channel/UCyN1EJ-Q22918E9EZimWoQ>

AGENDA

Requested by the City Manager

1. Meeting called to order
2. Changes to Regular Agenda
3. Purchasing Policy Update
4. Adjournment

Posted this 5th day November, 2021.

LaRette Reese
City Clerk

Purchasing Policy Presentation

November 8, 2021

By

Keith Cole

Director of Finance



MISSION:

- To generate fair and open competition to receive the best prices, terms, and conditions on purchases for the City.

PURPOSE:

- Establish a policy for purchasing guidelines that will ensure the City of University City receives maximum value for every public dollar spent. This policy will clarify purchasing functions and outline purchasing regulations, as well as describe departmental responsibilities and participation in the procurement process.

VISION:

- To serve the citizens and customers of the City through greater efficiencies, both in terms of economy and services, and the procurement of quality supplies, equipment, and services.

GOALS:

The basic goals of the City of University City purchasing policy are:

- 1. To comply with federal, state, and local statutes of public purchasing.
- 2. Ensure the integrity of public procurement.
- 3. Coordinate purchasing functions between various departments.
- 4. To receive maximum value for each public dollar spent by awarding purchases to the lowest responsible bidder, taking into consideration quality, past performance, technical support, and other relevant factors. Competitive prices should be secured whenever and wherever feasible.
- 5. Ensure consistent use of the purchasing procedures.
- 6. To provide each department the goods, equipment and services at the time and place needed and in the proper quantity and quality.

What is Purchasing?

- Purchasing is the process of identifying, selecting, and buying goods and services. Purchases are to be made as economically as possible within an acceptable time frame and meeting the standards of quality and service required for your department.

Why do we have a Purchasing Division?

- The purpose of the purchasing division is to aid city departments in securing the best goods and services in the most economical and efficient way, and to handle all purchases in a manner that ensures competitive bidding between potential vendors and contractors.

Why a Purchasing Policy?

- Purchasing and accounting of the goods and services of a municipality can be numerous and complex. To comply with statutes and ordinances governing the city and to comply with an established system of internal controls.

Purchasing Agent:

- The City Manager, pursuant to the City's Charter and City Council, has appointed purchasing authority and responsibilities to the Purchasing Agent. The Purchasing Agent is an employee of the Finance Department. (*R.O. 2011 §2.10.040; Code 1950 §202.3; Prior Code §2-17*)

Requisitions:

- A requisition is purchasing's authority to initiate the procurement process. Each department has their designee who enters their requisitions into the accounting software. All requisitions must be approved by the Department Director.

Purchase Orders:

- The purchase order is the formal offer to buy specified commodities, materials, equipment, or service. Upon acceptance by the vendor, the purchase order becomes a legal and binding document obligating the City.

General Guidelines:

- Purchases for personal use by employees of the city are prohibited. City employees are also prohibited from using the City's name or the employee's position to obtain special consideration in personal purchases.

- All employees of the City of University City have chosen to serve the public and therefore shall not accept, grant, or be influenced in their duties by any offer of payment, gift, or favor from any source other than their compensation from the City.

- Conflict of Interests: No officer, employee of the City shall participate in a contract for supplies or services when that person knows (Chapter 210, RSMo)
 - (1) The officer, employee or any member of the officer's or employee's immediate family has a financial interest pertaining to the contract; or
 - (2) A business or organization in which the officer, employee, or any member of the officers or employee's immediate family, has a financial interest pertaining to the contract.

General Guidelines, continued

- **Cooperative Procurement Programs/Contracts:** Departments are encouraged to use cooperative purchasing contracts such as those available through the State of Missouri. These contracts allow the City to purchase items that other governmental agencies have secured through a competitively bidding process. St. Louis County and the State of Missouri offer various contracts to participating municipalities permitting procurement from vendors with whom they hold contracts.
- **Competitive Bidding:** Before any purchases are made, ample opportunity shall be given for competitive bidding.
- **Emergency Purchases:** Purchases of supplies and or services whose immediate procurement is essential to protect life or property. Emergency purchases should be kept to a minimum. Department Directors are authorized to make emergency purchases, provided prior approval of the Purchasing Agent has been obtained.
- The City Manager is authorized to approve contracts for professional services under \$25,000. Contracts exceeding \$25,000 requires a formal Request for Proposal (RFP), or Request for Qualifications (RFQ), to be prepared and requires City Council approval.

Minority / Women-Owned Business Enterprises:

The City will cause its vendors, contractors, and subcontractors to take good faith actions to achieve the M/WBE contract requirement.

Personnel Requirements for Contractors with the City:

- (1) Any person, firm or corporation contracting with the City to provide services such as, but not limited to, technical/professional services, street repairs, supplies, building maintenance, at a cost to the City of fifty thousand dollars (\$50,000.00) or more and involving ten (10) or more employees in the workforce providing the contracted services, shall, as a condition precedent to the rendition of such services, certify by affidavit filed with the said City that at least twenty percent (20%) of the workforce providing the contracted services shall consist of workers generally classified as members of minorities and/or female workers.
- (2) Any person, firm or corporation contracting with the City to provide services involving payment of one hundred thousand dollars (\$100,000.00) or more in which there are two (2) or more subcontractors shall agree with the City that at least fifteen percent (15%) of the total amount of the City's contract shall be allocated to subcontractors who employ workers generally classified as members of minorities and/or female workers.

Minority / Women-Owned Business Enterprises, continued

Personnel Requirements with Respect to Employees and Owners:

(1) As many as possible of the City contracts over one thousand dollars (\$1,000.00) shall be entered into with the following:

(a) Individuals generally classified as members of minorities and/or female; and

(b) Firms consisting of individuals generally classified as members of minorities and/or female; and

(c) Corporations, the stock of which is owned by the individuals generally classified as members of minorities and/or females.

(2) The City Manager shall take all reasonable steps to achieve compliance with this Section.

(3) All minority and/or female firms, corporations or individuals shall file an affidavit with the City, prior to commencing work, that they are a minority and/or female firm, corporation or individual.

