

**City of Lawrence**

**PURCHASING PROCEDURES**

**2016**

Revised 07/3/2017

## **QUICK REFERENCE GUIDE**

### **PURCHASING AUTHORITY**

While all purchases are generally initiated by departments, the following table illustrates the final purchasing authority assigned to department directors, the City Manager and the Governing Body.

<b>Expenditure Amount</b>	<b>Final Purchasing Authority</b>
\$1 to \$25,000	Department Director
\$25,001 to \$100,000	City Manager
Over \$100,000	Governing Body

### **VENDOR SELECTION AND PAYMENT METHOD**

The tables below provide a quick reference for the vendor selection and purchasing processes applicable at various purchase amounts. Additional information on each vendor selection method can be found in this manual. Grant-funded purchases may have lower thresholds which must be followed.

#### **Supplies & Services (Excluding Professional Services)**

<b>Dollar Purchase Range*</b>	<b>Vendor Selection</b>	<b>Purchase Process</b>
\$1 – \$5,000	<ul style="list-style-type: none"><li>• Departmental criteria</li><li>• Price checks encouraged</li></ul>	<ul style="list-style-type: none"><li>• Purchasing card</li><li>• Invoice Coding</li><li>• Petty cash</li><li>• Purchase order (optional)</li></ul>
\$5,001 - \$25,000	<ul style="list-style-type: none"><li>• Solicitation through competitive quotes</li><li>• Cooperative agreements</li><li>• Sole source purchases</li></ul>	<ul style="list-style-type: none"><li>• Purchase order with documentation of competitive quotes</li><li>• Department Head approval</li></ul>
\$25,001 - \$50,000	<ul style="list-style-type: none"><li>• Solicitation through competitive quotes</li><li>• Cooperative agreements</li><li>• Sole source purchases</li></ul>	<ul style="list-style-type: none"><li>• Purchase order with documentation of competitive quotes</li><li>• City Manager approval</li></ul>
\$50,001 - \$100,000	<ul style="list-style-type: none"><li>• Formal bids and/or Requests for Qualifications or Proposals (1% local preference applies)</li><li>• Cooperative agreements</li><li>• Sole source purchases</li></ul>	<ul style="list-style-type: none"><li>• Purchase order with documentation of competitive bids or RFQ/RFP</li><li>• City Manager approval</li></ul>
\$100,001 and up	<ul style="list-style-type: none"><li>• Formal bids and/or Requests for Qualifications or Proposals (1% local preference applies up to proposals under \$1,000,000)</li><li>• Cooperative agreements</li><li>• Sole source purchases</li></ul>	<ul style="list-style-type: none"><li>• Purchase order with documentation of competitive bids or RFQ/RFP</li><li>• City Commission approval</li></ul>
A 5% price preference for recycled, remanufactured and environmentally preferable product if applicable		

Professional Services

Dollar Purchase Range	Vendor Selection	Purchase Process
\$1 – \$5,000	Department selection based on consultant's expertise, previous performance, and readiness to provide the service.	<ul style="list-style-type: none"> <li>• Purchasing card</li> <li>• Invoice Coding</li> <li>• Purchase order (optional)</li> </ul>
\$5,001 - \$10,000	Department selection based on consultant's expertise, previous performance, and readiness to provide the service.	<ul style="list-style-type: none"> <li>• Purchase order</li> <li>• Department Head approval</li> </ul>
\$10,001 - \$25,000	<ul style="list-style-type: none"> <li>• Solicitation through competitive quotes and qualifications</li> <li>• Sole source purchases</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase order with documentation of competitive quotes</li> <li>• Department Head approval</li> </ul>
\$25,001 - \$50,000	<ul style="list-style-type: none"> <li>• Solicitation through competitive quotes and qualifications</li> <li>• Sole source purchases</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase order with documentation of competitive quotes</li> <li>• City Manager approval</li> </ul>
\$50,001 - \$100,000	<ul style="list-style-type: none"> <li>• Formal bids and/or Requests for Qualifications or Proposals (1% local preference applies) Cooperative agreements</li> <li>• Sole source purchases</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase order with documentation of competitive bids or RFQ/RFP</li> <li>• City Manager approval</li> </ul>
\$100,001 and up	<ul style="list-style-type: none"> <li>• Formal bids and/or Requests for Qualifications or Proposals (1% local preference applies up to proposals under \$1,000,000)</li> <li>• Cooperative agreements</li> <li>• Sole source purchases</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase order with documentation of competitive bids or RFQ/RFP</li> <li>• City Commission approval</li> </ul>

# CITY OF LAWRENCE

## PURCHASING MANUAL

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# **CITY OF LAWRENCE PURCHASING MANUAL**

## **CHAPTER TITLE: GENERAL PROVISIONS AND PURCHASING PROCESS**

### **CHAPTER NUMBER: 1**

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#### **1.1 GENERAL PROVISIONS**

##### **A. Introduction**

This Purchasing Manual has been developed in order to establish uniform procedures for the purchase of supplies, services and professional services. It is generally recognized that uniform purchasing procedures offer considerable benefits by maximizing the use of financial resources through sound procurement practices. This manual prescribes the policies and procedures to ensure the effective administration of the purchasing function. It outlines the duties and responsibilities of the participants involved in the purchasing process in order to procure supplies, services and professional services in an efficient and organized manner, and in a manner that upholds the public trust.

##### **B. Purchasing Policy and Procedures: Purpose and Objectives**

The purpose of this Policy is:

1. To provide for fair and equitable treatment of all vendors involved in the City's purchasing process;
2. To maximize the purchasing value of public funds;
3. To document and standardize the City's purchasing policies and procedures for orderly and efficient administration;
4. To provide safeguards for maintaining a procurement process of quality and integrity; and
5. To foster effective, broad-based competition within the free enterprise system.

##### **C. Authority Roles and Responsibilities**

1. Governing Body

The ultimate responsibility for all purchases made by the City of Lawrence is held by the Governing Body. The Governing Body has authorized the City Manager sole authority to establish and administer procurement policies and procedures for all City purchases.

2. City Manager

The City Manager shall establish, maintain and update policies and procedures for the procurement of all supplies, services and professional services. Such policies and procedures shall be applicable to all City employees. Deviations from the City's purchasing policies and procedures shall be made only at the discretion of the City Manager and will be guided by section G, Exceptions to City Purchasing Policy, of this policy. In the absence of the City Manager, the Assistant City Managers shall assume the City Manager's purchasing roles and responsibilities.

3. Department Directors

By the authority of the City Manager, department directors and the Assistant City Managers are delegated purchasing authority and responsibility as established in this manual and as set by the annual approved or amended City Budget.

Department directors are responsible for ensuring that all assigned employees are knowledgeable of, and consistently use, the City's purchasing policies and procedures. Department directors may delegate purchasing authority to assigned employees as needed. However, the ultimate responsibility for adherence to purchasing policies and procedures remains with the department director.

Departments are responsible for verifying actual receipt of supplies and services in good condition, and of the specified quantity and quality. This verification should be done as soon as possible so the City can receive any payment discounts offered for prompt payment.

4. Finance Department

Prior to processing payment, the Finance Department shall review all department requested purchases to assure compliance with this manual. If it is determined that a department has deviated from procurement policies and procedures, the Finance Department shall work with the department director to resolve the situation.



5. City Attorney

Department directors shall submit all proposed contracts and agreements to the City Attorney for review to help ensure that contracts meet legal requirements. In addition, department directors should work with the City Attorney and selected vendor to negotiate contract provisions that provide the greatest protection for the City.

D. Public Access to Purchasing Information

The City of Lawrence is committed to protecting and preserving city records appropriately, and to making open records accessible to the public in a timely and efficient manner.

Public records possessed by the city shall be open for public inspection as provided by, and subject to the restrictions imposed by, the Kansas Open Records Act (K.S.A. 45-215 et seq.)

E. General Purchasing Information

1. Departments are responsible for initiating and managing their purchases. The Finance Department is available as a resource to address questions.
2. Typically, the Finance Department pays invoices based on due date. The average payment processing period is thirty (30) days from receipt within the Finance Department to date of issuance.

F. Purchasing Authority

While all purchases are generally initiated by departments, the following table illustrates the final purchasing authority assigned to department directors, the City Manager and the Governing Body.

Expenditure Amount	Final Purchasing Authority
Up to \$25,000	Department Director/Assistant City Managers
\$25,001 to \$100,000	City Manager
Over \$100,000	Governing Body

#### G. Exceptions to City Purchasing Policy

This manual applies to all expenditures of City funds. The purchasing policies and procedures are established under the authority of the City Manager. The City Manager may waive some or all requirements of the purchasing policies and procedures for:

1. Emergencies;
2. Purchases through interlocal or cooperative agreements with other governmental or non-profit entities;
3. Purchases for which other governmental or non-profit entities have gone through a vendor selection process which honors the spirit and intent of the City's purchasing policies and procedures;
4. Any purchase in which the City Manager determines that a waiver is in the best interest of the City and not in violation of federal, state or local law.

The City Manager will report to the City Commission those purchases made by non-competitive selection

#### H. Ethics in City Purchasing

1. General Ethical Standards for Employees: The City of Lawrence will not tolerate any attempt to realize personal gain through City employment by conduct inconsistent with the proper discharge of the employee's duties. In order to fulfill this general prescribed standard, employees must follow the ethical requirements set forth in the City's adopted purchasing procedures.
2. General Ethical Standards for Non-Employees: Any efforts to influence any City employees to breach the standards of ethical conduct set forth in this policy or the City's adopted purchasing procedures is also a breach of ethical standards.
3. Further standards of conduct found in Chapter 8.

#### I. Equal Employment Opportunity Agreement

All contractual relationship between the City and contractors must state that the contractor agrees that the contractor shall observe the provisions of the Kansas Act Against Discrimination and shall not discriminate against any person in the

performance of work under the present contract because of race, religion, color, sex, disability, national origin or ancestry. The contractor shall in all solicitations or advertisements for employees include the phrase, "equal opportunity employer." The contractor agrees that if the contractor fails to comply with the manner in which the contractor reports to the Kansas Human Rights Commission in accordance with the provisions of K.S.A. 44-1031 and amendments thereto, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the City. If the contractor is found guilty of a violation of the Kansas Act Against Discrimination under a decision or order of the Commission which has become final, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the City.

## **1.2 PREFERENCE**

- A. In order to balance support for local businesses and the goal to have the best value for the City, the City of Lawrence has adopted a local preference policy that applies to formal competitive bids of \$50,000 or greater.
  - 1. A responsible bid from a local business entity that is no more than one percent (1%) and no more than \$10,000 higher than the lowest responsible bid may be preferred over the lowest responsible bid; or If all aspects of a responsible bid from a local business entity are equal to the responsible bid from a non-local business entity, the local business entity should be preferred.
  - 2. Local preference shall apply to all bids equal to or greater than \$50,000 except:
    - a) When bids in which Federal fund or other funds are used that prohibit the application of the preference.
    - b) On construction or reconstruction of public improvements.
    - c) On cooperative purchasing agreements or contracts in which the City participates.
    - d) If a business entity has any outstanding liens, fines or violations with the City of Lawrence.
- B. It is the general policy of the City to support the purchase of products that will minimize negative environmental, health, and social impacts of City operations and support markets for sustainably-produced products. The purchase of these products is preferred whenever they perform satisfactorily and are available at a reasonable cost. Refer to Appendix B for the City's Sustainability Purchasing guidelines

### 1.3 PURCHASING PROCESS

#### A. Processing of payments without purchase orders

1. Purchaser of must attach documentation of goods or services received into the system in order for processing of payment.

2. Purpose

Purchases for goods or services specifically exempt from using purchase order may be inefficient or impractical still need authorization for payment and documentation that goods/services have been received.

3. Applicability

Directly processing an invoice for payment should only be used when the use of a City Purchasing Card is not possible or practical. This includes:

- a) Purchases of \$5,000 or less; and
- b) Recurring obligations which do not lend themselves to the purchase order process.

