



The City of Lee's Summit
Final Agenda
City Council - Work Session

Thursday, August 17, 2017

5:45 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

(816) 969-1000

WORK SESSION NO. 2

CALL TO ORDER

ROLL CALL

1. PUBLIC COMMENTS:

(NOTE: Total time for Public Comments will be limited to 10 minutes.)

2. COUNCIL COMMENTS:

(NOTE: Total time for Council Comments will be limited to 5 minutes.)

3. PRESENTATIONS:

- A. [2017-1380](#) Presentation of West Pryor Village Conceptual Development Plan
- B. [2017-1398](#) Presentation and discussion of the new Procurement Policy.

4. COUNCIL ROUNDTABLE:

5. STAFF ROUNDTABLE:

6. ADJOURNMENT

Unless determined otherwise by the Mayor and City Council, no new agenda items shall be considered after 11:00 p.m.

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Internet site at "www.cityofls.net".

Packet Information

File #: 2017-1380, **Version:** 1

Presentation of West Pryor Village Conceptual Development Plan

City staff will be presenting the latest version of the Conceptual Development Plan for "West Pryor Village" for City Council input and feedback. This presentation is being done prior to taking the Conceptual Development Plan forward through the formal public hearing process for formal consideration by the Planning Commission and City Council. Provided below is the background summary of efforts that have taken place over time with regard to the creation of this Conceptual Development Plan.

Background:

October/November of 2015 - City RFP for City owned property:

The City considered two submittals to a Request for Proposals (RFP) offering the City owned property for sale at the SW quadrant of the interchange at I-470 and Pryor Road. After consideration of the proposals, the City chose not to accept either of the offers/proposals and the City Council directed staff to prepare a mixed-use Conceptual Development Plan for the area along the west side of Pryor Rd. between I-470 and Chipman Rd.

January 21, 2016 - Concept 1:

City staff presented "financially unrestricted" mixed-use Conceptual Development Plans to the City Council for feedback and direction. The conceptual plans were based on a set of goals for high quality development that provided all the elements of a desirable mixed-use environment. The Council requested staff share the conceptual plans with the development community to obtain feedback and input on the feasibility and market support for the concepts. Staff consulted with various development community stakeholders to learn that the plans were attractive high-quality mixed-use concepts, however financing the concepts would be extremely challenging given the improvements and investments that would be necessary. Staff began working in concert with Christie Development, a property owner/developer who owned or controlled substantial acreage within the identified area and developed a new mixed-use Conceptual Development Plan that would be fiscally responsible and attempt to meet the desires and vision for the planned area to bring forward for consideration.

March 9, 2017 - Concept 2:

Staff prepared and presented an alternate City Conceptual Development Plan incorporating the proposed Christie Development proposal known as "Pryor Lakes" for the acreage under their ownership or control. This Conceptual Development Plan was then shared with the neighboring community to receive comments in an open house format. This plan was the City's Conceptual Development Plan that was brought forward to the Council for public hearings which included both the city initiated rezoning and the "Pryor Lakes" PDP application. City Council's feedback and direction was the new concept plan didn't appear to meet the City's desire for a vertical planned mixed-use development. Residents primarily voiced concerns regarding the proposed senior living product located along Lowenstein Drive adjacent to their homes, the potential traffic impact from the apartments and commercial development on the neighboring streets and overall impacts to Lowenstein Park. Ultimately the City Council rezoned only the 39 acres along Pryor Road to PMIX which did

not include the proposed senior housing or a large portion of the property proposed for the apartment project. The Council once again requested staff to refine the Conceptual Development Plan and meet with the neighborhood for additional input.

April 28, 2017 - Property Owner meeting:

City staff invited the affected property owners of the 39 rezoned acres to a meeting to collaborate on preparing a new Conceptual Development Plan incorporating feedback from the Concept 2 plan. After receiving property owner feedback, staff further refined the plan and scheduled a meeting with adjacent and concerned residents in a neighborhood informational meeting.