Purchasing Guidelines:

- 1. Purchases under \$1,999 can be purchased with a department issued credit card in lieu of a purchase order, unless required by vendor. In these instances, the Department Director needs to be notified of these purchases, and the Department Director should designate employees who will be allowed to make these purchases.
- 2. Purchases between \$2,000-\$14,999.99 must have a minimum of three written bids to be solicited either through phone, mail, e-mail, or fax. These bids must be attached to the requisition when entered in the financial management system as bids, uploaded documents, or notes. If the department is unable to secure three verbal or written bids, or the bids were not returned, please add that to the notes of the requisition when entered the financial management system.
- 3. Purchases between \$15,000-\$24,999.00 require a minimum of three written bids to be solicited. The departments are reminded that the use of written bids requires appropriate planning to ensure that adequate time is available to satisfy the purchasing requirements. These bids must be attached to the requisitions when entered in the financial management system as bids, uploaded documents, or notes.

Purchasing Guidelines, continued

- 4. Purchases \$25,000 and over must be advertised and requested as sealed bids. The number of publications depends on the requirements of the funds, i.e., certain grants require more than one publication and places a condition on which publications can be used. These purchases are subject to City Council approval. *(R.O. 2011 §2.10.060; Ord. No. 6715 §1, 2007)*
- Purchases of goods or services that equal or exceed \$2,000 require a purchase order; except for, City Council approved service contracts, Intergovernmental Agreements, insurance, banking / investment transactions, land acquisitions, lease payments, utilities, debt service, payroll (benefits, checks, taxes, and deductions), professional services as defined, and maintenance contracts associated with copyrighted software that has already been purchased by the City.
- All capital improvement projects require a purchase order.

Unauthorized Purchases and Purchasing Ethics:

No employee has the authority to enter contractual relationships for the city without prior approval of the purchasing agent.

Conflict of Interest: No employee of the city or their immediate families shall have any financial interest in the award of a contract or purchase. All employees of the city shall keep themselves free of obligation by refusing to accept any significant gifts or entertainment by any of the present or potential vendors to the city.

Terms and Conditions of the Invitation for Bids:

- The right is reserved as the interest of the city may require rejecting any bid or all bids and to waive any minor informality or irregularity regarding bids received.
- The city may make an award on any item for a quantity less than the quantity bid.
- The city shall award a contract while conforming to the specifications and requirements whose bid will be most economically advantageous to the city.

Questions



Purchasing Policy

City of University City, MO

Revision: 11.08.2021

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CITY OF UNIVERSITY CITY PURCHASING DIVISION

PURCHASING POLICY

INTRODUCTION

This Purchasing Policy for the City of University City has been prepared to inform and direct staff about the City's purchasing processes. The Policy paraphrases and generalizes state law to assist in the understanding and application of purchasing requirements. That said, this policy cannot and does not address every purchasing situation; thus, when an unusual situation occurs or a difficult factual or legal issue arises, the exact statutory language must be carefully reviewed and analyzed. The cooperation of all employees is essential if the city is to obtain the maximum values for each dollar spent. While this policy does not answer all questions related to purchasing, it does provide the foundation for a sound centralized purchasing system. The material in the policy is subject to revision to meet the often rapidly changing developments encountered in the field of purchasing and in the economy. It is hoped that this policy will prove beneficial to the City and to all city employees. The Purchasing Division of Finance will assist each department with procuring quality goods and services that are required to provide our citizens and customers with the services that they expect. The goal of the Purchasing Division is to secure the lowest, responsible cost for the city. This policy is effective immediately upon issuance and approval by City Council and supersedes all previous policies or directives.

CITY OF UNIVERSITY CITY PURCHASING DIVISION

MISSION, PURPOSE, VISION, AND GOALS WITH RESPECT TO CITY PURCHASING

MISSION:

To generate fair and open competition to receive the best prices, terms, and conditions on purchases for the City.

PURPOSE:

Establish a policy for purchasing guidelines that will ensure the City of University City receives maximum value for every public dollar spent. This policy will clarify purchasing functions and outline purchasing regulations, as well as describe departmental responsibilities and participation in the procurement process.

VISION:

To serve the citizens and customers of the City through greater efficiencies, both in terms of economy and services, and the procurement of quality supplies, equipment, and services.

GOALS:

The basic goals of the City of University City purchasing policy are:

1. To comply with federal, state, and local statutes of public purchasing.
2. Ensure the integrity of public procurement.
3. Coordinate purchasing functions between various departments.
4. To receive maximum value for each public dollar spent by awarding purchases to the lowest responsible bidder, taking into consideration quality, past performance, technical support, and other relevant factors. Competitive prices should be secured whenever and wherever feasible.
5. Ensure consistent use of the purchasing procedures.
6. To provide each department the goods, equipment and services at the time and place needed and in the proper quantity and quality.

DEFINITIONS:

For the purposes of this policy, the following words have these meanings:

Advertisement: A public notice in a newspaper of general circulation containing information about a solicitation in compliance with legal requirements.

Alternate Delivery Method: A method of procuring construction services other than “traditional” competitive bidding. Methods include competitive sealed proposals, design- build, construction manager (either at risk or as agent), and job order.

Amendment/Addendum/Addenda: A document used to change or deletions to provisions of a Solicitation. Addendum is the preferred term in the Construction Industry.

Annual Contract: An agreement or contract, typically for a specified duration, between a supplier and the City, to furnish Goods or Services usually of an indefinite quantity and delivery schedule, at unit prices provided for under the terms of the contract. Such a contract is based upon yearly requirements of the City at a competitively determined bid opening. Through annual contracts the City stabilized the periodic administrative chores of bidding, advertising, and evaluating quotations. Annual contracts also allow the City to take advantage of storage facilities of the vendor and eliminated the expense of warehousing inventory. Purchase orders are used to order items from vendors and annual contracts. Also known as a term contract, annual agreement, or requirements contract.

Annual Term Contract: A recurring contract for goods or services, usually effective for 12 months.