4. Approval

Approval for payment must follow the final approval authority set forth in this manual under Section F, Purchasing Authority.

5. Process

After the material or service has been received by the department and determined complete and suitable. The request of payment will be entered into the accounts payable system.

#### B. Purchase Order

1. Purpose

A purchase order is a document that states the terms and conditions of a proposed transaction and creates a contractual relationship between a vendor and the City. It describes the quantity and quality of the required supplies or services and includes other information, such as shipping terms, delivery dates and location, and the prices quoted in the bid (if

applicable). Purchase orders are created from purchase requisitions submitted to the Finance Department.

## 2. Applicability

- a) Purchase orders are required for purchases of supplies and services with an expected expenditure of more than \$5,000.
- b) Purchase orders may be used for purchases of supplies and services under \$5,000.

## 3. Approval

Purchase orders must be approved for payment in accordance with the final approval authority set forth in this Policy under Section 1.1, F. Purchasing Authority.

## 4. Requisition

- a) The requisition is designed to assist the user departments in initiating the first step in the purchasing process and will ultimately become the purchase order. It shall be used by the department to:
  - (1) Advise the Finance Department of the need to purchase supplies and services costing over \$5,000; and
  - (2) Request authorization to purchase supplies and services.
- b) A requisition shall be initiated with sufficient time to allow adequate time for review and approval prior to making the purchase.
- c) An on-line requisition shall contain at least the following information:
  - (1) Department making the request;
  - (2) Date prepared and date needed;
  - (3) Location for delivery of supplies or service;
  - (4) Purchase description and specifications of supplies or service, amounts required and terms;
  - (5) Sources and amounts of other quotes obtained (attach documentation if necessary);
  - (6) Suggested vendor(s);
  - (7) Budget account number(s) and remaining line item balance;
  - (8) Estimated cost; and

(9) Authorization.

- d) The requisition is sent or brought to the Finance Department. From the requisition, the Finance Department shall prepare the purchase order which will be delivered to the department.

5. Purchase Order

- a) Once a requisition is approved, it becomes a purchase order.
- b) Creation of the purchase order encumbers the funds in the appropriate budget line item.
- c) A vendor shall be given a purchase order upon placement of an order.
- d) Invoices without purchase order numbers may be returned to the vendor or may cause a delay in payment.
- e) Blanket Purchase orders
  - (1) Blanket purchase orders are used upon approval of the Finance Director, for those vendors from whom many repetitive purchases are made as supplies are required and amounts exceed \$5,000 per month.
  - (2) Rather than issue a purchase order for each purchase, one purchase order is issued for a period of time, depending on quantity and/or the time span for which the items are needed, but not to exceed one year.
  - (3) Blanket purchase orders shall stipulate the items covered and the time period. Blanket purchase orders shall not be used to circumvent competitive bidding. Frequently, the user department shall summarize the transaction(s) along with supporting documents such as signed counter tickets bills of lading, etc., and forward to Accounts Payable for payment indicating the appropriate blanket purchase order number.

6. Receiving

- a) The Department verifies actual receipt of supplies, services and construction in good condition, and is of the specified quantity and quality to the Accounts Payable Division. This verification should be done as soon as possible so the City can receive any payment discounts offered for prompt payment. Payment shall not be made until the verification is received by Accounts Payable and the purchase order is checked against the invoice.
- b) Inspection and testing of delivered items usually occurs at the time of

delivery or pickup by the department. The department may not have the technical knowledge or facilities to perform adequate inspection and/or testing; but, will attempt to observe obvious defects or shortcomings. Departments shall exercise reasonable care to ensure that the quantity and quality of the delivered goods are as ordered.

- c) Partial Shipments. If receiving verification forwarded to the Accounts Payable Division indicates only a partial shipment has been received, the invoice will be compared with the partial receiving verification, and if they agree, partial payment will be made.

## 7. Purchase Order Change Order

Significant changes to purchases are considered whenever the change is 10% over the original purchase order amount. Any significant change requires a change order. If the cumulative amount of the changes increase the purchase order by more than \$50,000, City Commission approval is required.

To more closely monitor construction project change orders, bids must be written in a way that can clearly define what the change is and how much the increase or decrease should be. Bids should request quantities such as linear feet, square feet, cubic yards, etc. and never a lump sum.

Contracts for projects over \$50,000 may be awarded with a percentage contingency amount set by the City Commission. The percentage amount awarded shall depend on the scope and complexity of the project. Any request for expenditures exceeding the contingency amount shall require City Commission approval for the additional funds.

Extra work beyond the original project scope requires City Commission approval. The contract with the vendor should include language that describes the change order process.

## C. Purchasing Card

### 1. Purpose

The purchasing card (P-card) program is designed to improve efficiency in processing small dollar purchases from any vendor that accepts a VISA® procurement card. Each P-card is issued to a named individual who is responsible for all purchases made with the card. The City of Lawrence is clearly identified on the card. Department directors determine authority limits based on position and the provisions of this manual.

2. Applicability, Approval, and Process

See Appendix A, "Purchasing Card Handbook".

D. Petty Cash

1. Purpose

The majority of petty cash funds are established to enable departments to make small or emergency purchases where a purchase order is not cost effective or a purchasing card cannot be used. Other uses include the establishment of change funds for departments that collect cash receipts on behalf of the City and require change to appropriately complete the cash transactions. The amount of the petty cash fund is established at the time the fund is approved.

2. Petty Cash Guidelines

- a) Petty cash purchases are limited to \$75 or less.
- b) Adequate receipts and documentation must be maintained to support all transactions made from the petty cash fund.

3. Established Petty Cash Funds

Finance	\$ 450
Parks and Recreation	250
Police Records	100
Police Investigations	2,500

Departments wishing to establish a new petty cash fund shall contact the Finance Director.

4. Approval and Process

- a) Complete the petty cash reimbursement request form. Be sure to complete the following fields: pay to, date, prepared by, and department/division. Describe the purchase/expenditure in the description/explanation area and enter the total amount requested for reimbursement. A receipt for the expenditure must be attached to this form. The form must be signed and dated by the requestor and approved by the requestor's supervisor with his/her signature and the date.



- b) The requestor then submits the form to the petty cash fund custodian for reimbursement.
  - c) The custodian reviews the petty cash reimbursement request form and the receipt(s) and confirms the total amount requested on the form. The custodian marks the form and the receipt as "PAID," dates and initials the form, then issues the cash payment to the requestor.
5. Petty cash funds are subject to surprise cash audits performed by the Finance Department.

#### **1.4 EMERGENCY PURCHASES**

A. Definition

Bona fide emergency purchases are made when adherence to normal purchasing policies and procedures would threaten:

- (1) The functioning of City government;
- (2) the preservation or protection of property, machinery, or equipment; and/or
- (3) The health or safety of any person.

B. Authority

In case of an emergency as defined above, the City Manager may waive all provisions for competitive purchasing. In such instances, the City Manager may delegate this authority to the appropriate department director. Emergency needs shall be purchased by informal open market procedures as expeditiously and as close to normal commercial prices as circumstances will allow. When an emergency expenditure is over \$50,000, a full report of the circumstances necessitating the emergency action shall be presented to the Governing Body as soon as reasonably possible.

C. Emergency Purchase Procedure

A department director may purchase essential supplies or services by any appropriate means for later reimbursement if necessary. As soon as practical, the department director shall notify the City Manager of the situation.

# CITY OF LAWRENCE PURCHASING MANUAL

## CHAPTER TITLE: VENDOR SELECTION

## CHAPTER NUMBER: 2

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### 2.1 SUPPLIES AND SERVICES (EXCLUDING PROFESSIONAL SERVICES)

- A. Small Purchases (\$5,000 or less, Supplies and Services)
  - 1. Non-repetitive purchases of an aggregate amount of \$5,000 or less shall be considered “small purchases” and shall not require a purchase order.
  - 2. Small purchases may be made by department directors without competition or further approval by the City Manager.
  - 3. Departments may establish competitive criteria for purchases.
  - 4. Price checks and documentation of price checks are encouraged
- B. Informal Solicitations (\$5,001 to \$50,000)
  - 1. Unless otherwise authorized within this manual, any purchase of supplies and non-professional services of \$5,001 to \$50,000 shall require a purchase order and shall be made utilizing informal solicitations. Such purchases shall be made in the open market.
  - 2. Departments shall attempt to obtain documented quotes from a minimum of three (3) vendors. Documented quotes may be obtained from catalogues and internet web sites or from bids received from vendors by telephone, fax, or standard email.
  - 3. Purchases of supplies or non-professional services, if awarded, shall be awarded to the vendor determined to be most advantageous to the City. The names of the vendors submitting quotations, the amount of each quotation and the date, shall be documented on the purchase order and maintained as a public record.
  - 4. **Supplies and services over \$25,000 must be approved by the City Manager.**
- C. Formal Solicitations (Over \$50,000)
  - 1. Authority
    - a) Any purchase of supplies or non-professional services obligating the City to an estimated expenditure of over \$50,000 shall be

purchased under formal competitive sealed bid procedures, including blanket purchase order items over \$50,000. The \$50,000 threshold applies to one-time or cumulative purchases.

- b) The Finance will be the keeper of the official bids. All submittals, except confidential or proprietary information as defined by law, are public records and must be retained.
- c) See Appendix D for the Sealed Bid Checklist.
- d) See Appendix E for the Bid Procedures Flowchart.

## 2. Competitive Sealed Bid Procedures

- a) An Invitation for Bids (IFB) shall be issued and shall include specifications, the equal opportunity statement and all contractual terms and conditions applicable to the procurement, as well as the bid opening date and time.
- b) Specifications shall be made available to all interested parties as stated in IFB. If it is necessary to change the specifications or any other formal data and there is adequate time as determined by the department prior to the date of bid opening, an addendum shall be issued stating the changes. Specification changes must allow adequate notice and shall be issued to every vendor which received a copy of the Invitation for bids. In certain cases, the bid opening may be postponed to allow adequate time for vendors to prepare their bid based on specification changes. If there is not adequate time, the IFB shall be cancelled and a new bid process initiated.
- c) Once IFB is received by City Finance they will ensure it is to be published a notice at least once (1) in the City's official newspaper within a reasonable time prior to the date for opening sealed bids. The notice shall state the place, date and time of the bid opening. Finance will also make the notice available on the Finance purchasing web page. This is intended to provide reasonable public notice of the solicitation.
- d) Bonding and insurance requirements for contracts shall occur at the discretion of the department and the City Attorney in accordance with Chapter 4 of this manual.
- e) Prospective bidders may be interviewed or a pre-bid conference may be arranged to clarify either technical or general specifications.
- f) The opening of sealed bids shall be in a place open to the public. Bids shall be opened at the time and place specified in the IFB. Bids must be received prior to the specified time as established in the Invitation for Bids. If using paper bids rather than an electronic process, bids received after the specified deadline must be

returned to the non-responsive vendor unopened.

- g) In cases where there are tie bids and both qualified bidders meet specifications the bidding department shall evaluate the work experience and performance of the two bidders to determine the most qualified. The most qualified shall be awarded the bid.
- h) Bids shall be submitted without alteration or correction except as authorized in this subsection. Bids shall be evaluated based on the requirements set forth in the IFB, which may include criteria to determine acceptability, such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Criteria that affect the price will be considered in evaluation for award and shall be objectively measurable, such as discounts, allowances, transportation costs, and total or life cycle costs.
- i) Corrections:
  - (1) Corrections to or withdrawal of inadvertently erroneous bids before and after a bid opening by the vendor may be permitted in accordance with this subsection. Mistakes discovered before the bid opening by the vendor may be modified or withdrawn by written notice received by the City prior to the time set for the bid opening.
  - (2) After the bid opening, corrections to bids shall be permitted only to the extent allowable in the bid documents and the bidder can show by clear and convincing evidence: that the mistake was of a non-judgmental character; the nature of the mistake; and the bid price actually intended.
  - (3) Except for the foregoing, after the bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the City or fair competition shall be permitted.
  - (4) In lieu of a bid correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if (i) the mistake is clearly evident on the bid document; or (ii) the bidder submits evidence which clearly and convincingly demonstrates a mistake was made. All decisions to permit the correction or withdrawal of bids shall be supported by a written determination made by the department director.
- j) Any protest must be submitted in writing. All protests shall clearly state the name of the protester, bid title, and number. The protest must be fully supported by technical data or other pertinent information that will delineate why the protest is being lodged. Any protest of award must be received no later than five (5) working days

after receipt of the award, unless a longer period is required as a condition of a grant agreement.