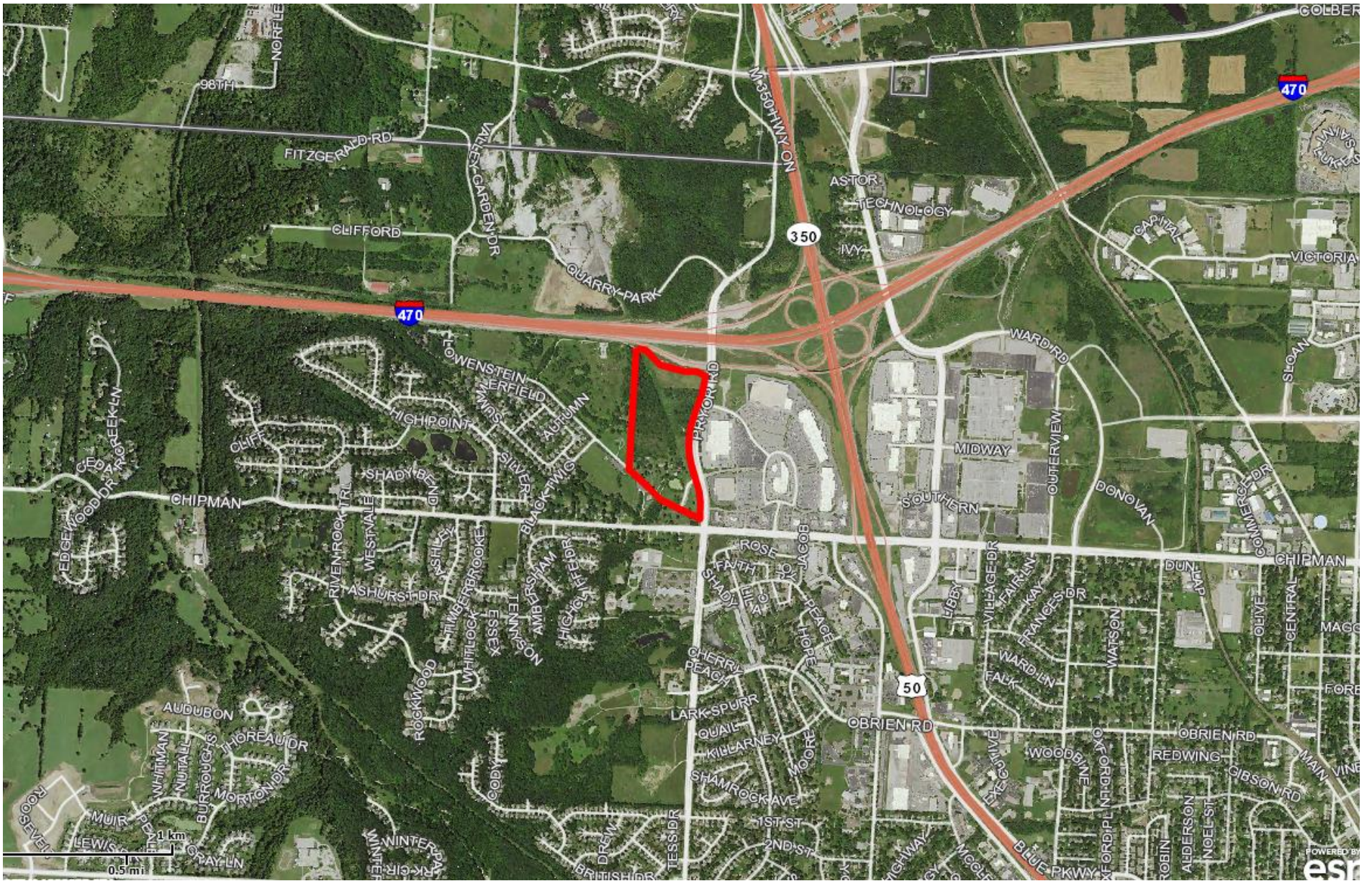
May 22, 2017 - Neighborhood Informational meeting - Concept 3:

City staff presented the prepared Conceptual Development Plan to the residents in attendance to receive feedback and input. The plan removed the senior housing product along Lowenstein Dr. and included a different multi-family product with an adjacent parking structure to serve the multi-family and some adjacent commercial uses. Comments received from the residents continued to be related to concerns with the apartments and traffic.

August 17, 2017 - Concept 4: After receiving comments from the residents on "Concept 3" and meeting with the development group, staff produced an even more refined Conceptual Development Plan. The refinements include a newer version of the multi-family product incorporating a structured parking interior to the dwelling units commonly referred to as a "Texas Wrap" or "Texas Donut". The plan provides for an altered traffic movement to achieve a more desirable layout in response to concerns related to traffic. This new concept has not been vetted in a public format at this time but does help address the apartment and traffic concerns expressed by the neighbors.