Anti-Discrimination Against Israel Act – Public entities are prohibited from entering certain contracts with a company unless the contract includes a written certification that the company is not currently engaged in and agrees for the duration of the contract not to engage in, a boycott of goods or services from the State of Israel or any company, or person or entity, doing business with or in the State of Israel. Any contract failing to comply with the provisions of this act shall be void against public policy. This act does not apply to contracts with a total potential value of less than \$100,000 or to contractors with fewer than 10 employees.

Asset Manager: The Purchasing Agent in the Purchasing Office.

Best Value: A method of evaluating price that includes an evaluation based on the total life cycle cost of the item or service. Best value is the best and lowest overall life cycle cost proposal taking into consideration various factors depending on what is being procured.

Bid Bonds: Bid security shall be required for all competitive sealed bidding for bonds or construction contracts and for other items as determined by the Purchasing Agent. Bid security shall be a bond provided by a surety company authorized to do business in this state, or the equivalent in cash, or otherwise supplied in a form satisfactory to the City in an amount equal to at least 5% of the amount of the bid. Failure to provide security will result in the bid being rejected. If the bidder fails to honor his bid for any reason, then such bid security may be retained by the City and deposited to the General Fund.

Bidder: A vendor that submits a bid, including anyone who acts on behalf of the vendor that submits a bid, such as agents, employees, and representatives.

Bidders List: An automated list of vendors who stated in writing an interest in submitting bids for categories of goods and services.

Open or Blanket Purchase Order: A purchase order issued without unit pricing, limited to a specific amount. An open purchase order is normally used when there is a recurring need for incidental goods and contains multiple purchases over a period.

Change Order: A document commonly used in construction contracts to change the contract by modifying the specifications, increasing, or decreasing the cost, or adjusting the time for performance that changes the goods or services to be delivered, may also be used to modify purchase orders.

City Council: The City of University City Council.

Competitive Bidding: The process that allows available vendors to compete to provide goods or services.

Competitive Proposal Process: The process that allows available vendors to compete to provide goods and services and permits flexibility in product solicitation and negotiation in compliance with Missouri Local Government Code Chapter 34.040, RSMo.

Component Purchases: A series of purchases of component parts of goods that are normally purchased.

Consultant: A person who provides or proposes to provide advice and counsel in a specialized area.

Contract: A formal, written agreement executed by the City and a vendor containing the terms and conditions under which goods or services are furnished to the City which commits the City's funds.

Contractor: A vendor who has been awarded a contract by the City.

City: The City of University City, Missouri.

City Attorney: The City of University City Attorney or their designated representatives.

City Manager: The City of University, Missouri City Manager and any person authorized to act on his or her behalf.

Cycle time: The time between when a purchase requisition is received in the Purchasing Office and placement of a purchase order with a vendor. Cycle time does not include the time required for delivery or the time it takes for the Purchasing Office to obtain corrections to line-item accounts, product category codes, and other necessary information.

Design-Build Contract: A project delivery method by which the City contracts with a single entity to provide both the design and construction services for the construction, rehabilitation, alteration, or repair of a facility.

Design Criteria Package: A set of documents that meets the requirements specified in Missouri Government Code, Section 327.181, RSMo. The Design Criteria Package must provide sufficient information to permit a design-build firm to prepare a response to a city request for qualifications and to provide any additional information requested.

Department: All City funded departments or divisions, and subdivisions of them, when the purchases are funded even partially with City funds.

Disaster: The occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made cause, including fire, flood, earthquake, wind, storm, wave action, oil spill or other water contamination, volcanic activity, epidemic, air contamination, blight, drought, infestation, explosion, riot, hostile military or paramilitary action, extreme heat, other public calamity requiring emergency action, or energy emergency.

Emergency Purchase: An item that must be purchased in a case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the City.

Employee: Any City or elected official, appointed official, or employee when the purchase is funded even partially with City funds or anyone who acts on behalf of any of them.

Formal Competitive Bidding: The bidding processing compliance with the City Purchasing Policy which requires approval by the City Council.

Goods: Any personal property purchased by the City, including equipment, supplies, material, and component or repair parts.

High Technology Item: A service, equipment, or good of highly technical nature, including data processing equipment and software; telecommunications, radio, and microwave systems; electronic distributed control systems; and technical services related to those items.

Invitation for Bid (IFB): The specifications and formal bidding documents requesting pricing for a specified good or service which has been advertised for bid in a newspaper.

Item: Any service, equipment, good, or other tangible or intangible personal property, including insurance and high technology items.

Lease: A contract for the use of real or personal property for a period in return for a specified compensation.

Lowest Responsible Bid: The offer from a bidder who submits the lowest and best price meeting all requirements of the specifications, terms, and conditions of the Invitation for Bid and includes any related costs to the City in a total cost concept and who has the financial and practical ability to perform the contract and whose past performance indicates the ability to comply with the contract.

Modification: A document used to change the provisions of a contract.

Multi-Year Contract: An agreement or contract, typically for a specified duration, between a supplier and the City, to furnish Goods or Services usually of an indefinite quantity and delivery schedule, at unit prices provided for under the terms of the contract. Such a contract is based upon yearly requirements of the City at a competitively determined bid opening. Through multi-year contracts the City stabilized the periodic administrative chores of bidding, advertising, and evaluating quotations. Multi-year contracts also allow the City to take advantage of storage facilities of the vendor and eliminated the

expense of warehousing inventory. Purchase orders are used to order items from vendors and annual contracts. Also known as a term contract, annual agreement, or requirements contract.

Negotiation: A consensual bargaining process in which the City and vendors attempt to reach agreement on differences in desired contract provisions or a potentially disputed matter for the purpose of reaching an understanding.

Occupant Department: The department that ultimately uses the finished goods or services when the purchase or construction is completed, which may be different from the User Department.

Official: Any elected or appointed official and any person authorized to act on his or her behalf.

OSHA Training Requirements: Missouri law, 292.675 RSMo, requires the Contractor and its subcontractor(s) to provide a ten-hour occupational safety and health administration (OSHA) construction safety program (or similar program approved by the Missouri Department of Labor and Industrial Relations as a qualified substitute) for their on-site employees (laborers, workmen, drivers, equipment operators, and craftsmen) on all Public Works projects.