The City of Lawrence's objective is to resolve all formal protests as soon as practical. Nothing in this procedure should be construed as requiring a formal protest if a vendor wishes to clarify or discuss standards or procedures relating to the procurement process.

The City of Lawrence shall respond to the protest within five (5) working days. The decision rendered by the City Manager shall be the final decision of the City of Lawrence and the City of Lawrence will take no further action on the protest.

3. **Supplies and services over \$100,000 must be considered by the Governing Body.**
4. The award shall be made by written notice to the responsive and responsible bidder whose bid best meets the requirements and criteria set forth in the IFB.
5. For Federal projects with an aggregate value of \$500,000 or more, announcements regarding contract awards shall specify the percentage of the total cost and the amount of the Federal funds used to finance the acquisition.

## 2.2 PROFESSIONAL SERVICES

### A. Departmental Selection (\$50,000 or less)

A department director may select a professional services provider based on the vendor's expertise, previous performance, and readiness to provide the service to the City. In such a case, the department shall evaluate the qualifications of potential vendors. This could be done through an informal or formal Request for Qualifications (RFQ), or other means.

Departmental selection may be used to select a professional services vendor when, in good faith, it is believed that the total contract cost will be \$50,000 or less. If, prior to initiating a contract, it is determined that the cost will exceed \$50,000, a competitive RFP as provided for in Section 2.2 B shall be initiated. If it is determined that the contract will or may exceed \$50,000 over the course of the project or vendor relationship, this fact shall be reported by the department director to the City Manager, who will determine the appropriate selection process. A contract relationship over \$100,000 in total should be approved by the Governing Body, even if individual components of the contract are \$100,000 or less.

**Professional services over \$25,000 must be approved by the City Manager.**

### B. Request for Proposals (Over \$50,000)

Any purchase of professional services obligating the City to an expenditure of over \$50,000 shall be purchased under either a formal competitive sealed proposal or competitive Request for Qualifications (RFQ) procedure. The determination of which procedure to utilize shall be made by the department director in consultation with the City Manager.

#### 1. Competitive Sealed Proposals

A competitive sealed proposal (Request for Proposal or RFP) is a method of vendor selection in which award is made to the responsive and responsible vendor whose offer is considered the best when evaluated against established criteria and all other offers. Cost is not the primary focus of the award, but is a factor taken into consideration. Criteria shall include, but not be limited to: applicable and appropriate qualifications, experience, referenced successes, and cost.

The department initiating the RFP is responsible for record keeping. All submittals, except confidential or proprietary information as defined by law, are public records and must be retained.

- a) An (RFP) including a scope of work, evaluation criteria, insurance and bonding requirements, and the proposal opening date and time shall be sent to relevant vendors, published in the official City Newspaper and posted on the City website. If for any reason it is necessary to change the scope of work or any other aspect of the RFP prior to the date of submittal, an addendum shall be issued stating the changes. Scope of work changes must allow adequate notice. The addendum shall be issued to every vendor which received a copy of the RFP. In certain cases, the proposal opening may be postponed to allow adequate time for respondents to prepare their proposals based on scope of work changes.
- b) Bonding and insurance requirements shall be set at the discretion of the department and the City Attorney in accordance with Chapter 4 of this manual.
- c) A selection committee designated by the appropriate department director shall review the proposals, interview the prospective vendors, if necessary, and rank the vendors according to the quality and cost of their offers. The determination of ranking shall take into account the following order of importance: the professional competence of vendors, the technical merits of offers, and cost.
- d) Negotiation with the most qualified vendor shall be undertaken to obtain a contract incorporating the scope of services, method of contracting, price and terms and conditions determined to be fair and reasonable to the City. If negotiations with the most qualified vendor are not successful, negotiations with the second most qualified vendor shall then be undertaken, and so on, until a contract is successfully negotiated with a qualified vendor.
- e) **Professional services over \$100,000 must be considered by the Governing Body and if approved, The Mayor shall be authorized to sign the contract.**

#### C. Request for Qualifications

- 1. A Request for Qualification (RFQ) process may be utilized for professional services purchases in excess of \$50,000. Utilization of an RFQ is generally advantageous when the services to be provided are of a highly specialized nature, or when the scope of work is difficult to define. The RFQ process is the same as the RFP process outlined in Section 2.2, B. Request for

Proposals (Over \$50,000) except that vendors are not required to include a price in their submittals.

2. A RFQ may be used to narrow down the number of vendors before competitive sealed RFP process is used.

## **2.3 INFORMATION TECHNOLOGY PURCHASES**

- A. The Information Technology (I.T.) Department is responsible for the acquisition of all technology hardware, software, technology services, communications, and G.I.S. related technologies. City operation and business processes tend to be technology related, so when considering new integrated business systems I.T. should be contacted early in the process to help frame infrastructure requests, review vendor supplied system requirements and recommendations to ensure compliance and compatibility.
- B. See Appendix B for the Information Technology purchase procedures

## **2.4 DESIGN-BUILD SERVICES**

- A. Authority

Design-build can be a very effective method of project delivery for construction of public improvements because it offers a single point contact and concentration of responsibility. Design-build may be used for any projects under \$100,000, with approval of the City Manager. For projects over \$100,000, Governing Body approval is required to engage in a selection process for which the design and construction services are furnished under one contract.

- B. Selection

1. Projects Under \$100,000

As determined by the City Manager, a design-build team (vendor) selection can be accomplished through a request for qualifications or a request for proposals. The City Manager shall determine which procedure is most advantageous to the City.

2. Projects over \$100,000

- a) The City Manager shall prepare a recommended process to the Governing Body which addresses:

- Procedures for submittal and selection
- Information required



- Evaluation criteria

- b) After conclusion of the process, a recommendation shall be presented to the Governing Body for consideration. If approved, the Mayor shall be authorized to sign the contract.
- C. A design professional may be retained pursuant to City selection procedures to develop the plans and specifications for any design-build project. A design professional selected to prepare the plans and specifications is not eligible to render services under the design-build contract. This vendor should be selected based on Chapter 2 of this manual.

## 2.5 SOLE SOURCE VENDOR DESIGNATION

### A. Authority

Exemption from competitive procurement is permitted when a written determination has been made by a department director and approved by the City Manager that there is only one vendor practicably or reasonably available to provide a supply or service, or professional services. Such an exemption is required only for purchases greater than \$5,000. Purchases less than \$5,000 do not require competitive quotes or bids.

### B. Sole Source Criteria

- 1. The following are the criteria used for determining eligibility for sole source procurement:
  - a) The vendor is the original equipment or software provider and required parts, equipment, or software are not reasonable available from another vendor;
  - b) Incompatibility or non-conformity with City-owned equipment, materials, software, or expertise would require the expenditure of additional funds;
  - c) The vendor provides a unique supply or service and no similar supply or service is available or suitable; and
  - d) The vendor has specific, relevant prior experience that will add value to their work and reduce costs for gathering information.

### C. Procedures

- 1. Authority
  - a) Sole source purchases greater than \$5,000 shall be approved by the Department Director

- b) Sole source purchases greater than \$25,000 shall be approved by the City Manager.
  - c) Sole source purchases greater than \$100,000 shall be approved by the Governing Body as part of awarding the bid and authorizing the Mayor to sign the Contract.
2. The department initiating the purchase shall include written documentation and/or justification that reasonably establish that the proposed vendor is the only practical vendor when submitting the purchase order requisition.

# **CITY OF LAWRENCE PURCHASING MANUAL**

## **CHAPTER TITLE: AGREEMENTS**

### **CHAPTER NUMBER: 3**

---

#### **3.1 PRICE AGREEMENTS**

##### **A. Blanket Purchase Orders**

##### **1. Purpose**

- a) Blanket purchase orders, also known as price agreements or term contracts, are agreements established with vendors to allow individual purchases by the City throughout the year without repeating the competitive bidding process each time a purchase is made. Blanket purchase orders take advantage of volume discounting based on the annual estimated quantities purchased. Blanket purchase orders also reduce paperwork, therefore expediting service and reducing purchasing costs.
- b) Blanket purchase orders do not commit the City to purchase any supply or service from the vendor. They are issued to advise the vendor of the supply and/or service the City may require, establish terms and pricing where applicable, establish dollar limits, either per order or time period, establish personnel authorized to make purchases against these blanket purchase orders and outline the ordering, receiving and invoicing procedure.
- c) Blanket purchase orders may be arranged by departments in cooperation with the Finance Department. It is the responsibility of the department initiating a blanket purchase order to determine the approximate quantity needed and estimated amount that shall be spent during the fiscal year under the proposed blanket purchase order. Prices shall be established, per the policies of this manual. Pricing information shall be made available to ordering departments and to the Finance Department to assure correct payment is made to the participating vendor.

## 2. Establishment and Term

Blanket purchase orders shall be established in conformance with the vendor selection requirements described in Section 2.4 and Section 3.

## 3. Instructions for Blanket Purchase Orders

- a) Orders against blanket purchase orders can be made by phone, fax, e-mail, other electronic means or in person after the employee has received proper approval. Employee(s) shall identify themselves and provide the following information: supply or service description, part number (if applicable), quantity, required date, point of delivery, and blanket purchase order number (if applicable).
- b) The vendor shall prepare an invoice or receipt showing the above information and provide it to the ordering employee.

### **3.2 COOPERATIVE AGREEMENTS AND INTERGOVERNMENTAL PURCHASING**

#### A. Cooperative Procurement

Cooperative procurement is a process by which two or more governmental jurisdictions join together to purchase supplies or services from the same vendor. This form of purchasing has the benefits of reducing administrative costs, eliminating duplication of effort, lowering prices, sharing information and taking advantage of expertise and information that may be available in only one of the jurisdictions. Examples of cooperative agreements can be as simple as two jurisdictions agreeing to jointly fund a road improvement project and as sophisticated as the Mid-America Regional Council's Kansas City Regional Purchasing Cooperative.

Cooperative purchasing is permitted only when the unit of government assuming administrative responsibility conducts its purchasing operations according to the principles of open competition. All the participants in cooperative purchasing must agree to abide by all contractual requirements, including prompt payment of invoices.

#### B. Intergovernmental Purchasing

Other government agencies perform bids on supplies and services similar to the City. Many vendors will extend the same terms and pricing to other governments. This form of purchasing has the benefits of reducing administrative costs, eliminating duplication of effort, lowering prices,

sharing information and taking advantage of expertise and information that may be available in only one of the jurisdictions.

C. Authority

1. Departments are authorized to participate in, sponsor, conduct or administer a cooperative agreement with one or more other public or non-profit entities as long as the vendor selection practices of the cooperative are in conformance with the intent of the City's Purchasing Manual.
2. Criteria for determining internal or cooperative bid process:
  - a) Nature and quantity of item purchased: An internal bid may be more favorable for larger volume commodities such as ammunition. Economies of scale should be considered, and may tend to favor cooperative bidding when purchasing one or two specialized items.
  - b) Market: if several qualified vendors are in the local area, an internal bid may be more favorable. For items with specialized technical specifications or few local sources, cooperative bidding is likely more efficient.
  - c) Details of the cooperative bid: Understand the bid specifications of a cooperative contract, e.g. transportation fees or other general provisions that may not apply to the Lawrence area.
3. Purchases through cooperative agreements must be approved for payment in accordance with the final approval authority set forth in this manual under Section 1.1 F. Purchasing Authority.