Staff believes this new concept plan will provide the desired mixed-use development envisioned for this area. The plan provides a vertical mixed-use element and a walkable environment potentially anchored by a hotel at the northern end and large grocer or similar use at the southern end.

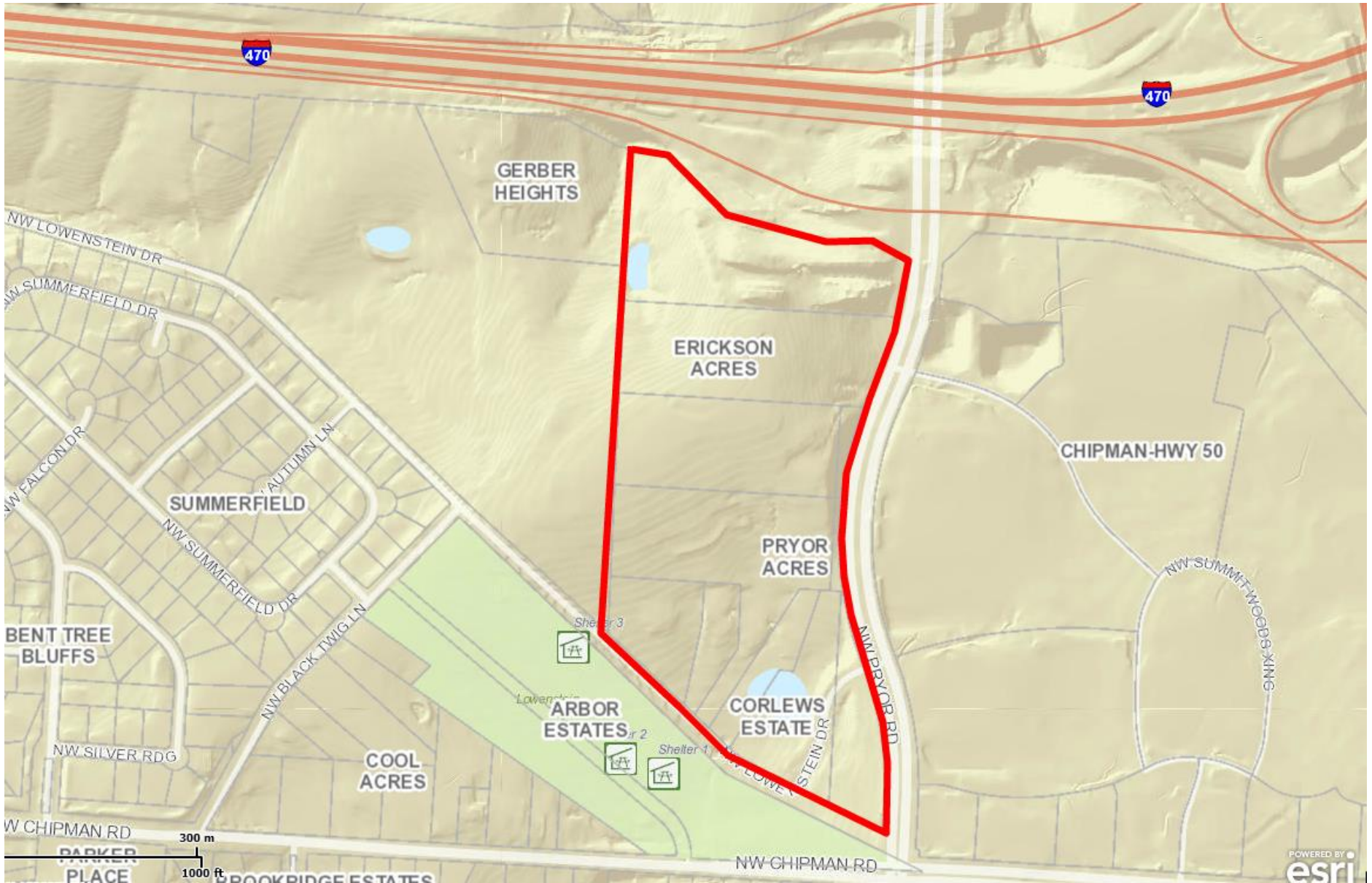
Staff will be presenting the various Concepts developed thus far as well as the most recent version to obtain City Council input and feedback at the August 17, 2017 Work Session. The goal of the presentation is to gather Council feedback and direction to proceed through the formal public hearing process to bring forward the Conceptual Development Plan for the Planned Mixed-Use zoning that was approved on March 9, 2017. Staff acknowledges the latest version of the Conceptual Development Plan goes beyond the 39 acres the City Council approved for rezoning to Planned Mixed-Use but felt it beneficial to bring forward the plan to represent the potential of this area in a "master planned" manner. If the Council is supportive of moving the Conceptual Development Plan forward through the public hearing process including the additional acreage, the additional acreage would be necessary to rezone to Planned Mixed-Use during the public hearing process as well.