Other Professional Services: Those services usually referred to as a professional service, but not specifically listed in the Professional Services Procurement Act, which requires specialized technical skill and expertise labor and skill which is predominantly mental or intellectual, including computer programmers, lawyers, and facilitators.

Performance and Payment Bonds: When construction contracts are awarded, for an amount exceeding \$50,000, a bond shall be delivered to the City and shall become binding on the parties upon the execution of the contract; which bond shall be a performance, labor, and materials bond satisfactory to the City, executed by a surety company authorized to do business in this state or otherwise secured in a manner satisfactory to the City, in an amount equal to 100% of the price specified in the contract. If the amount of the contract is less than \$50,000, such bond may be required at the recommendation of the contracting department or the City Purchasing Agent.

Pre-Bid/Proposal Conference: A conference conducted by the Purchasing Office for the benefit of those wishing to submit a response for services or supplies required by the City which is held to allow vendors to ask questions about the proposed contract and particularly about the contract specifications. This is usually held by the department for which the contract is being conducted.

Prevailing Wage Law: Prevailing wages must be paid on Public Works construction projects. "Construction" (includes construction, reconstruction, improvement, enlargement, alteration, painting and decorating or major repair); as opposed to "Maintenance" (the repair, but not replacement of existing facilities when the size, type or extent of the existing facilities is not thereby changed or increased). Public Works "Construction" projects valued at \$75,000 and under are not subject to the prevailing wage law. However, Public Works "Construction" projects above \$75,000 and reported hours above 1,000 are subject to the prevailing wage law.

Professional Services: Services directly related to professional practices as defined by the Professional Services Procurement Act, including those services within the scope of the practice of accounting; architecture; optometry; medicine; land surveying; and professional engineering.

Proprietary Information: Information provided in responses to solicitations to which vendor claims ownership or exclusive rights.

Public Body: The City or any institution supported in whole or in part by public funds.

Public Works: All fixed works constructed for public use or benefit or paid for wholly or in part out of public funds.

Purchase: Any kind of acquisition, including by a lease or revenue contract.

Purchase Order: An order by the Purchasing Office for the purchase of goods and services written on the City's standard Purchase Order form and which, when accepted by the contractor without qualification within the specified time limit, becomes a contract or an amendment to an existing contract which operates as the vendor's authority to deliver and invoice for goods or services specified, and is the City's commitment to accept the specified goods or services for an agreed-upon price.

Purchasing Laws: All laws that govern local and/or municipal purchasing including the following:

- i. Missouri Local Government Code
- ii. Contracting and Delivery Procedures for Construction Projects (Missouri Government Code, sections 8.675 to 8.687, RSMo Supp.)
- iii. Public Property Finance Act
- iv. State Contract (Missouri Government Code, sections 385.300 to 385.320, RSMo.)
- v. Missouri Council on Purchasing from People with Disabilities (Missouri Government Code, section 630.005.1.(8), RSMo.)
- vi. Payment for Goods and Services
- vii. Contracts with Governmental Entities, Non-Residential Bidders
- viii. Public Works Performance and Payment Bonds
- ix. Professional Services Procurement Act
- x. Prevailing Wage Rate for Construction of Public Works
- xi. Sales tax exemption for governmental entities (Missouri Government Code, Section 144.030, RSMo)
- xii. Workers' Compensation Compliance (Sections 287.650, RSMo Supp)
- xiii. Uniform Electronic Transaction Act
- xiv. Resolution of Certain Contract Claims Against the State
- xv. Disclosure of Interested
- xvi. Disclosure of Certain Relationships with Local Government Officers
- xvii. Anti-Discrimination Against Israel Act (SCS/SB 739)
- xviii. OSHA Training Provisions (Missouri Law, 292.675 RSMo)

Purchasing Office: The Office of the City of University City Purchasing Agent and staff.

Purchasing Liaisons: The designated purchasing contact within each department/office.

Request for Information (RFI): A general request to contractors for information for a potential future solicitation which is used as a research and information gathering tool for preparation of specifications and requirements.

Request for Proposal (RFP): A document requesting an offer from vendors, which allows for negotiations after a proposal has been received and before award of the contract for goods and services procured in compliance.

Request for Qualifications (RFQ): A document that requests details about the qualifications of professionals whose services must be obtained in compliance with the Professional Services Procurement Act. It is the policy of the state of Missouri and political subdivisions of the state of Missouri to negotiate contracts for architectural, engineering and land surveying services based on demonstrated competence and qualifications for the type of services required and at fair and reasonable prices.

Request for Services (RFS): A document that requests information about qualifications and details of services to be provided and costs for Other Professional Services that are not covered by the Professional Services Procurement Act but may be exempted from competitive solicitation under statute.

Requisition: An internal document or process by which a department sends details of supplies, services, or materials requested to the Finance Department, including documentation of authority to commit funds for the purchase.

Responsive: A vendor who has complied with all material aspects of the solicitation document, including submission of all required documents.

Responsible: A vendor who has the capability to perform fully and deliver in accordance with the contract requirements based on consideration of past performance, financial capabilities, and business management.

Sealed Bids: The offers in response to an Invitation for Bids that is advertised in a newspaper and submitted to the Purchasing Office in a manner that conceals the price.

Separate Purchases: Acquisitions made in a series of different orders for goods and services that in normal purchasing practices would be purchased in a single order.

Sequential Purchases: Acquisitions made over a period that in normal purchasing practices would be made at one time.

Services: The furnishing of labor by a contractor that includes all work or labor performed for the city on an independent contractor basis, including maintenance, construction, manual, clerical, personal or professional services.

Sole Source Good or Service: A good or service that can be obtained from only one source that is purchased in compliance with Missouri Local Government Code.

Solicitation: A document, such as an Invitation for Bid, Request for Proposal, or Request for Qualifications, issued by the Purchasing Office that contains terms and conditions for a contract to solicit a response from vendors to provide goods or services needed by the City.