# **CITY OF LAWRENCE PURCHASING MANUAL**

## **CHAPTER TITLE: BONDS AND CONTRACT CLAUSES**

### **CHAPTER NUMBER: 4**

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#### **4.1 BID SECURITY**

##### **A. Requirement for Bid Security**

###### **1. Bid Bond or Check (For Bids on amounts over \$50,000)**

A certified cashier's check, bid bond, or money order made payable to the City, in the amount of 5% of the bid, may be required of all bidders. The bid bond or check of the successful bidder shall be retained by the City until completion of the work or submittal of a performance bond (if applicable) to ensure the delivery of the supplies and/or service at the specified time and/or the successful completion of the project.

###### **2. Withdrawal of Bids. After the bids are opened, they shall be irrevocable for the period specified in the Invitation for Bid, except as provided in Section 4.2. If a bidder is permitted to withdraw their bid before bid opening, no action shall be made against the bidder or the bid security. Withdrawal of a winning bid, upon the discretion of the City Manager, may result in the removal of the vendor from the City's active vendor list for a period not to exceed three years.**

##### **B. Performance and Payment Bonds**

###### **1. State Statute Required Contract Bond or Security**

When a contract is awarded, the following bonds or security shall be delivered to the City in all cases required by Kansas state statute, and if the City Manager deems appropriate on those contracts not required by state statute and shall become binding on the parties upon execution of the contract:

###### **a) Performance Bond**

A performance bond satisfactory to the City, executed by a

surety company authorized to do business in Kansas or otherwise secured in a manner satisfactory to the City for the performance of the work provided for in the contract, in an amount equal to 100% of the price specified in the contract; and

b) Payment Bond

A payment bond to the State of Kansas satisfactory to the City, executed by a surety company authorized to do business in Kansas or otherwise secured in a manner satisfactory to the City, for the protection of all persons supplying labor, materials, equipment or supplies to the contractor or its subcontractors for the performance of the work provided for in the contract. The bond shall be in an amount equal to 100% of the price specified in the contract and shall otherwise comply with the requirements of K.S.A. 60-1111.

2. Authority to Require Additional Bonds

Nothing in this Section shall be construed to limit the authority of the City to require other security in addition to the bonds mentioned, or in circumstances other than specified in Subsection 1 of this Section.

3. Suits on Payment Bonds -- Right to Institute

Every person who has furnished labor or material to the contractor or its subcontractors for the work provided in the contract, in respect of which a payment bond is furnished under this Section, shall have the right to sue on the payment bond for any amount unpaid at the time the suit is instituted and to prosecute the action for the amount due the person in the manner prescribed by Article II of Chapter 60 of the Kansas Statutes Annotated.

4. Suits on Payment bonds -- Where and When Brought

Every suit instituted upon a payment bond shall be brought in the District Court of Douglas County, but no such action shall be brought on such bond after six months from completion of the project. The obligee named in the bond need not be joined as a party in any such suit.

## 4.2 CONTRACT CLAUSES AND THEIR ADMINISTRATION

### A. Contract Clauses

1. The City manager may require the inclusion in City construction, supplies and service contracts, clauses providing for adjustments in prices, time of performance, or other contract provisions when appropriate, including but not limited, to the following subjects:
  - a) Changes in the work and changes in the time of performance of the contract;
  - b) Variations occurring between estimated quantities of work and actual quantities;
  - c) Suspension of work ordered by the City;
  - d) Site conditions differing from those indicated in the contract, or ordinarily encountered, except that differing site conditions clauses need not be included in negotiated contracts, or when the contractor provides the site or design, or when the parties have otherwise agreed with respect to the risk of differing site conditions;
  - e) Liquidated damages as appropriate;  
For Federal projects, any liquidated damages recovered shall be credited to the project account involved unless the FTA permits otherwise.
  - f) Specified excuses for delay or nonperformance;
  - g) Termination of the contract for default;
  - h) Termination of the contract in whole or in part for the convenience of the City.
  - i) FTA grantees are encouraged to use value engineering clauses in contracts for construction projects. FTA cannot approve a New Starts grant application for final design funding or a full funding grant agreement until value engineering is complete (see FTA Circular 5010.1C).

- B. Modification of Required Clauses. The Finance Director or designee may vary the contract clauses for inclusion in any particular contract; provided that the circumstances justify such variations and provided that notice of any such material variation is stated in the Invitation for Bids or Request for Proposals.

### C. Grantees and Subgrantees.

1. The City of Lawrence and subgrantees will maintain a contract administration system which ensures that contractors perform in



accordance with the terms, conditions, and specifications of their contracts or purchase orders.

2. When expending federal grant funds, the City of Lawrence's and subgrantee's contract must contain provisions in paragraph 1 of Section 36 of the OMB Common Rule.
3. When awarding and administering subgrants of federal financial assistance to local and Indian tribal governments, the City of Lawrence shall ensure that every subgrant includes a provision for compliance with the purchasing policy, ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations, and ensure that subgrantees are aware of requirements imposed upon them by Federal statutes and regulations.

# **CITY OF LAWRENCE PURCHASING MANUAL**

## **CHAPTER TITLE: FEDERAL REQUIREMENTS AND STATE STATUTES**

### **CHAPTER NUMBER: 5**

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#### **5.1 COMPLIANCE WITH FEDERAL REQUIREMENTS AND STATE STATUTES**

- A. Federal Law and Authorized Regulation Compliance
  - 1. Where a purchase involves the expenditure of federal assistance or contract funds, the department director shall comply with such federal law and authorized regulations which are mandatorily applicable and which are not reflected in this manual. Otherwise, purchases made with grant funds shall be made according to this Purchasing Manual.
- B. City Purchasing Practices Subordinate to State Statutes
  - 1. Except as exempted by charter ordinance of the Governing Body, the provisions of this manual are subordinate to any Kansas Statutes governing City purchasing practices.
- C. Uniform Grant Guidance Provisions
  - 1. Employee conflict of interest: No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-federal entity.

2. When purchases are made with Federal grant funds the department must take any necessary steps to contact small and minority firms, women's business enterprises and labor surplus area firms if relevant.
3. Documentation and oversight of federal grant purchases – the City must:
  - a) Document the procurement steps and activities required to be completed, including the basis for the type of procurement, contract type, and contractor selection and price.
  - b) Maintain an appropriate level of oversight to ensure that contractors perform in accordance with the terms of their contract.
  - c) Per Circular 4220.1E, the City will maintain and will require subgrantees to maintain records sufficient to detail the significant history of the procurement including the percentage of Federal participation in the purchase of assets. They must make available upon request of the awarding agency, technical specifications of proposed procurements, purchase orders, quotations, contracts and related documents for at least five (5) years from the date on which they are closed or for the life of the equipment.
  - d) Provide full and open competition. Contractors who assist in drafting specifications for requests for proposals (RFP) must be excluded from competing for those opportunities. In addition, RFP specifications cannot have unreasonable requirements that are meant to limit competition. Also, procurements must be conducted in a manner that prohibits the use of geographical preferences in the evaluation of proposals, except in certain cases where federal law explicitly requires or encourages geographic preference or when contracting for architectural and engineering services, provided that specifying geographic location leaves an appropriate number of qualified firms.
4. Contract Term Limitation
  - a) On federally funded contracts, per 4220.1E, although the 'five-year rule' on period of performance contract limitations has been eliminated for all but rolling stock and replacement part contracts (i.e., those for which the rule is statutorily required), FTA expects

grantees to be judicious about the terms of their contracts. The Lawrence Transit System shall demonstrate sound business judgment when deciding length of its contract terms, and whether or not it should exceed five (5) years. Furthermore the Public Transit Administrator shall concur with the Finance Director and seek the guidance of FTA, and approval of the City Manager and City Commission prior to proceeding. The Public Transit Administrator shall provide written documentation to demonstrate that sound business judgment was used to determine length of contract and such documentation shall be evident in the transit system's procurement files.

5. Equipment purchased with federal grant dollars

- a) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the Federal award identification number), who holds title, the acquisition date, cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property.
- b) A physical inventory of the property must be taken and the results reconciled with the property records at least once every 2 years.
- c) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. Adequate maintenance procedures must be developed to keep the property in good condition.

6. Disposition of Property Acquired Under a Federal Grant or Subgrant

- a) When original or replacement equipment acquired under a Federal grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a federal agency, disposition of equipment will be made as follows:

- Items of equipment with a current per unit fair market value of less than \$5,000 may be retained or sold or otherwise disposed of with no further obligation to the awarding Federal agency.
- Items of equipment with a current per unit fair market value of \$5,000 or more may be retained or sold and the awarding Federal agency shall have a right to an amount calculated by multiplying the proceeds from the sale by the award agency's share of the original purchase price of the equipment

# **CITY OF LAWRENCE PURCHASING MANUAL**

## **CHAPTER TITLE: DISPOSAL OF SURPLUS PROPERTY**

## **CHAPTER NUMBER: 6**

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### **6.1 GUIDELINES FOR DISPOSAL OF SURPLUS, ABANDONED OR CONFISCATED PROPERTY**

- A. Departments may transfer, sell, exchange, or destroy any surplus, abandoned, or confiscated property without competitive bidding if such property has a value believed to be \$5,000 or less. Such property may be disposed of by negotiated sales to other governmental entities, non-profit organizations, or as-is in the best interest of the City.
- B. No property shall be sold without receiving competitive bids if the value is believed to be greater than \$5,000.
- C. Departments disposing of surplus property shall work with the Finance Department to collect sales tax on the sale, as appropriate.
- D. This manual does not address disposal of real estate due to the complex nature and legal requirements of this type of transaction. Departments should consult the City Manager and City Attorney prior to initiating disposal of real estate.

### **6.2 METHODS OF DISPOSITION**

- A. Methods of Disposition for Surplus, Abandoned, or Confiscated Items
  - 1. Transfer: Transferring the item to another department that has use for the item is the best method of disposition. Both the transferring and receiving departments must update their inventory records, if applicable. Whenever feasible the City will repurpose vehicles between departments. When the vehicle has completed its useful life in one department it should be transferred to another department that can extend its useful life rather than acquiring a new vehicle.
  - 2. Sale: There are several methods for selling surplus, abandoned, or confiscated items:
    - a) Auctions. The City may contract with an auctioning service or auction via on-line internet service to sell items to the highest bidder.

- b) Sealed Bids. The department may determine that items shall be sold at sealed bid sale. Public Notice of the sale is made and solicitations are issued to prospective bidders.
- c) Commercial Markets. The department may determine that items may be offered for sale by consignment to established commercial markets. Candidates for this method of sale include antiques, art and specialized equipment.
- d) Sale of Scrap. Many items that are no longer usable may have a residual value. The department may arrange for the sale of scrap items.
- e) Posted Prices. From time to time, where there is no established market and demand is erratic, an item may be marked with a pre-established price and sold to the public on a first-come basis.
- f) Trade-in. The department may determine that it is advantageous to the City to seek bids on replacement items with the vendors allowing/offering trade allowances. Award may be made in the manner that is most advantageous to the City.
- g) Cannibalization. Disassembling an item to use its components for repair or maintenance of a similar item is authorized only if cannibalization is expected to create greater value than disposal or trade-in of the item.
- h) Donation. Donation of items believed to have a value of more than \$100,000 must be approved by the Governing Body. Donation of items believed to have a value over \$5,000 shall be approved by the City Manager.

#### B. Destruction and/or Disposal

- 1. Surplus property of minimal monetary value may be destroyed or disposed as trash. Care shall be taken to destroy or dispose of items with regard to environmental impact and cost.
- 2. Waste Disposal of Hazardous Materials. There are strict federal and state laws regarding the disposal of hazardous materials. Disposal of hazardous materials shall be directed by the City's Solid Waste Division.

