

# PURCHASING POLICY

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## **SECTION 1 PURPOSE**

The City of Leawood has established this policy to provide guidelines for the prudent expenditure of City funds. This policy governs the purchase or lease of goods and services made on the City's behalf.

## **SECTION 2 RESPONSIBILITY**

The Governing Body has the responsibility of approving and establishing the expenditure levels for the City and each department through their approval of the annual budget. The City Administrator and Department Heads shall have the responsibility of making purchases and keeping purchases within the scope of the budget. All officers, elected officials and employees have the responsibility of complying with this policy.

## **SECTION 3 DEFINITIONS**

The following words when used in connection with this policy shall have the meanings respectively ascribed to them herein.

**CITY:** City of Leawood, Kansas.

**CONTRACT:** Any City agreement, regardless of form or title, for the procurement of goods or services. For purposes of this policy, the terms "contract" and "lease" may be used interchangeably.

**DOMICILE:** A person's legal place of residence. That place where a person has his true, fixed, and permanent home and/or principal establishment, and to which whenever he is absent he has the intention of returning.

**LEASE:** A contract by which one owning personal property grants to another the right to possess, use, and enjoy it for a specified period of time in exchange for periodic payment at a stipulated price, generally referred to as rent. For purposes of this policy, the terms "contract" and "lease" may be used interchangeably.

## SECTION 4                    POLICY AND PROCEDURE

### I.        General

- A.        **Cost and Quality.** Generally, a good or service should be obtained at the lowest cost, consistent with the quality required to maintain efficient operations of City departments. The quantity of goods purchased should be determined through an examination of factors such as the number of units to be used, the period of use, space available, acquisition price, volume discounts, shipping time, obsolescence, and present and expected future availability of an item.

The acquisition of goods and services by or on behalf of the City of Leawood, its agencies, departments, officials, and authorized agents should be made in a manner and method which provides for the prudent expenditure of City funds; provides for maximum protection of the taxpayer; prevents waste, conflict, and corruption; provides for equal access and opportunity in an open and competitive environment to all suppliers with regard to factors related to quality, cost, and availability of the goods and services; and which comply with all applicable federal, state, and local laws, rules and regulations.

The approval of expenditure levels by the Governing Body is not, in and of itself, an approval of or directive to expend funds.

- B.        **Accountability.** All personnel of the City responsible for purchases shall become familiar with and follow the City's policies and procedures as they relate to purchasing. Supervisors shall be cognizant of their respective budget limitations and initiate purchases accordingly. It is the responsibility of the individual departments to anticipate requirements and initiate action to purchase goods and services in advance of the time that they are needed. No employee will engage in any business or transaction, or have financial or other personal interest, direct or indirect that is incompatible with the proper discharge of their official duties in the public interest or would tend to impair their independent judgment or action in the performance of their official duties. Employees may accept food and non-alcoholic beverages as long as the item can be shared and other unsolicited giveaway materials, such as pens, calendars etc... where the items are of nominal value and are offered to others under the same circumstances. [See Employee Handbook]

## II. Contracts & Leases

- A. **Agreement Amounts Equal to or Greater than \$15,000.** Any Contract or Lease for purchase of goods and/or services in an aggregate amount of \$15,000 or more, or which Contract or Lease requires inclusion in the City's bonding authority, must be approved by the Governing Body and signed by the Mayor.
- B. **Agreement Amounts of Less than \$15,000.** Any such Contract or Lease in an aggregate amount of less than \$15,000 and not requiring inclusion in the City's bonding authority must be approved and signed by the City Administrator. The City Administrator may, in his or her discretion, require any such Contract or Lease to be approved by the Governing Body prior to its execution.
- C. **Public Improvement Contracts.** Contracts for construction or reconstruction of any public improvement, including but not limited to sidewalks, curbs, gutters, bridges, pavement, sewers, streets, highways, public grounds, public buildings, or public facilities must be approved by the Governing Body and signed by the Mayor, in accordance with Charter Ordinance number 32.
- D. **Multi-year Agreements.** Any multi-year contract/lease agreement for purchase or lease of goods or services must be authorized by the City Administrator or Governing Body as required by law.
- E. **Provisions Applicable to All Agreements.** All contracts must be reviewed and approved as to form by the City Attorney. Standard Contract forms are available from the Legal Department and from the Contracts Administrator in the Public Works Department.
- F. **Contracts within Budget Authority.** The City Administrator shall not enter into any Contract until he or she is provided sufficient evidence that there is to the credit of the using department, a sufficient unencumbered appropriation balance in excess of all unpaid obligations, to defray the amount of such contract.