Solicitation Conference: A meeting chaired by purchasing staff, designed to help potential vendors understand the requirements of a solicitation. Also known as a Pre-Bid or Pre-Proposal conference.

Specification: A total description of a good or service to be purchased by the City, and the requirements the vendor must comply with to provide satisfactory performance of the contract, and which may include requirements for testing, inspection, acceptance, and preparing any good or service for delivery, or preparing or installing it for use.

Vendor: A business entity or individual that seeks to have or has a contract to provide goods or services to the City.

GENERAL:

PURCHASING SYSTEM:

There is an established procurement system, consisting of both a centralized and decentralized purchasing division. Each department director is responsible for the procurement of goods and services necessary for the operations of their department. It is the responsibility of each department director to ensure that all purchases are made in a cost-effective manner, and no funds are expended above the appropriated amounts without authorized approval. The purchasing division and purchasing agent itself is responsible for the final approval in the accounting software of all requisitions and purchase orders.

The purchasing agent shall contract for, purchase, store and distribute all supplies, materials and equipment required by any office, department, or agency of the City.

The objective of the Purchasing Division is to develop a centralized service function designed to identify, select, and acquire needed goods and services as economically as possible within an accepted time frame and within accepted standards of quality and service required for City departments and in accordance with all applicable laws. In addition, the Purchasing Policy is established to set guidelines and internal controls for the City Manager and Purchasing Agent.

OVERVIEW:

I. What is purchasing?

Purchasing is the process of identifying, selecting, and buying goods and services. Purchases are to be made as economically as possible within an acceptable time frame and meeting the standards of quality and service required for your department. The purchasing function encompasses much more than just placing an order over the telephone. Routinely, the Purchasing Division is involved in various other tasks, such as:

- Becoming familiar with the sources of supply
- Understanding pricing, business practices, and market conditions
- Understanding and complying with local and state laws which govern purchasing.
- Establishing and maintaining a system that ensures that discounts are taken, that quality is tested, that ordered items are properly received and stored, and that deliveries are prompt.

II. Why do we have a purchasing division?

The purpose of the purchasing division is to aid city departments in securing the best goods and services in the most economical and efficient way, and to handle all purchases in a manner that ensures competitive bidding between potential vendors and contractors. The purchasing department will spend time with user departments developing specifications for supplies, equipment, construction, and services. We obviously cannot do this alone because we do not know what all your wants and needs are; therefore, your input is critical to writing a good specification. This process requires a good deal of cooperation. We can assist you in setting up written agreements with vendors. In summary, the purchasing division would like to be able to serve you in any way possible. We hope to become your best source of information, a pool of knowledge, a time and money saver, and a short cut to your purchasing needs.

III. Why a purchasing policy?

The policy governing the purchasing and accounting of the goods and services of a municipality can be numerous and often complex. That is the reason for this policy: to provide you with a guide to what you should do in the purchasing situations you will most likely encounter. A question frequently asked is, "What is covered by these policies?" The simple answer is "EVERYTHING". To comply with statutes and ordinances governing the city and to comply with an established system of internal controls, all purchases of goods and services for the city must be made in accordance with this policy. We hope this policy will make the purchasing procedures seem less formidable and more understandable. When these procedures are followed, the results are increased efficiency throughout the city, and savings of city funds. Those savings allow for the city to stretch the dollar so that it can be made available for other uses. Please help us achieve this by becoming familiar with this policy. If you have any questions, please call the Purchasing Division for clarification.

PURCHASING AUTHORITY:

Purchasing Agent. The City Manager, pursuant to the City's Charter and City Council's approval of this policy, has appointed purchasing authority and responsibilities to the Purchasing Agent. The Purchasing Agent is an employee of the Finance Department. (*R.O. 2011 §2.10.040; Code 1950 §202.3; Prior Code §2-17*)

The Purchasing Agent's responsibilities, and in some capacity, the designated department, include the following:

- i. The purchasing agent shall contract for, purchase, store and distribute all supplies, materials and equipment required by any office, department, or agency of the City.
- ii. Establish and enforce specifications with respect to supplies, materials and equipment required by the City.
- iii. Inspect or supervise the inspection of all deliveries of supplies, materials, and equipment, and determine their quality, quantity, and conformance with specifications.
- iv. Have charge of such general storerooms and warehouses as the city may maintain.
- v. Transfer to or between offices, departments, or agencies, or sell, with the approval of the Council, surplus, obsolete or unused supplies, materials, or equipment.

- vi. The Purchasing Agent will assist departments with identifying potential vendors or contractors or researching any information needed to make purchases.
- vii. The Purchasing Agent will monitor and evaluate the performance of vendors and contractors.
- viii. The Purchasing Agent will solicit evaluations and recommendations from departments on bids received from vendors or contractors.
- ix. The Purchasing Agent will recommend the use of Cooperative Procurement Programs for price and performance advantages.
- x. The Purchasing Agent to ensure compliance with state and federal laws and to ensure that purchasing is practiced in a fully open, transparent, competitive, and ethical environment.

Responsibilities of Department. A Department has the following responsibilities with respect to making and managing the expenditure of funds to acquire goods or services for the City. In this policy, “Department” refers to the group of employees responsible for a service(s) or a particular set of duties (e.g., the Public Works Department) and it also refers to the employee(s) within each Department that is authorized and responsible for making purchases.

- i. A Department must determine the availability of budgeted funds in the appropriate category before requesting any purchase. The Purchasing Division will reject purchase requisitions if funds are not available and will not restart processing the requisition until the Department addresses this issue.
- ii. A Department, where required, must submit all purchasing requests to the Purchasing Agent to allow sufficient time to comply with the procedures established by this policy.
- iii. A Department must plan and budget to eliminate and/or reduce work stoppages and rush ordering. Poor planning by a department is not cause for emergency procurement.
- iv. A Department, with the assistance of the Purchasing Agent, must provide minimum specifications for goods and services. A Department must write the specifications to encourage competition, whenever possible.
- v. A Department that believes that a product, equipment, or service is only available through a sole source must provide a written explanation and justification for the purchase in accordance with this manual.
- vi. A Department must use existing City contracts when available for all purchases.
- vii. A Department must immediately and thoroughly inspect all deliveries of goods and equipment and determine their quality and conformance with specifications.
- viii. A Department must immediately notify the respective Vendor upon the discovery of an incorrect order or damaged products, materials, or equipment.
- ix. A Department will continuously monitor the performance of goods and services and immediately report any deficiencies or violations in the performance of a contract to their respective Department Director.
- x. Where possible and when applicable, a department’s communications with vendors or contractors regarding purchasing should be arranged through and under the direction of their Department Director.