### **6.3 ALLOCATION OF PROCEEDS**

All proceeds resulting from the sale of surplus, abandoned, or confiscated property shall be deposited in the appropriate fund from the property was purchased. If the original fund cannot be identified, the proceeds will be deposited in the General Fund.

### **6.4 TERMS AND CONDITIONS OF SALE**

- A. Depending on the nature of the items and the method of sale selected, the following terms and conditions shall be used:
1. Inspection. Prospective buyers will be allowed time prior to the sale to inspect items.
  2. No Warranty. No warranty or guarantee of any kind is given by the City. All items are offered for sale "as is," "where at," and "without recourse."
  3. Removal. The successful bidder will be required at their own risk and expense to remove any items bid upon within the time specified in the bid document. Receipt of each unit must be signed by the purchaser or their duly authorized agent at the time the item is removed. Any item not called for or left behind will be considered as abandoned, and the City has the right to dispose of same in any manner whatsoever.
  4. Upset Price. In some instances, minimum prices will be established. In such cases, items will not be sold below that minimum price. The City reserves the right to accept or reject any or all bids.

### **6.5 REPORT OF DISPOSITION**

The Finance Department must be advised of the disposition of all items with a value of \$5,000 or more in order that general capital asset records may be updated.

### **6.6 SALES OR DISPOSITION TO EMPLOYEES**

To avoid the appearance of impropriety, employees of the City may not purchase items unless the sale is to the highest bidder at a public or on-line auction, or by sealed bid after appropriate notification of the sale. Likewise, employees of the City may not obtain surplus items at no cost except in specific situations approved by the City Manager.



# **CITY OF LAWRENCE PURCHASING MANUAL**

## **CHAPTER TITLE: ETHICS IN CITY CONTRACTING**

### **CHAPTER NUMBER: 7**

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#### **7.1 Employee Conflict of Interest**

- A. Pursuant to K.S.A. 75-4304, it shall be a breach of ethical standards for any City employee, in his or her capacity as such employee, to make or participate in the making of a contract with any person or business by which he or she is employed or in whose business he or she has a substantial interest, and no such person or business shall enter into any contract where any City officer or employee, acting in such capacity, is signatory to or a participant in the making of such contract and is employed by or has a substantial interest in such person or business. A City officer or employee does not make or participate in the making of a contract if he or she abstains from any action in regard to the contract.

This section shall not apply to the following:

1. Contracts let after competitive bidding has been advertised for by published notice; and,
2. Contracts for property or services for which the price or rate is fixed by law.

#### **7.2 Employee Disclosure Requirements**

- A. An employee who has, or obtains any benefit from, any City contract with a business in which the employee has a financial interest shall report such benefit to the Finance Director; provided, however, these Sections shall not apply to a contract with a business where the employee's interest in the business has been placed in an independent trust. Any employee who knows or should have known of such benefit, and fails to report such benefit to the Finance Director, is in breach of ethical standards.

#### **7.3 Gratuities and Kickbacks**

- A. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase requisition, influencing the content of any specification or purchasing standard, rendering of advice, investigation, auditing, or in any other advisory

capacity, in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor. Gratuities shall not mean pens, calendars, or other novelty items used for advertising purposes, meals or other meeting circumstances for the purpose of conducting or discussing official business.

- B. It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract or order to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

#### **7.4 Prohibition Against Contingent Fees**

- A. It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a City contract 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.

#### **7.5 Restrictions on Employment of Present and Former Employees**

- A. Except as may be expressly permitted by the City manager, it shall be a breach of ethical standard for any City employee who is participating directly or indirectly in the purchasing process to become or be, while being a City employee, the employee of any person contracting with the City.
- B. It shall be a breach of ethical standards for any former employee within one year after City employment has ceased, to knowingly act as a principal, or as an agent for anyone other than the City, in connection with any;
  - 1. Judicial or other proceeding, application, request for as a ruling, or other determination against the City;
  - 2. Contract with the City;
  - 3. Claim against the City; or
  - 4. Charge or controversy, in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while any employee, where the City is as a party or has as a direct or substantial interest.

## **7.6 Use of Confidential Information**

- A. It shall be a breach of ethical standards for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

## **7.7 Civil and Administration Remedies Against Employees and Non-Employees Who Breach Ethical Standards**

- A. Civil and administrative remedies against employees and Non-Employees which are in existence on the effective date of this manual shall not be impaired.
- B. In addition to existing remedies for breach of the ethical standards of this Chapter, the City Manager, in accordance with the Personnel Rules and Regulations may impose any or more of the following:
  - 1. Oral or written warnings or reprimands;
  - 2. Suspension with or without pay for specified periods of time; and
  - 3. Termination of employment.
- C. In addition to existing remedies for breach of the ethical standards of this Chapter or regulations promulgated hereunder, the City Manager may impose any one or more of the following:
  - 1. written warnings or reprimands;
  - 2. termination of transactions; and,
  - 3. disbarment or suspension from being a contractor or subcontractor under City contracts. (see section 8.2)
- D. The value of anything transferred or received in breach of the ethical stands of this Chapter, or regulations promulgated hereunder, by an employee or a non-employee may be recovered from both the employee and non-employee.
- E. All procedures under this Section shall be in accordance with due process requirements and existing Kansas Law.
- F. To the extent that violations of the ethical standards of conduct set forth in this Chapter constitute violations of Federal or State or City Law, they shall be punishable as provided therein. Such sanctions shall be in addition to the civil remedies set forth in the manual.

## CITY OF LAWRENCE PURCHASING MANUAL

### CHAPTER TITLE: LEGAL AND CONTRACTUAL REMEDIES

### CHAPTER NUMBER: 8

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#### 8.1 Authority to Resolve Controversies

- A. Right to Protest. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract, or contract or breach of contract controversy may protest to the Finance Director. The protest shall be submitted in writing within 5 days after such aggrieved person is aware of or should have been aware of the facts giving rise thereto. Upon receipt of a protest the Public Transit Administrator shall notify FTA of the protest.
- B. Authority to Resolve Protest. The Finance Director, or designee shall have the authority, prior to commencement of an action in court concerning the controversy to settle and resolve a protest of an aggrieved bidder, offeror, or contractor, actual or prospective, concerning the solicitation or award of a contract, or a contract or breach of contract controversy.
- C. Decision. If the protest is not resolved, the aggrieved party may appeal the Finance Director's decision within 5 days to the City Manager. The City Manager, after reviewing the situation shall issue a decision stating the reasons for the action taken which shall be final and conclusive, unless stayed or reversed by a court of competent jurisdiction.
- D. FTA review of protest under Federal Grants. FTA protest procedures are found in FTA Circular 4220.1E. If federal funding is involved, FTA will review protests from a third party only if the City failed to have or follow its protest procedures, failed to review a complaint or protest, or violates federal laws or regulations and the standards of 49CFR Part 18.36(b)(12). The FTA regional office must receive an appeal within five (5) working days of the date the protester knew or should have known of the violation. A protester must exhaust all administrative remedies with the City of Lawrence before pursuing a protest with FTA.
- E. Stay of Procurements During Protest. In the event of a timely protest, the City shall not proceed further with the solicitation or with the award of the contract until all administrative or judicial remedies have been exhausted unless a determination is made that the award of the contract without delay is necessary to protect substantial interest of the City.

## 8.2 Authority to Debar or Suspend

- A. Authority. After reasonable notice and opportunity for the person to be heard, the City Manager or designee shall have authority to debar a person for cause from consideration for award of contracts. The debarment shall not be for a period of more than three years. Also a person may be suspended from consideration for award of contracts if there is probable cause to believe that the person has engaged in any activity which might lead to debarment. A suspension can be extended until resolution of any criminal proceeding.
- B. Causes for Debarment. The causes for debarment include the following:
- a) conviction for commission of a criminal offense in obtaining or attempting to obtain or in the performance of a public or private contract or subcontract;
  - b) conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or honesty;
  - c) conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;
  - d) violation of contract provisions of a character which is regarded by the City Manager to be so serious as to justify debarment action;
  - e) any other cause the City Manager determines to be so serious and compelling as to affect responsibility as City contractor;
  - f) for violation of the ethical standards set forth in Chapter 11 (Ethics in City Contracting)

# CITY OF LAWRENCE PURCHASING MANUAL

## CHAPTER TITLE: TERMS AND DEFINITIONS

## CHAPTER NUMBER: 9

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### 9.1 TERMS AND DEFINITIONS

The words defined in this section shall have the meanings set forth below whenever they appear in this manual:

**Assistant City Manager:** The individual(s) holding the title of Assistant City Manager or assuming the duties of the City Manager in the City Manager's absence.

**Best Value:** A selection process in which proposals contain both price and qualitative components, and award is based upon a combination of price and qualitative considerations. Qualitative considerations may include technical design, technical approach, quality of proposed personnel, and/or management plan. The award selection is based upon consideration of a combination of technical and price factors to determine {or derive} the offer deemed most advantageous and of the greatest value to the procuring agency.

**Bid:** An offer, as a price, whether for payment or acceptance. A bid can either be an offer to the City by a vendor or a buyer.

**Bidder:** A person or firm responding to a City request for bids.

**Bid Security:** A guarantee, in the form of a bond or deposit, that the bidder, if selected, will sign the contract as bid; otherwise the bidder (in the case of a deposit) or the bidder or their guarantor (in the case of a bond) will be liable for the amount of the bond or deposit.

**Blanket Purchase Order:** A contract outlining the specific price for supplies or services for a specified period of time.

**Change Order:** A written document to make changes to an existing contract and/or purchase order.

**City:** City of Lawrence.

**City Manager:** Chief executive officer of the City.

**Compost Product:** Mulch, soil amendments, ground cover, or other landscaping material derived from the biological or mechanical conversion of cellulose-containing waste materials.

**Construction:** The process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings or real property.

**Contract:** All types of City agreements, including grants and purchase orders for the purchase or disposal of supplies and services including constructed or manufactured.

**Contractor:** Any person having a contract with the City.

**Contract Modification:** Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

**Cooperative Agreement:** An agreement with another government entity, or a cooperative formed by multiple government entities, that establishes a contract for particular supplies or services for a definite period of time at a set price.

**Cost-Reimbursement Contract:** A contract under which a contractor is reimbursed for costs which are allowable and allocable in accordance with the contract terms and the provisions of this manual, and a fee, if any.

**Department:** Any office or department of the City that utilizes any supplies, services or construction purchased under this manual.

**Department Director:** All department directors or their designees.

**Design-Bid-Build:** Refers to the project delivery approach where the grantee commissions an architect or engineer to prepare drawings and specifications under a design services contract, and separately contracts for at-risk construction, by engaging the services of a contractor through sealed bidding or competitive negotiations.

**Debarment:** When a vendor is excluded from contracting with the City for an indefinite period of time.

**Emergency Purchases:** Purchasing of supplies or services, where the urgency of need does not permit the utilization of normal competitive selection methods.

**Employee:** An individual drawing a salary from the City and any non-compensated individual performing personnel services for the City.

**Environmentally Preferable Products:** Products that have a lesser impact on human health and the environment when compared with competing products. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product.

**Finance Director:** The individual holding the position of Finance Director, or their designee.

**FTA:** refers to the Federal Transit Administration, an agency of United States Department of Transportation

**Governing Body:** The Mayor and City Commission members of the City of Lawrence.

**Grantee:** The public or private entity to which a grant or cooperative agreement is awarded.

**Invitation for Bids:** All documents, whether attached or incorporated by reference, utilized for soliciting bids

**Local Business:** A business that has been established for at least six months within the city limits of Lawrence. The location of the business shall not include a post office box, a residential location, a hotel or motel.

**May:** Denotes the permissive.

**Postconsumer Material:** A finished material which would normally be disposed of as a solid waste, having reached its intended end-use and complete its life cycle as a consumer item, and does not include manufacturing or converting wastes.