### III. Change Orders

The City Administrator shall have the authority to approve all Change Orders/Amendments for all city contracts when the cumulative total of all Change Orders/Amendments to any one agreement is less than \$5,000. All Change Orders/Amendments exceeding a cumulative total of \$5,000 or more must be approved by the Governing Body. The City Administrator may grant preliminary approval of change orders with a cumulative total for any one agreement between \$5,000 and \$15,000 when circumstances require immediate action. In the event of such preliminary approval, the City Administrator shall report the approval to the Governing Body at its next regular meeting for purposes of affirmation of the Change Order/Amendment.

The City Administrator shall have the authority to approve all Change Orders for all other city contracts when the amount is less than \$5,000. All Change Orders of \$5,000 or more and Change Orders resulting in exceeding the total project cost by 10% or more must be approved by the Governing Body, provided, however, that the City Administrator may grant preliminary approval of change orders between \$5,000 and \$15,000 when circumstances require immediate action. In the event of such preliminary approval, the City Administrator shall report the approval to the Governing Body at its next regular meeting for purposes of affirmation of the change order.

### IV. Requirements for Purchases, Bids, Proposals – Goods and/or Services.

#### A. Authority

1. **Small Contracts, Purchases or Procurements – less than \$1,000** – no bid or proposal required.
2. **Intermediate Contracts, Purchase or Procurements – \$1,000 or More, but less than \$15,000** – written, oral or catalog quotes, bids or proposals required unless waived by the City Administrator pursuant to paragraph IV(C) of this Section.
3. **Large Contracts, Purchases or Procurements – \$15,000 or More** – written quotes, bids or proposals from Vendors required unless waived by the City Administrator pursuant to paragraph IV(C) of this Section.
4. **Contracts for Public Improvements** - Contracts for construction or reconstruction of any public improvement, including but not limited to sidewalks, curbs, gutters, bridges, pavement, sewers, streets, highways, public grounds, public buildings, or public facilities must be approved by the Governing Body and signed by the Mayor, in accordance with Charter Ordinance number 32.

Proposals, qualifications and bids shall be evaluated based on applicable factors, including but not limited to price, ability to perform, experience, technical expertise and availability. The City, its Governing Body and/or staff shall reserve the right to refuse all or any part of a bid when it is felt that such refusal is in the best interest of the City.

**B. Vendors**

1. **List of Vendors.** The City is exempt as a political subdivision under Section 4221(b) of the IRS Code and K.S.A. § 79-3606, except for personal property used in a business. The Finance Department has arranged for accounts at many area vendors. City staff should utilize those accounts whenever possible. The Finance Department will maintain a list of Vendors for the use of City staff.
  2. **Out of State Bidder.** In the event a bid is submitted for contracts for construction, alteration or repair or for the purchase of goods by a contractor domiciled in a state other than Kansas, the City Attorney shall determine whether said contractor's own state law provides a bid preference to in-state contractors. Should such a preference exist, the said contractor's bid shall be increased by the percentage of the preference, pursuant to K.S.A. 75-3740(a).
- C. Waiver of Bid/Proposal Requirements.** The City Administrator must approve in writing any deviation in the bid/proposal requirements set forth above. The City Administrator may waive the requirements for bids, proposals or quotes for good cause, provided however, the City Administrator shall not waive such requirements for contracts for construction of public improvements, or where purchases will exceed \$50,000.

**V. Authority to Purchase – Limits and Restrictions**

- A. **Dollar Limits.** All purchases of less than \$5,000 shall be made under the general direction and supervision of the Department Head. All purchases between \$5,000 and \$14,999, inclusive, shall be made under the general direction and supervision of the City Administrator. The Governing Body shall approve of purchases of \$15,000 or more.
- B. **Ironhorse Limits.** The City Administrator shall have the authority to approve all purchases and contracts for emergency repair or maintenance to city-owned facilities or equipment; or any and all necessary expenditures to carry out the daily operations of the management of IRONHORSE Golf Club. Those emergency repairs or maintenance purchases shall be approved by the City Administrator, and shall be in accordance with the purchasing rules and procedures approved by the Governing Body. [Section 1-306].
- C. **Budget Authority.** The City Administrator shall not authorize any purchase until he or she is provided sufficient evidence that there is to the credit of the appropriate line item, a sufficient unencumbered appropriation balance in excess of all unpaid obligations, to defray the amount of such purchase.

**D. Division of Purchase Orders.** No purchase or contract shall be divided for the purpose of evading this policy.

**VI. Delegation**

If the City Administrator is unavailable, then the City Treasurer shall have the authority otherwise designated to the City Administrator under this policy, except that the Treasurer shall not have the authority to execute contracts.