REQUISITIONS:

The requisition is purchasing’s authority to initiate the procurement process. A complete and accurate description of the item(s) to be purchased, vendor, category, date, item, quantity, price per unit, GL account, project name, if applicable, MUST be listed on the requisition. All requisitions must be approved by the Department Director. Supporting documentation MUST be attached for all

requisitions. If there are no supporting documentation, the requisition will be returned to the appropriate representative.

PURCHASE ORDERS:

The purchase order is the formal offer to buy specified commodities, materials, equipment, or service. Upon acceptance by the vendor, the purchase order becomes a legal and binding document obligating the City. The Purchasing Agent legally binds the city and purchases executed by anyone except the Purchasing Agent are null and void.

Standard Purchase Order: Standard purchase orders are for one-time purchases for goods and services awarded after receiving competitive bids. The purchase order closes after the purchase of goods and services have been completed.

Blanket Purchase Order: Blanket purchase orders are long term contracts for goods and services awarded after receiving competitive bids. The purchase order remains open for a period of the current fiscal year to purchase goods or services specified on an “as needed” basis.

GENERAL GUIDELINES:

Sale Tax: The City is exempt from paying all local and state sales taxes or federal excise taxes (except for motor fuels). The Finance Department Procurement Division can provide the necessary exemption documents to any vendor upon request.

Public Access: All specifications, bid documents, purchase orders and supporting documents are public records that will be made available to the public upon request (Sunshine Law). Requests should go through the City Clerk, who will notify of the request and the charge to recreate documents.

Personal Purchases: Purchases for personal use by employees of the city are prohibited. City employees are also prohibited from using the City’s name or the employee’s position to obtain special consideration in personal purchases.

Ethics/Bribery: All employees of the City of University City have chosen to serve the public and therefore shall not accept, grant, or be influenced in their duties by any offer of payment, gift, or favor from any source other than their compensation from the City. The penalty for accepting a bribe will be immediate disciplinary action and/or termination.

Conflict of Interests: No officer, employee of the City shall participate in a contract for supplies or services when that person knows (Chapter 210, RSMo)

(1) The officer, employee or any member of the officer’s or employee’s immediate family has a financial interest pertaining to the contract; or

(2) A business or organization in which the officer, employee, or any member of the officers or employee’s immediate family, has a financial interest pertaining to the contract.

The City Clerk maintains a list of elected and appointed officials who need to file an annual report with the Missouri Ethics Commission and insures everyone files by May 1 of each year.

Sole Source: In the event there is only one vendor capable of providing a particular good or service, then the competitive bidding procedure outlined in this policy may be waived by the Department Director. Whenever a Department Director determines that goods or services must be purchased from a “sole source vendor”, the reason must be documented, and the documentation must be attached to the purchase requisition. Documentation can include a letter from the distributor or manufacturer stating, “sole source” or a note explanation from the Department Director stating the reason as “sole source.” The Purchasing Agent reserves the discretion to challenge the “sole source” determination.

Cooperative Procurement Programs/Contracts: Departments are encouraged to use cooperative purchasing contracts such as those available through the State of Missouri. These contracts allow the City to purchase items that other governmental agencies have secured through a competitively bidding process. St. Louis County and the State of Missouri offer various contracts to participating municipalities permitting procurement from vendors with whom they hold contracts. The cooperative program and contract number should be noted on the purchase requisition. Many of these cooperative procurement programs are available and good judgement should still be used in keeping the price competitive. Department Directors are encouraged to competitively shop these cooperative purchasing programs.

Competitive Bidding on City Purchases and Contracts: Before the City purchasing agent makes any purchases or contracts or before the City contract for improvements, ample opportunity shall be given for competitive bidding. In the following cases competitive bidding shall not be required if, in the judgement of the purchasing agent, a lower price cannot be obtained by requiring competitive bids:

1. Articles or supplies needed at any time which do not cost more than two thousand dollars (\$2,000.00).
2. Articles of a special make or manufacture, that do not complete with other articles or supplies, when approved by the City Manager.
3. Where conditions are such on account of scarcity of materials or for other reason that competitive bids cannot be obtained, or in cases of emergency and it is impractical to secure such bids, provided that such purchases shall be approved by the City Manager.

The subdivision of contracts and purchases for the purpose of evading requirements of competitive bidding shall not be permitted. (*R.O. 2011 Section 2.10.050; Ord. No. 6817 Section 1, 6-21-2010*)

(a) The first purpose of competitive bidding is to ensure the best possible value is received. Competitive bidding also increases the likelihood that public monies are spent properly and legally.

(b) The second purpose is to give those qualified and responsible vendors who desire to do business with the city a fair and equitable opportunity to do so.

Emergency Purchase: The purchase of supplies and/or services whose immediate procurement is essential to protect life or property. Emergency orders must be kept to a minimum. Department Directors are authorized to make emergency purchases, provided that where possible, prior approval of the Purchasing Agent shall be obtained. If, in the judgment of the Department Director, an emergency is of such nature that it is inadvisable to delay the purchase until approval of the Purchasing Agent or City Manager can be obtained, the Department Director shall submit to the Purchasing Agent a written report advising of the emergency purchase and outlining the reasons it was not practical to obtain prior approval.

Professional Services: Normal competitive procedures cannot be utilized in securing professional services such as attorneys, engineers, banks, certified public accountants, physicians, auditors, insurance advisors and brokers, public relations consultants, real estate brokers, architects, appraisers, and other professionals who, in keeping with the standards of their discipline, will not enter a competitive bidding process.