**Procurement:** The process of planning purchases in conjunction with the City's budget and work plan, source selection for goods or services, and contract management.

**Professional Services:** Services where technical expertise or knowledge of a



specialized field is critical to the performance of that service. Professional services are generally associated with the following disciplines: (a) architect, engineer and land surveying services; (b) appraisal services; (c) financial, accounting and auditing services; (d) legal services; (e) consulting services; (f) health care services; (g) insurance services; (h) data processing consulting and programming services; (i) testing and inspection services; (j) photographic, art or marketing services; and (k) employment of temporary employees as advisors, lobbyists, etc.

**Proposal:** A written offer or bid containing price and other terms made by a vendor.

**Public Notice:** The placement of a notice in officially designated newspaper(s) of the City.

**Purchasing Card:** A credit card payable from City accounts issued to an employee for the purpose of procuring City related supplies and services.

**Purchase Order:** The paper or electronic document issued for purchases over \$5,000.

**Receiving Report:** The paper or electronic document utilized to confirm receipt of supplies or services and authorize payment to the vendor.

**Recycled Products:** Products manufactured with waste material that has been recovered or diverted from solid waste.

**Stamp:** A process which may be utilized to authorize payment of small purchases for which use of a purchase order may be inefficient or impractical.

**Requisition:** The electronic document utilized to request the purchase of supplies or services. A requisition creates a purchase order.

**Request for Proposal (RFP):** All documents, whether attached or incorporated by reference, utilized for soliciting proposals.

**Responsive Bidder:** One who responds to all of the significant requirements outlined in the bid solicitation.

**Responsible Bidder:** A person or firm who has the capability in all respects to perform fully the contract requirements.

**Services:** The furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance.

**Shall:** Denotes the imperative.

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

**Statement of Qualifications:** A document submitted to the City by a professional services vendor detailing its abilities and experience to provide a certain service.

**Supplies:** All property, including but not limited to, equipment, materials, printing, insurance, and leases of real property, excluding land or a permanent interest in land.

**Surplus:** Any supplies, equipment or property no longer having any use to the City. This includes obsolete supplies, scrap materials, and non-expendable supplies that have completed their useful life cycle.

**Vendor:** A seller of supplies or services.

# CITY OF LAWRENCE PURCHASING MANUAL

## CHAPTER TITLE: PURCHASING CARD GUIDELINES

### APPENDIX: A

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## Overview

The City of Lawrence currently contracts with UMB Bank for a Visa Purchasing Card Program. Purchasing cards allow employees to “charge” small dollar items or services (less than \$5,000, including all delivery, any applicable taxes, shipping and/or special handling charges) to their card instead of using a purchase order. Because purchase orders are avoided, items may be ordered and received quicker, and administrative costs associated with purchasing are reduced.

This manual provides the guidelines for using City of Lawrence Purchasing Cards and, in some instances, is supplemented by department guidelines. Please read the instructions carefully. Your signature on the cardholder agreement indicates that you understand the intent of the program and agree to adhere to the established guidelines. You will be issued your Purchasing Card after receipt of the signed agreement by the Purchasing Card Program Administrator.

Purchasing cards are issued at the request of individual departments. To be eligible to receive a card, you must have the authority to purchase goods, materials, and services on behalf of the City. Card usage is monitored by individual departments and by the finance department. Cards may be rescinded at any time.

Keeping complete and accurate records is vital to the successful use of purchasing cards. Retention of receipts and other purchase documentation is required. As with any purchase, you must retain sales slips, cash register receipts, invoices, order forms and receiving documents.

Purchasing cards are not intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the purchasing card program complements the existing policies, procedures, and processes. Therefore, individual transactions, including any associated charges, must be less than \$5,000 (according to the City’s Purchasing Policy, any purchase of \$5,000 or more requires the use of a purchase order and the approval of the Purchasing Agent). Each department has the discretion to set lower limits. In addition, each card has been assigned a dollar limit for billing cycles (maximum \$5,000) and a limit on the number of transactions per day (maximum 5). **Splitting Transactions, dividing one purchase into two or more transactions, is strictly prohibited.** Some employees, depending on their position, may be allowed larger limits with special permission from the City Manager.

Purchases must be for the use and benefit of the City. **ABSOLUTELY NO PERSONAL PURCHASES ARE ALLOWED.** You are responsible for the security of your card and all transactions made against it. The card is issued in your name and any purchases made with the card will be your responsibility. **Use of the card not in accordance with guidelines established could result in personal liability, termination of employment, and/or criminal charges being filed against you.**

Vendors are paid by the bank within 72 hours of your purchase transaction. Please indicate to vendors not to invoice the City because it could result in duplicated payment. Receipts must list items purchased and must be itemized. Be sure to remind the vendor of the City’s tax-exempt status, if applicable, when making a purchase. The information regarding the exemption is printed on a separate card given at the time the purchasing card is issued.

## **REQUESTING YOUR PURCHASING CARD**

To be eligible to receive a purchasing card, you must have delegation of authority, and be authorized to purchase goods, materials, and services on behalf of the City. Your department coordinator can provide you with the purchasing card request form, the City of Lawrence Purchasing Card Cardholder Agreement form and the guidelines, all on the intranet. These forms will be sent to the Purchasing Card Program Administrator and then will be forwarded to the bank. After receipt of the card from the bank, the Purchasing Card Program Administrator will contact you or your department coordinator to advise the card has arrived.

## **RESPONSIBILITIES**

### **Cardholder**

At the time of issuance, the Purchasing Card Program Administrator or your department coordinator will advise you of all restrictions that apply to your card, such as the number of transactions allowed per day, maximum dollar transaction amount, maximum dollar amount per period, and type of purchases allowed.

As a cardholder you are expected to:

- Adhere to all responsibilities agreed to in the Purchasing Card Cardholder Agreement
- Retain, for reconciliation by Accounts Payable, all charge slips, cash register receipts, invoices and packing lists associated with card purchases
- For telephone or catalog orders, make sure complete shipping address and instructions are given along with your name (e.g., name, department name, complete street address, floor/room number, city, state, zip code)
- Immediately notify the Department Coordinator of changes in Cardholder status

Cardholders and their department coordinator will receive a variety of information regarding purchases. Please remember such data is proprietary and should not be disclosed outside of the City of Lawrence. Card usage will be monitored and cards may be rescinded at any time. Cardholders are committing City funds each time they use their purchasing cards. Do not take this responsibility lightly.

### **Department Coordinators**

- Continually assess cardholder's eligibility for Department card use
- Review and approve cardholder's monthly purchases
- Forward approved purchases and receipts to Accounts Payable
- Recommend limits for all Cardholders in the department
- Request purchasing cards for designated employees
- Collect cards from Cardholders who end employment
- Request to issue or cancel cards
- Notify the Purchasing Card Program Administrator of terminated, lost or stolen cards

**Finance - Purchasing Card Program Administrator**

- Maintains a record of Cardholders' names, account numbers, card issuance dates, etc., which is to be kept secured at all times
- Coordinates the program and responds to purchasing card related questions and policy issues
- Coordinates new card requests and card cancellations with the bank
- Provides orientation sessions for Cardholders as needed
- Notifies Department Coordinators of change that require re-issuance of a purchasing card
- Regularly audits new accounts and periodically audits existing accounts on a random or as-needed basis
- Distributes purchasing cards
- Retain a photocopy of the front of the card issued.

**Finance – Accounts Payable**

- Processes approved statements in a timely manner
- Reconciles monthly statements and retains documentation
- Files approved statements
- Coordinates 1099 reporting
- Develops and maintains the Preferred Supplier Listing
- Helps Cardholder resolve billing disputes when cardholder's attempts are unsuccessful
- Develops and maintains data furnished by UMB Bank for standard and ad hoc reporting
- Periodically reviews reports for compliance with program requirements
- Handles disputed items
- Resolves errors and disputes, coordinates returns, and verifies that appropriate credits are issued.

**Tax Exempt Information**

- Purchases made with the card, except those purchases relating to water production, are tax-exempt.
- The City is not exempt from hotel excise taxes.
- The City is not tax exempt from out of state purchases when we pick up the item or product from another state.
- Cardholders are responsible for making sure taxes are not charged to their purchase (if applicable).
- Cardholders must inform vendors that the City is exempt before an order is processed. Some vendors may require sales tax exempt purchases to be processed in a different manner than normal purchases .
- In the event sales tax has been charged, the cardholder is responsible for contacting the vendor to obtain a refund of sales tax.
- The front of each card reads as follows:

CITY OF LAWRENCE, KANSAS  
FOR OFFICIAL USE ONLY  
SALES TAX EXEMPT UNDER K.S.A. 79-3606

- The City's Tax ID number is KS519CECFV
- Vendors may also require a Tax Exemption Certificate. To obtain such a certificate, contact Accounts Payable in the Finance Department.

## Card Security

You are responsible for the Purchasing Card entrusted to you. Carefully guard it and use it responsibly.

**Any use of the card not in accordance with guidelines established could result in personal liability, termination of employment, and/or criminal charges being filed against you.**

To prevent unauthorized use of your Purchasing Card:

- Safeguard card and card numbers
- Prohibit others from using your Purchasing Card

## REPORTING A LOST OR STOLEN CARD

Immediately report a lost or stolen card using the following procedure.

- **Immediately call the bank at 1-888-494-5141 or 816-843-2458.** Record the name of the person you spoke to, the time and date you reported the card missing, and the reference number provided by the bank.
- Inform your department coordinator and complete FORM TO REPORT A LOST OR STOLEN PURCHASING CARD (Attachment B). Send the original form to the bank at the address listed on the form, forward a copy to the Purchasing Card Program Administrator, give a copy to the Department Coordinator, and keep one copy for your records.
- Departments are responsible for any charges, fees, etc. incurred in relation to a lost or stolen credit card. Individual departments may elect to hold cardholders responsible for all or part of these charges or fees.

## CHANGES TO CARDHOLDER INFORMATION

The Department Coordinator should complete the purchasing card cardholder account action request (Attachment A) to advise the bank of name, address, cost code, and employment status changes, as well as other changes in cardholder information. Send the completed form to the Purchasing Card Program Administrator.

## CANCELLING a card

To cancel a card, the department coordinator should notify the Purchasing Card Program Administrator, cut the card in half and forward it to the Card Administrator.

## CARD RENEWAL

Every year, renewal cards will be sent to the Purchasing Card Program Administrator for distribution. Old cards should be destroyed. Renewal dates will be determined by UMB.

## WHAT CAN BE PURCHASED

Most small dollar value items (under \$5,000) can be purchased using the card, including, but not limited to:

- Books, videotapes, and subscriptions
- Memberships
- Seminars

- Maintenance supplies and tools
- Incidental and miscellaneous purchases
- Office Supplies
- Emergency Purchases
- Term and Supply Contract items

## **WHAT CANNOT BE PURCHASED**

**Your card may not be used to circumvent or avoid appropriate purchasing procedures.** Specifically, do not use your card for:

- To secure items not approved for purchase in compliance with purchasing procedures and department procedures
- For personal purchases

Unless specifically requested and approved, all cards also have the following limitations:

- Transaction limit of no more than \$4,999.99
- 5 transactions per day maximum
- Dollar per month limit of up to \$10,000
- No cash advances or cash for returns
- No liquor store purchases
- No airline purchases
- No automobile rental or other transportation
- No hotel/motel
- no restaurant purchases

## **PLACING AN ORDER**

When making a purchase with your purchasing card, be prepared to provide the following:

- Your Name
- Your Card Number
- Card Expiration Date

Ask the vendor to provide a detailed receipt/packing list that includes product description, price, sales tax, and freight charges, if applicable. Charge slips and receipts are required for monthly statement reconciliation.

If goods and materials are ordered by telephone, ask the vendor to include a detailed receipt in the package and explain we are a tax-exempt organization. Save the purchasing card receipt and shipping documents.