The City Manager is authorized to approve contracts for professional services under \$25,000. Contracts exceeding \$25,000 requires a formal Request for Proposal (RFP), or Request for Qualifications (RFQ), to be prepared and requires City Council approval. The RFP/RFQ and proposed costs along with the Department Director's recommendation must be submitted with the purchase requisition.

Annual Contracts: An annual contract is an agreement for the prescribed term with a vendor with established prices and terms. Such a contract is based upon yearly requirements of the City at a competitively determined bid opening. Through annual contracts the City stabilized the periodic administrative chores of bidding, advertising, and evaluating quotations. Annual contracts also allow the City to take advantage of storage facilities of the vendor and eliminated the expense of warehousing inventory. Purchase orders are used to order items from vendors and annual contracts.

MINORITY/WOMEN-OWNED BUSINESS ENTERPRISES:

The City will cause its vendors, contractors, and subcontractors to take good faith actions to achieve the M/WBE contract requirement.

Personnel Requirements for Contractors with the City:

(1) Any person, firm or corporation contracting with the City to provide services such as, but not limited to, technical/professional services, street repairs, supplies, building maintenance, at a cost to the City of fifty thousand dollars (\$50,000.00) or more and involving ten (10) or more employees in the workforce providing the contracted services, shall, as a condition precedent to the rendition of such services, certify by affidavit filed with the said City that at least twenty percent (20%) of the workforce providing the contracted services shall consist of workers generally classified as members of minorities and/or female workers. The City Council may, under special circumstances such as, for example, situations requiring technical expertise and/or specialization, waive the conditions set forth herein, provided however, that such waiver is justified by a two-thirds (2/3) vote of the City Council.

(2) Any person, firm or corporation contracting with the City to provide services involving payment of one hundred thousand dollars (\$100,000.00) or more in which there are two (2) or more subcontractors shall agree with the City that at least fifteen percent (15%) of the total amount of the City's contract shall be allocated to subcontractors who employ workers generally classified as members of minorities and/or female workers.

Personnel Requirements with Respect to Employees and Owners:

(1) As many as possible of the City contracts over one thousand dollars (\$1,000.00) shall be entered into with the following:

- (a) Individuals generally classified as members of minorities and/or female; and
 - (b) Firms consisting of individuals generally classified as members of minorities and/or female;
- and

(c) Corporations, the stock of which is owned by the individuals generally classified as members of minorities and/or females.

(2) The City Manager shall take all reasonable steps to achieve compliance with this Section, which steps shall include, but are not limited by, the following:

- (a) Regularly and periodically place ads in the media, which are aimed at the minorities, to solicit those minorities to bid on City contracts and to place themselves on the City's bid list.
- (b) When publishing bid notices, the city always also publishes in a minority newspaper; and
- (c) Utilize all available directories of minority and female firms.

(3) The City Manager shall report quarterly to the City Council of the efforts in carrying out this Section and the results of said efforts.

(4) All minority and/or female firms, corporations or individuals shall file an affidavit with the City, prior to commencing work, that they are a minority and/or female firm, corporation or individual.

The policy of the Purchasing Division is to ensure a good faith effort is made to assist the Minority and Woman-Owned Business Enterprise (M/WBE) goals adopted by the City Council.

i) The M/WBE is a for-profit entity that has not exceeded the size standards prescribed by Missouri Administrative Code, has its principal place of business in Missouri, and is at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman and/or Service-Disabled Veteran, who reside in Missouri and actively participate in the control, operations, and management of the entity's affairs.

ii) The Minority and Woman-Owned Business goals shall be applicable to the eligible procurement dollars spent in the following areas:

- (a) Purchase of supplies, materials, products, services, and equipment
- (b) Maintenance or service of City assets and property
- (c) Contracts for professional and non-professional services
- (d) Contracts for commodities, equipment, supplies or materials
- (e) Contracts for repair or alteration of real property
- (f) Contracts for the construction of real property
- (g) Contracts for the repair or construction of roads, bridges, or other related structures and surfaces

iii) Each buyer shall, to the maximum extent practical, ensure the M/WBE goals are met through the award of purchase orders and contracts, in each area listed above, to certified M/WBE. This is achieved through a systematic approach of soliciting quotes, bids, and proposals from certified M/WBE's.

(1) The Purchasing Division uses the city website (www.ucitymo.org), to maintain the Bidders List.

(2) The City of University City does not certify M/WBE vendors. However, recognizes certifications from the State of Missouri and the Missouri Unified Certification Program. The Purchasing Division may review the certification status of any vendor registering to do business with the city. The vendor must hold a current valid certification to be counted as a M/WBE.

PURCHASING GUIDELINES:

1. Purchases under \$1,999 can be purchased with a department issued credit card in lieu of a purchase order, unless required by vendor. In these instances, the Department Director needs to be notified of these purchases, and the Department Director should designate employees who will be allowed to make these purchases.
2. Purchases between \$2,000-\$14,999.99 must have a minimum of three written bids to be solicited either through phone, mail, e-mail, or fax. These bids must be attached to the requisition when entered in the financial management system as bids, uploaded documents, or notes. If the department is unable to secure three verbal or written bids, or the bids were not returned, please add that to the notes of the requisition when entered the financial management system.
3. Purchases between \$15,000-\$24,999.00 require a minimum of three written bids to be solicited. The departments are reminded that the use of written bids requires appropriate planning to ensure that adequate time is available to satisfy the purchasing requirements. These bids must be attached to the requisitions when entered in the financial management system as bids, uploaded documents, or notes.
4. Purchases \$25,000 and over must be advertised and requested as sealed bids. The number of publications depends on the requirements of the funds, i.e., certain grants require more than one publication and places a condition on which publications can be used. These purchases are subject to City Council approval. Once approval has been attained, the following documentation must accompany the requisition when entered the financial management system written documented bid quotes, approved council minutes, and city council agenda item for viewing by the Purchasing Agent. (*R.O. 2011 §2.10.060; Ord. No. 6715 §1, 2007*)

Purchases of goods or services that equal or exceed \$2,000 require a purchase order; except for, City Council approved service contracts, Intergovernmental Agreements, insurance, banking / investment transactions, land acquisitions, lease payments, utilities, debt service, payroll (benefits, checks, taxes, and deductions), professional services as defined, and maintenance contracts associated with copyrighted software that has already been purchased by the City. At times, there may be goods and services unable to be processed through a purchase order based upon varying circumstances and these situations should receive the Director of Finance approval to proceed without going through the purchase order process. A purchase of the good or service shall not be made until the purchase order has been approved, unless the procedure for an emergency purchase has been followed. All capital improvement projects require a purchase order.

All invitation to bids and proposals for purchases over \$2,000.00 will be posted on the city website, except for quotation requests. An electronic version of the bid or proposal to purchasing and any amendments to follow will be posted. The city website has a feature that allows vendors to sign up on the website to receive notifications about upcoming bids and addendums that may be published. A vendor's/plan holder's list must be supplied with your bid or proposal for recordkeeping. Once a bid has been awarded, purchasing must be notified so the website can be updated with the bid recipient. Making as much information available to the public via the website should decrease the number of calls received.

UNAUTHORIZED PURCHASES:

No employee has the authority to enter contractual relationships for the city without prior approval of the purchasing agent. Unauthorized purchasing shall be considered a personal contract between the individual and the vendor and as such remains a personal expense of the individual involved. Neither the vendor nor the individual shall be reimbursed by the city for such transaction

PURCHASING ETHICS:

Conflict of Interest:

No employee of the city or their immediate families shall have any financial interest in the award of a contract or purchase. All employees of the city shall keep themselves free of obligation by refusing to accept any significant gifts or entertainment by any of the present or potential vendors to the city. Personal relations with vendors are not to deter close examination of vendor performance. Contract awards must always be to the lowest responsible vendor complying with the specification.

Personal Purchases by Employees:

Personal purchases for city employees by the purchasing division are prohibited. City employees are also prohibited from using the city's name or the employee's position to obtain special price or service consideration in personal purchases.

Entertainment of Gifts from Suppliers:

Acceptance of gifts other than advertising novelties is at all times prohibited. Personnel must not become obligated to any vendor and shall not conclude any transaction from which they may personally benefit. Bribery in any form is most serious, frequently hard to detect and insidious in its nature. Open bribery is seldom attempted. Usually, it consists of an attempt to secure favoritism by gifts or entertainment. Attempts by vendors to influence decisions unfairly are a direct disservice to the city and places the individual involved in violation of state statutes. It is important that all personnel not place themselves in positions which invite suspicion of their recommendations of purchasing.

Endorsement of Products or Vendors:

It is the city's policy not to endorse or in any way permit the name of any individual employed in the purchasing division to be used or advertised as supporting a product or vendor. This does not restrict the issuance of letters noting satisfactory or exceptional service of product, but the correspondence must clearly indicate that such is not for publication.

TERMS AND CONDITIONS OF THE INVITATION FOR BIDS:

Award:

The right is reserved as the interest of the city may require rejecting any bid or all bids and to waive any minor informality or irregularity regarding bids received. The city may accept any item or groups of items of any bid unless qualified by specific limitation of the bidder. The city may make an award on any item for a quantity less than the quantity bid upon at the unit price offered unless the bidder specifies otherwise in his bid. The contract shall be awarded to that responsible bidder whose bid while conforming to the specifications and requirements of the Invitation for Bid will be most economically advantageous to the city.

ACKNOWLEDGEMENT OF AMENDMENTS TO INVITATIONS:

Receipt of an amendment to an invitation by letter shall only be acknowledged if received prior to the hour and date specified for receipt of bids.

SUBMISSION OF BIDS:

Bids and modifications thereof shall be enclosed in sealed envelopes and addressed to the:
Purchasing Division City of University City
6801 Delmar Boulevard University City, Missouri 63130

FAILURE TO SUBMIT BID:

Failure of a vendor to bid or to notify the issuing office those future invitations will be honored may result in removal of the name of the vendor from the mailing list for the type of supplies or services covered by the invitation.

MODIFICATION OF WITHDRAWAL OF BIDS:

Bids may be modified or withdrawn by letter provided it is received prior to the hour and date specified. The letter communication should not reveal the bid price but should provide such information as will permit determination of the final prices without necessarily divulging the original price or terms on the sealed bid. A bid also may be withdrawn in person by a bidder or his authorized representative, provided his identity is made known and that he signs a receipt that his bid is withdrawn. Telephone requests to withdraw a bid will not be considered.

LATE BIDS AND MODIFICATIONS:

It is the responsibility of the bidder to deliver their bid or bid modification on or before the date and time of the bid closing.

“OR APPROVED EQUAL” CLAUSE:

Whenever a material, article or piece of equipment is identified on the plans or in the specifications of the invitation to bid by reference to manufacturers and vendors' names, trade names, or catalogue numbers, such reference is intended merely to establish a standard. Any material, article, or equipment of other manufacturers and vendors which will meet the performance level established in the specifications will be considered acceptable at the discretion of the purchasing agent.

MATERIAL AVAILABILITY:

Bidders must accept responsibility for verification of material availability, production schedules and other pertinent data prior to submission of bid and delivery time. The bidder must notify the City of University City promptly if materials specified have been discontinued, replaced, or are not available under the terms of the bid.

ALTERNATE BIDS:

Alternate bids for supplies or services other than those specified will not be considered unless authorized by the invitation. When authorized, bidders must submit complete specifications on all alternate bids. It should be clearly noted on the bid form.

QUALIFICATION OF BIDDER:

The city may make such investigations as deemed necessary to determine the ability of the bidder to perform the work. The bidder shall furnish all such information and data for this purpose as the city may

request. The city reserves the right to reject any bid if the evidence submitted or investigation reveals a latent failure of such bidder to perform the obligations of the contract and complete the work contemplated satisfactorily.