**Cardholders must inform vendors that the City is tax exempt, if applicable, before the order is processed.**

## **INTERNET PURCHASES**

On-line purchasing. It is recommended for employees intending to purchase equipment or supplies on line to:

- Confirm the online seller's physical address and phone number in case there are questions or problems. Be wary if the seller's only contact information is a post office box. The owner of



the website can be found by using the "WHOIS website. Type in the web domain of the company in question at <http://www.whois.net/>

- Keep records in Outlook of your on-line transactions including the product description and price. Save the online receipt, and copies of every email you send or receive from the seller.
- Do not email financial information. Email is not a secure method of transmitting financial information such as credit card numbers. Companies typically need the name on the credit card, the card type (Visa, Master Charge, etc.), the billing address and zip code, and some vendors will ask for the three-digit number on the back of the card. Do not respond to unsolicited emails.
- Ensure the security of the web site. The web address on the page that asks for the credit card number is secure if the web URL begins with "https:" instead of "http." An indication of a secured site is also a yellow or golden closed lock or an unbroken key at the bottom of the browser window. Type the web site addresses rather than clicking on a link.
- Many web merchants allow a phone in option. Employees may order online by giving credit card information over the phone.
- Read the refund/return and privacy policy before ordering.
- An internet purchase over \$5,000 using a purchasing card may be necessary if the vendor does not take purchase orders. Three quotes are required and special permission must be obtained by the City Manager through email. Contact the purchasing card coordinator if you plan to make this purchase.

## **IF YOUR CARD IS REJECTED**

IF YOUR CARD IS REJECTED, CONTACT THE PURCHASING CARD PROGRAM ADMINISTRATOR IN THE FINANCE DEPARTMENT AS SOON AS POSSIBLE.

## **RECEIVING MATERIALS**

The cardholder should verify that all ordered materials are received. The cardholder should also follow up with the supplier to resolve delivery problems, discrepancies, back orders, and damaged goods. Retain receipt and packing/shipping documentation for monthly statement reconciliation.

## **RETURNS, CREDITS, REJECTED MERCHANDISE**

The Cardholder is responsible for making all arrangements associated with purchasing card returns. Cardholders are expected to follow up until the appropriate credit(s) is issued against the purchasing card. To arrange a return:

- Notify supplier you are returning items that were purchased with your purchasing card (Many suppliers will not accept returns without prior return authorization)
- Ask the supplier to credit your purchasing card for the return. NEVER ACCEPT CASH FOR A PURCHASING CARD RETURN.
- Follow supplier's packing and labeling instructions

- Complete appropriate documentation of shipment

## **RECORD KEEPING**

Retain all purchasing card receipts, cash register receipts, packing slips, etc. to send to Accounts Payable. Follow any detailed procedures as set forth by your department.

## **ACCOUNT RECONCILIATION**

At the end of each billing cycle, Accounts Payable downloads the individual statements into the VEGI program on the Intranet and electronically sends notification to the cardholders that their transactions are ready for approval. The cardholder or designated employee in each department approve the transactions and send the receipts and transaction statement to their supervisor for approval. The City Manager's purchases and the City Auditor's purchases must be approved by the Mayor and the Mayor's purchases must be approved by the Vice Mayor. All approved transaction statements and receipts must then be forwarded to Accounts Payable for payment.

## **ERRORS & DISPUTES**

When charges appear to be incorrect:

- Notify the Department Coordinator.
- Attempt to resolve the dispute with the supplier. If unsuccessful, contact the bank's Customer Service Center within 60 days of the disputed item's statement date.
- If you are still unable to reach an acceptable solution, contact Accounts Payable. Provide names and dates of the persons contacted, copies of correspondence, and other documentation associated with your attempts to resolve the dispute.

## **CITY OF LAWRENCE PURCHASING MANUAL**

### **CHAPTER TITLE: LAWRENCE SUSTAINABILITY GUIDELINES**

#### **APPENDIX: B**

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##### **A.**























1. All City Department personnel will purchase recycled, remanufactured and environmentally preferable products whenever practicable. The City has established a 5 percent price preference for recycled, remanufactured and environmentally preferable products.
2. All imprinted letterhead paper; envelopes and business cards used by City of Lawrence Departments shall be recycled paper and bear a symbol identifying the paper as recycled provided the quality and pricing meets the above criteria.
3. The percentages of post-consumer content (minimum 10%) and recycled content (minimum 20%) will be spelled out in the bid specifications for letterhead and other paper grades based on industry availability;
4. Whenever practicable, the City will ensure that contracts issued by its Departments require recycled and environmentally preferable products.
5. City Departments shall use both sides of paper sheets whenever practicable in printing and copying.
6. The City shall to the extent possible initiate pilot programs to test the capabilities or recycled, remanufactured, and environmentally preferable products.
7. Departments will evaluate the following environmentally preferable products and purchase them whenever the evaluation is favorable.
  - a) Recycled paper and paper products
  - b) Remanufactured laser printer toner cartridges
  - c) Re-refined antifreeze.












- d) Re-refined lubricating and hydraulic oils.
- e) Recycled plastic outdoor wood substitutes.
- f) Re-crushed cement concrete aggregate and asphalt.
- g) Cement and asphalt concrete containing glass cullet, recycled fiber, plastic, tire rubber, or fly ash.
- h) Remanufactured (retread) tires and products made from recycled tire rubber.
- i) Compost.
- j) Cleaning products with lowered toxicity.
- k) Water-saving products.
- l) Other products designated by the Finance Department.







8. The Solid Waste Department is responsible for:

- a) Developing and maintaining information about environmentally preferable products and recycled products containing the maximum practicable amount of recycled materials, to be purchased by departments whenever possible
- b) Inform departments of their responsibilities under this policy, provide departments with information about recycled product and make suggestions on pilot programs for testing remanufactured and recycled products.
- c) Promote the use of recycled and other environmentally preferable products by publicizing and educating others about the procurement program.
- d) Coordinate with the Purchasing Agent about environmentally preferable products and products containing recycled materials.
- e) Coordinate pilot programs with Departments, monitor, track and report product evaluation findings.

	Office	Paper	Janitorial	Electronics
<b>✓ YES!</b>  <b>Features to look for:</b>	<ul style="list-style-type: none"> <li>○ Recycled materials</li> <li>○ Biodegradable</li> <li>○ Recyclable</li> <li>○ Refillable</li> </ul>	<ul style="list-style-type: none"> <li>○ Recycled materials</li> <li>○ Sustainably-harvested</li> </ul>	<ul style="list-style-type: none"> <li>○ All-natural</li> <li>○ Non-toxic</li> <li>○ Bio-based</li> </ul>	<ul style="list-style-type: none"> <li>○ Power-saving</li> <li>○ Extended product life or warranties</li> </ul>
<b>NO!</b>  <b>Features to avoid:</b>	<ul style="list-style-type: none"> <li>○ Excessive packaging</li> </ul>	<ul style="list-style-type: none"> <li>○ Bleaching</li> </ul>	Products containing: <ul style="list-style-type: none"> <li>○ Bleach</li> <li>○ Hydrochloric acid</li> <li>○ Pesticides</li> </ul>	<ul style="list-style-type: none"> <li>○ Excessive packaging</li> </ul>
<b>Items:</b> <b>(Including but not limited to)</b>	<ul style="list-style-type: none"> <li>○ Any products containing paper</li> <li>○ Plaques</li> <li>○ Plastic binders</li> <li>○ Clips</li> <li>○ Clipboards</li> <li>○ Toner ink</li> <li>○ Dry erase markers</li> <li>○ Pen ink</li> <li>○ Packing materials</li> <li>○ Pens</li> <li>○ Tape</li> <li>○ Desk supplies</li> <li>○ Art supplies</li> </ul>	<ul style="list-style-type: none"> <li>○ Any paper products:</li> <li>○ Copy paper</li> <li>○ Envelopes</li> <li>○ Folders</li> <li>○ Business cards</li> </ul>	<ul style="list-style-type: none"> <li>○ Various cleaners\ and janitorial supplies</li> <li>○ Air fresheners</li> <li>○ Paper Towels</li> <li>○ Tissue</li> </ul>	<ul style="list-style-type: none"> <li>○ Computers</li> <li>○ Copiers</li> <li>○ Printers</li> <li>○ Servers</li> <li>○ Audio/visual equipment</li> <li>○ Cameras</li> <li>○ eReaders</li> <li>○ Fax machines</li> <li>○ Televisions</li> </ul>
<b>Associated Eco Symbols</b>	     	        	      	   

	Equipment	Landscaping	Food	Construction	Vehicles
<b>✓ YES!</b>  <b>Features to look for:</b>	<ul style="list-style-type: none"> <li>○ Energy-saving features</li> <li>○ Recycled</li> <li>○ Reused, or Refurbished</li> </ul>	<ul style="list-style-type: none"> <li>○ Recovered materials</li> <li>○ Biodegradable</li> <li>○ Bio-based</li> <li>○ Water-conserving features</li> </ul>	<ul style="list-style-type: none"> <li>○ Fair trade</li> <li>○ Organic</li> <li>○ Locally grown or raised</li> </ul>	<ul style="list-style-type: none"> <li>○ Post-consumer materials</li> <li>○ Low toxicity</li> <li>○ Locally-sourced</li> <li>○ LEED certifiable</li> </ul>	<ul style="list-style-type: none"> <li>○ Hybrid or plug-in hybrid</li> <li>○ Vehicles appropriately-sized for specific purpose/task</li> </ul>
<b>⊘ NO!</b>  <b>Features to avoid:</b>		<ul style="list-style-type: none"> <li>○ Herbicides</li> <li>○ Pesticides</li> <li>○ Landscaping with species that have high water needs</li> </ul>		Materials containing: <ul style="list-style-type: none"> <li>○ Mercury</li> <li>○ Lead</li> <li>○ Chemically-treated wood</li> </ul>	
<b>Items:</b>  <b>(Including but not limited to)</b>	<ul style="list-style-type: none"> <li>○ Appliances</li> <li>○ Heating &amp; cooling equipment</li> <li>○ Lighting fixtures</li> <li>○ Light bulbs</li> <li>○ Phones</li> <li>○ Office furniture</li> <li>○ Clothing</li> <li>○ Protective Wear</li> </ul>	<ul style="list-style-type: none"> <li>○ Compost</li> <li>○ Fertilizers</li> <li>○ Mulch</li> <li>○ Garden edging</li> <li>○ Lumber</li> <li>○ Hoses</li> <li>○ Repellants</li> <li>○ Dethatches</li> <li>○ Erosion controllers</li> <li>○ Irrigation systems</li> </ul>	<ul style="list-style-type: none"> <li>○ Coffee</li> <li>○ Water</li> <li>○ Snacks</li> <li>○ Catering</li> <li>○ Vending</li> <li>○ Plates</li> <li>○ Cups</li> <li>○ Cutlery</li> </ul>	<ul style="list-style-type: none"> <li>○ Windows</li> <li>○ Doors</li> <li>○ Skylights</li> <li>○ Insulation</li> <li>○ Cement</li> <li>○ Concrete</li> <li>○ Flowable fill</li> <li>○ Lumber</li> <li>○ Asphalt cleaners</li> <li>○ Erosion control products</li> <li>○ Coatings</li> <li>○ Fillers</li> <li>○ Stains</li> <li>○ Toilets/urinals</li> <li>○ Showerheads</li> <li>○ Faucets</li> </ul>	<ul style="list-style-type: none"> <li>○ Low Speed Vehicle (e.g. golf carts)</li> <li>○ Sedans</li> <li>○ Passenger Vans</li> <li>○ SUVs</li> <li>○ Light Duty Trucks</li> <li>○ Mid Duty Trucks</li> <li>○ Heavy Duty Trucks</li> <li>○ Ambulances</li> <li>○ Buses</li> <li>○ Fire Trucks</li> </ul>
<b>Associated Eco Symbols</b>	    	 	    	       	<b>New Window Sticker:</b>   <b>Sticker for 2012 vehicles and older:</b> 

Eco Symbol	Name	Meaning
	<b>Energy Star</b>	<a href="#">Energy Star</a> is a trusted, government-backed (EPA) symbol that signifies products that are aligned with the goals of reducing greenhouse gas emissions and saving energy.
	<b>Electronic Product Assessment Tool</b>	The <a href="#">Electronic Product Assessment Tool</a> (EPEAT) evaluates the effect of a product on the environment. EPEAT assesses lifecycle environmental standards and ranks products on a gold, silver, and bronze system in accordance to the environmental performance criteria.
	<b>U.S. DOE's Federal Energy Mgmt. Pgm.</b>	The U.S. Department of Energy's <a href="#">Federal Energy Management Program</a> (FEMP) works to accomplish energy change within organizations.
	<b>Recycling</b>	The recycling symbol with a shaded background signifies a paper product made from 100% recycled material. The recycling symbol with a white circle background signifies a paper product made from partially recycle material. A recycling symbol with no background signifies that content was made of recyclable materials.
	<b>Chlorine Free Products Assoc.</b>	The <a href="#">Chlorine Free Products Association</a> attributes the processed chlorine free symbol to products. This symbol is only allotted to products that are processed chlorine free or are totally chlorine free.
	<b>Forest Stewardship Council</b>	The <a href="#">Forest Stewardship Council</a> is a not for-profit that provide a standard setting for the certification and labeling of forest products. These standards include indigenous people's rights respected and protected, maintenance of ecosystems, and plantation management to promote the conservation of natural forests.
	<b>USDA BioPreferred</b>	The USDA recognizes <a href="#">BioPreferred</a> products as certified biobased products. Biobased products are commercial or industrial products (other than food or feed) that are composed in whole, or in significant part, of biological products, renewable agricultural materials (including plant, animal, and marine materials), or forestry materials, and also includes biobased intermediate ingredients or feedstocks.
	<b>Safer Choice (formerly U.S. EPA Design for the Environment)</b>	<a href="#">Safer Choice</a> , formerly Design for the Environment U.S. EPA label, allows consumers to recognize a product that is safer for humans and the environment. Design for the Environment certified products are heavily researched to ensure that the product lines up with safe health and environmental usage.
	<b>WaterSense</b>	<a href="#">WaterSense</a> is an EPA partnership program. Products such as toilets, showerheads, and sink faucets that earn the WaterSense logo have been certified to conserve water, use less energy, and save money.
	<b>Green Seal</b>	<a href="#">Green Seal</a> certifies products that are holistically designed to be environmentally responsible, including commercial and industrial cleaning products and copy and print paper.
	<b>UL GreenGuard UL ECOLOGO</b>	<a href="#">Greenguard Environmental Institute</a> , acquired by <a href="#">Underwriters Laboratory</a> , and now known as UL GREENGUARD, is a certification program which requires that products undergo independent, scientific testing and ongoing monitoring of their chemical emissions and only products that meet stringent emissions standards qualify for

		certification. These standards are based on established criteria from key public health agencies. ECOLOGO is for multi-attribute, life cycle products.
	<b>Rainforest Alliance Certified</b>	<a href="#">Rainforest Alliance Certified</a> farm and forest operations meet comprehensive standards that protect the environment and promote the rights and well-being of workers, their families and communities.
	<b>ACMI Approved Product Seal</b>	The <a href="#">Art and Creative Materials Institute</a> (ACMI) Approved Product (AP) Seal identifies products that are certified by a medical expert to be safe for humans, including children.
	<b>Fair Trade Certified</b>	To earn a license from <a href="#">Fair Trade USA</a> and to use the <a href="#">Fair Trade Certified</a> label on their products, companies must buy from certified farms and organizations, pay Fair Trade prices and premiums and submit to rigorous supply chain audits.
	<b>Biodegradable Products Institute Compostable</b>	The <a href="#">Biodegradable Products Institute</a> (BPI) Compostable certification means that products meet ASTM D6400 or D6868 standards for biodegradability when composted.
	<b>USDA Organic</b>	Organic is a labeling term that indicates that the food or other agricultural product has been produced through approved methods that integrate cultural, biological and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity. <a href="#">USDA Organic label.</a>
	<b>EPA-National Highway Traffic Safety Admin. Vehicle Label</b>	The U.S. Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) finalized the biggest re-design ever of the <a href="#">fuel economy labels</a> since they were introduced in the late '70s. This new design is required on all 2013 and newer vehicle models and compares energy use and cost between new-technology cars and conventional gasoline-powered cars; estimates on fuel consumption and fuel costs; emissions ratings; and more.



# CITY OF LAWRENCE PURCHASING MANUAL

## CHAPTER TITLE: INFORMATION TECHNOLOGY PURCHASES

### APPENDIX: C

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#### **Technology Purchases**

All purchase requests for hardware, software, computer-related components, or services must first be approved by a department head or appropriate supervisor before submission to the I.T. Department. Departments should provide I.T. the appropriate account number(s) to use for technology related purchases at the time of the request.

Simple hardware or software acquisitions can be requested via the City's helpdesk.

Departments should contact the I.T. Department Director and/or Technology Services Manager for larger or more complex technology projects that are needed or are being considered. I.T. personnel will work in conjunction with an implementation team that typically includes city management, departmental management, single or multi-department subject matter experts, and identified stakeholders to ensure a successful acquisition and implementation. I.T. will work with the departments in creating technical and business requirement, estimated project timeline, projects costs, and ongoing annual maintenance.

The I.T. Department will endeavor to include the appropriate positions such as Business Systems Analysts, Database Administrator, System Administrator, Network Architect, Network Technicians, and GIS Coordinator when considering new or replacement technology solutions. Regardless if the project teams are led by I.T. personnel or other departmental personnel the goal is to work as a team for a successful implementation.

I.T. will process technology related purchase order requisitions for the purchase process, order and implement technology related systems and software in conjunction with the departments.

Contracts related to technology related services should be reviewed by the I.T. Department, along with the City Attorney's Office.

#### **Hardware**

Examples of hardware purchase include, but are not limited to the following:

- Desktops, laptops, tablets and servers
- Data storage related technologies
- Networking devices such as switches, routers, firewalls

- Security hardware devices
- Wireless, mobile, and field-service technologies
- Peripheral equipment, such as printers and scanners
- Audio-visual related technologies
- GPS base station, rover, and associated field data collection technologies.

The I.T. Department purchases and implements a wide variety of hardware technologies and has established standards, develops system images, conducts tests related to operational effectiveness, and works with departmental personnel to establish recommended replacement schedules for most hardware systems.

Computer related hardware should be delivered to and documented by the I.T. Department personnel. Larger items may be directly drop shipped to other locations if the need arises. The I.T. Department labels computers, printers, network hardware, peripherals, and many other hardware devices with a City identification number to track the City's computer assets, and tracks the hardware in a database. Annual inventories of the hardware systems are performed to track and verify the hardware's use.

### **Software**

- Enterprise Resource Systems (ERP)
- Virtual servers and related systems software
- Department specific specialized applications
- Security related software technologies
- Desktop Office Suites and other individualized software packages
- GIS server and end-user software.
- Internally supported GIS systems
- Hosted GIS systems such as ArcGIS Online

I.T. must be included in review of any departmental or enterprise software (whether hosted on a desktop computer, mobile device, or server) to ensure security and support standards, interfaces with other technologies, licensing compliance, and scheduling of implementation of technology of projects.

Adhering to specific software licensing requirements is critical to properly and legally use purchased software. Just a few of the more common software license types include:

- Device licensing is also known as 'machine based,' where a license is locked to an individual machine.
- User licensing is assigned to a named user who must be identified to ensure the license agreement is validated and the license terms are adhered to.
- Networked (WAN & LAN) A license that covers machines that are on the same network infrastructure. This is either in Wide Area Network or a Local Area Network format. Also known as 'concurrent license'.

- Subscription (user or device) licenses are only available during time of subscription. No rights to use it pre or post agreement dates (unless agreement renewed).
- Cloud based subscription licenses are the unit of measurement required to perform certain tasks or rights to run certain applications provided by the vendor. Hosted in the cloud and are usually a subscription model.
- Client Access License (CAL, includes both device and user metrics) licensing allows users to connect to server software to use the software's features or functions.
- Capacity Based Licenses are based on the capacity of the CPU, Hard Drive, or other hardware configuration elements.
- Font licenses are for specific fonts used online or internally by an organization.
- Freeware license may require no purchase but the copyrights are still held by the developer. Developer can sell the software in the future and does not distribute the source code. Freeware software is many time not allowed for government use by many of the developers.

Due to the legal complexities of software licensing it is important that the software licensing method is known by the I.T. Department.

### **Services**

- Internet Service Providers (ISP's)
- Fiber and copper network cabling services related to networking
- Professional technology consulting firms
- Software developers contracted for application development and maintenance
- Software conversion and integration services
- Off-site collocation and disaster recovery services
- Aerial photography, LiDAR, or other data acquisition.
- Professional GIS services.

I.T. must be included in the review of any cloud or externally hosted systems, software and services to ensure they meet security and support standards, interface with other technologies, licenses are in compliance, schedule of implementations, and to asses network traffic and internet inbound and outbound traffic capacity requirements.

### **Communications**

The City of Lawrence utilizes a variety of communication technologies to connect and communicate internally and externally. Some of these communication methods include:

- Telephone network services from carriers such as AT&T or others.
- VoIP and PBX related telephone systems.
- Data network services for leased connectivity circuits
- Broadband leased services from cable companies and other providers
- Mobile data services from companies such as AT&T, Verizon, and others.

- City-owned fiber connectivity possibilities for building and other connectivity.

Departments need to work with the I.T. Department when considering new or replacement communication methods.

**Police Department Technology Purchases**

The City's Police Department has technology personnel that work with the City I.T. personnel in sharing many of technology services such as internet, telecommunication and data services. The Police Department has network and system administrator personnel that specialize in 911 related systems, criminal justice related systems (CJIS) and law enforcement specific technologies. Law Enforcement related technology purchases are approved by the Police Chief and other designated law enforcement personnel.

## CITY OF LAWRENCE PURCHASING MANUAL

### CHAPTER TITLE: SEALED BID CHECKLIST

#### APPENDIX: D

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☐ **Specifications:**

The bidding department will develop detailed specifications and decide on a bid date, **ALWAYS** at 2:00 p.m. on Tuesday afternoons. They will contact Finance for the bid number and notify Finance of the bid date chosen.

☐ **Bid Date:**

The bidding department will select a bid opening date, **ALWAYS** at 2:00 p.m. on Tuesdays. If a public improvement project is being bid, the department must have the bid opening date set by the City Commission.

☐ **Finance Review:**

Finance will review the specifications and inform the bidding department of any general changes. After making changes, Finance will save the bid documents as PDF's.

☐ **Advertise:**

Finance will advertise the bid in the *Lawrence Journal World*. It should be in the paper a minimum of one week before bid opening. It takes approximately four days for the ad to be published after the paper is notified by Finance.

☐ **Internet:**

Finance will post the bid on the DemandStar website.

☐ **Bid Opening:**

The bids will be publicly opened in the City Commission Room on the previously assigned date. The City Clerk will bring bids for opening and evaluation.

☐ **Evaluation:**

The department will evaluate the bids to find the lowest responsible bidder which is most advantageous to the City.

☐ **Recommendation:**

The department will notify Finance, in writing, of the recommendation. Department will e-mail the recommendation and any comments to the City Manager's Office for City Commission approval.

☐ **City Commission Approval:**

The City Commission will approve or reject the purchase or project if over \$100,000.

☐ **Purchase Order:**

If approved, the bidding department shall prepare a requisition in order for a purchase order to be processed. The purchase order must include the date of City Commission approval and the resolution number if any.

# CITY OF LAWRENCE PURCHASING MANUAL

## CHAPTER TITLE: BID PROCEDURES FLOWCHART APPENDIX: E