NORTH



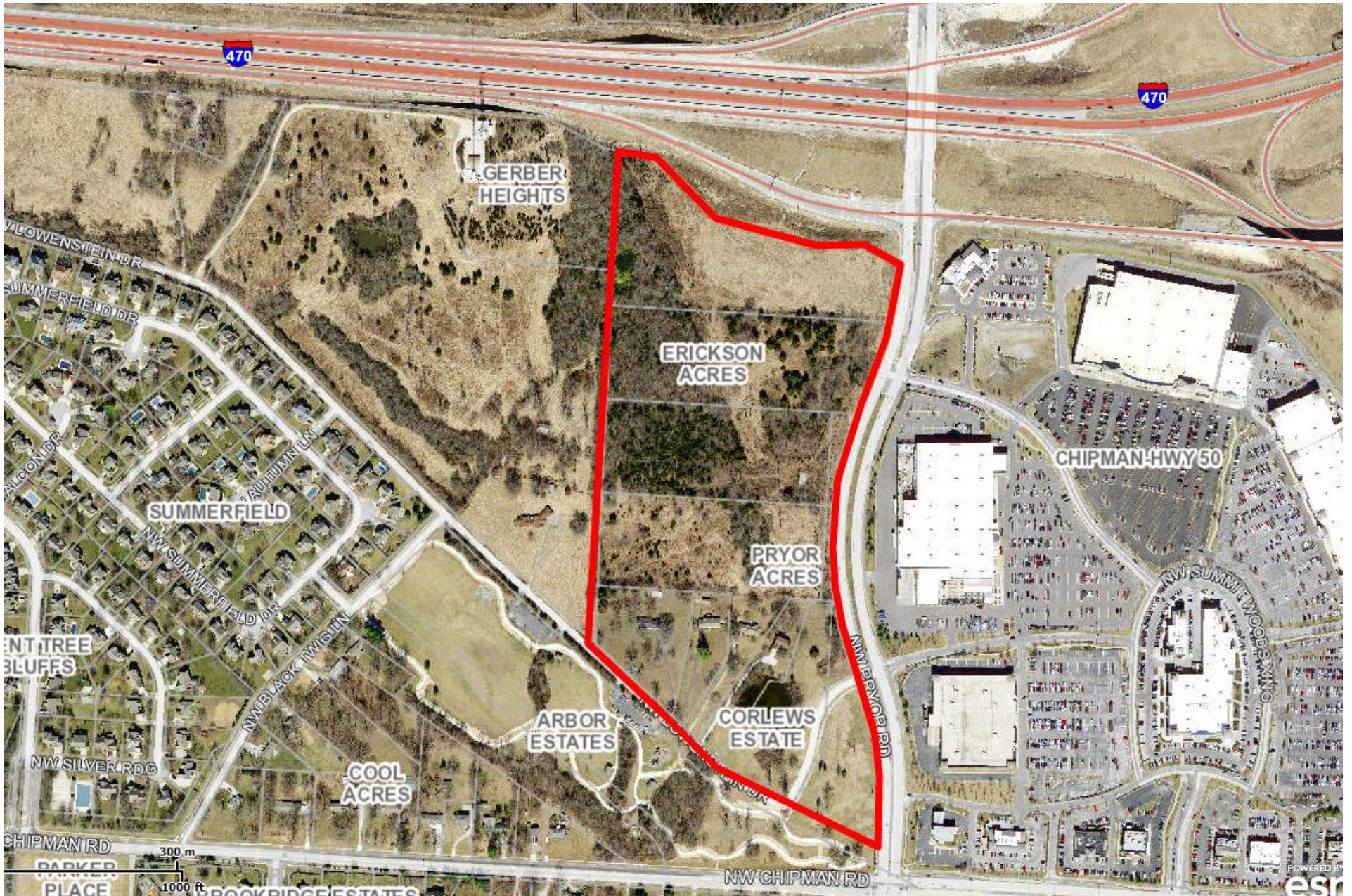
Site Location – West Pryor Village



Planned Mixed-Use Zoning – approved March 9, 2017

NORTH

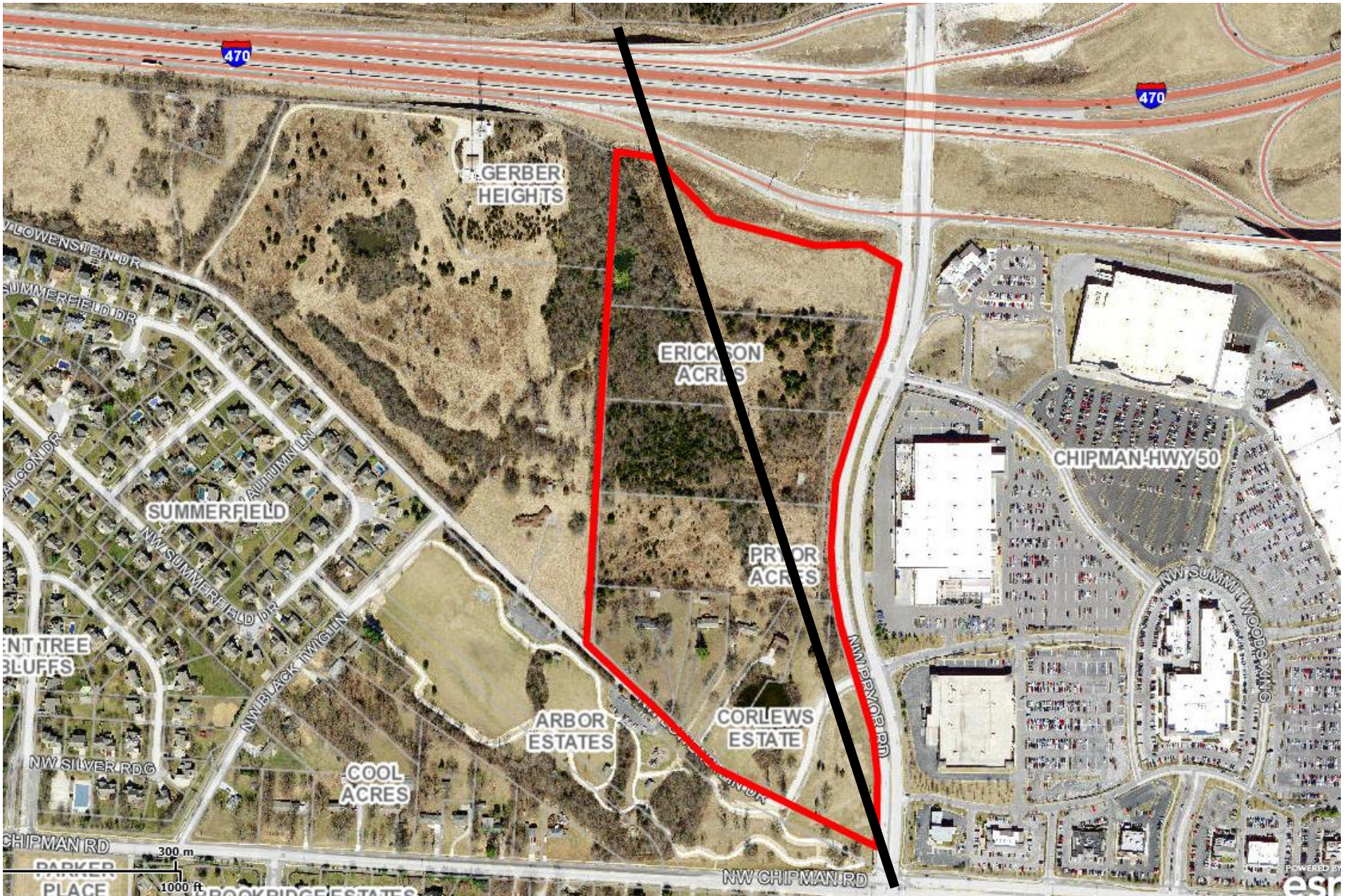




NORTH



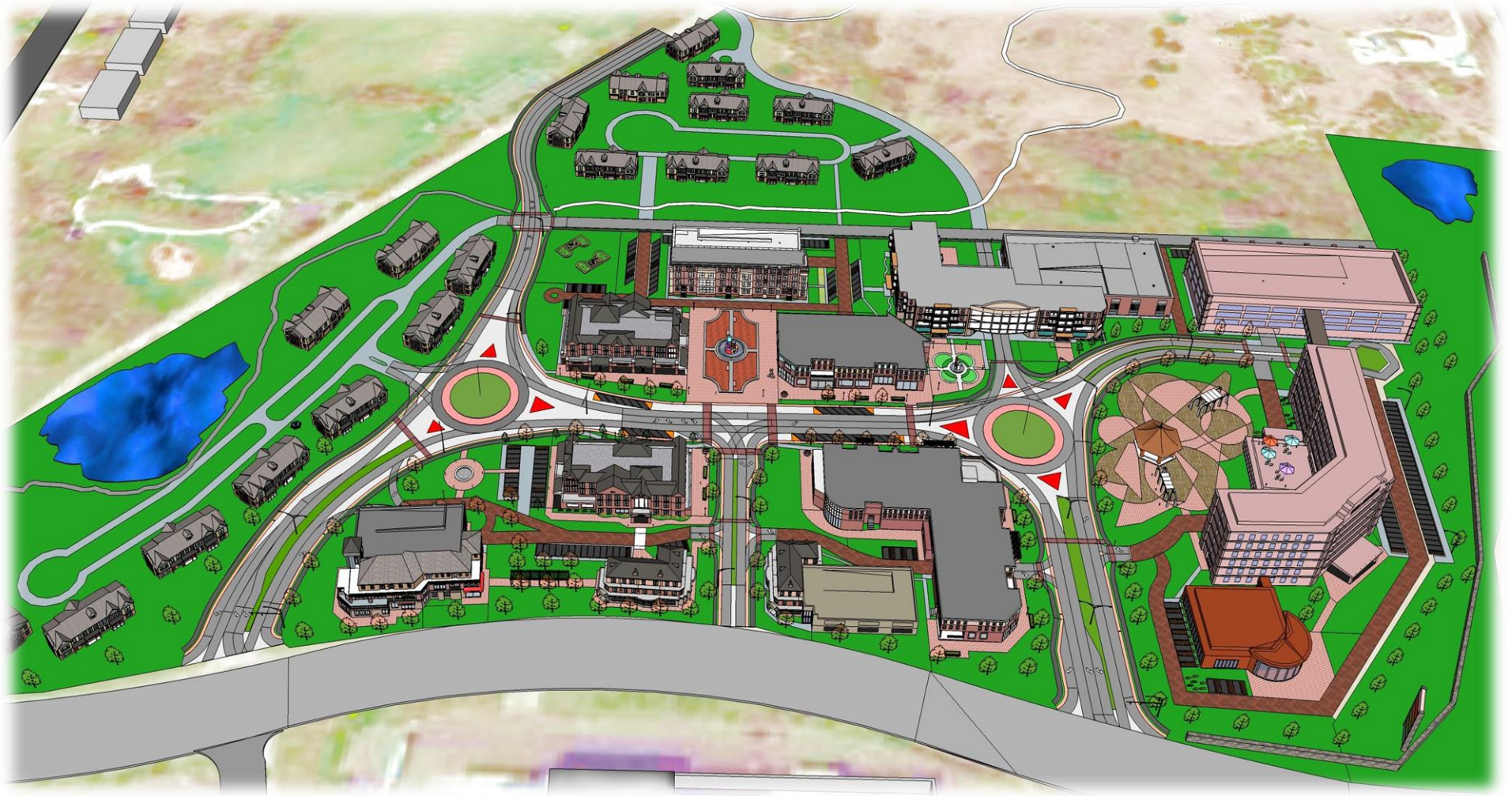
Planned Mixed-Use Zoning – approved March 9, 2017



Overhead Electric Transmission Lines (shown in black)

NORTH





NORTH 

CONCEPT 1 – ORIGINAL WEST PRYOR VILLAGE CONCEPTUAL PLAN – FINANCIALLY UNRESTRICTED/BURDENSOME



NORTH 

CONCEPT 2 – INCORPORATED DEVELOPER’S PLAN ON THE SOUTH END – PROVIDED AT NEIGHBORHOOD OPEN HOUSE AND CONCEPTUAL PLAN, PDP AND REZONING PUBLIC HEARINGS – RESULTING IN ONLY 39 ACRES REZONED TO PMIX



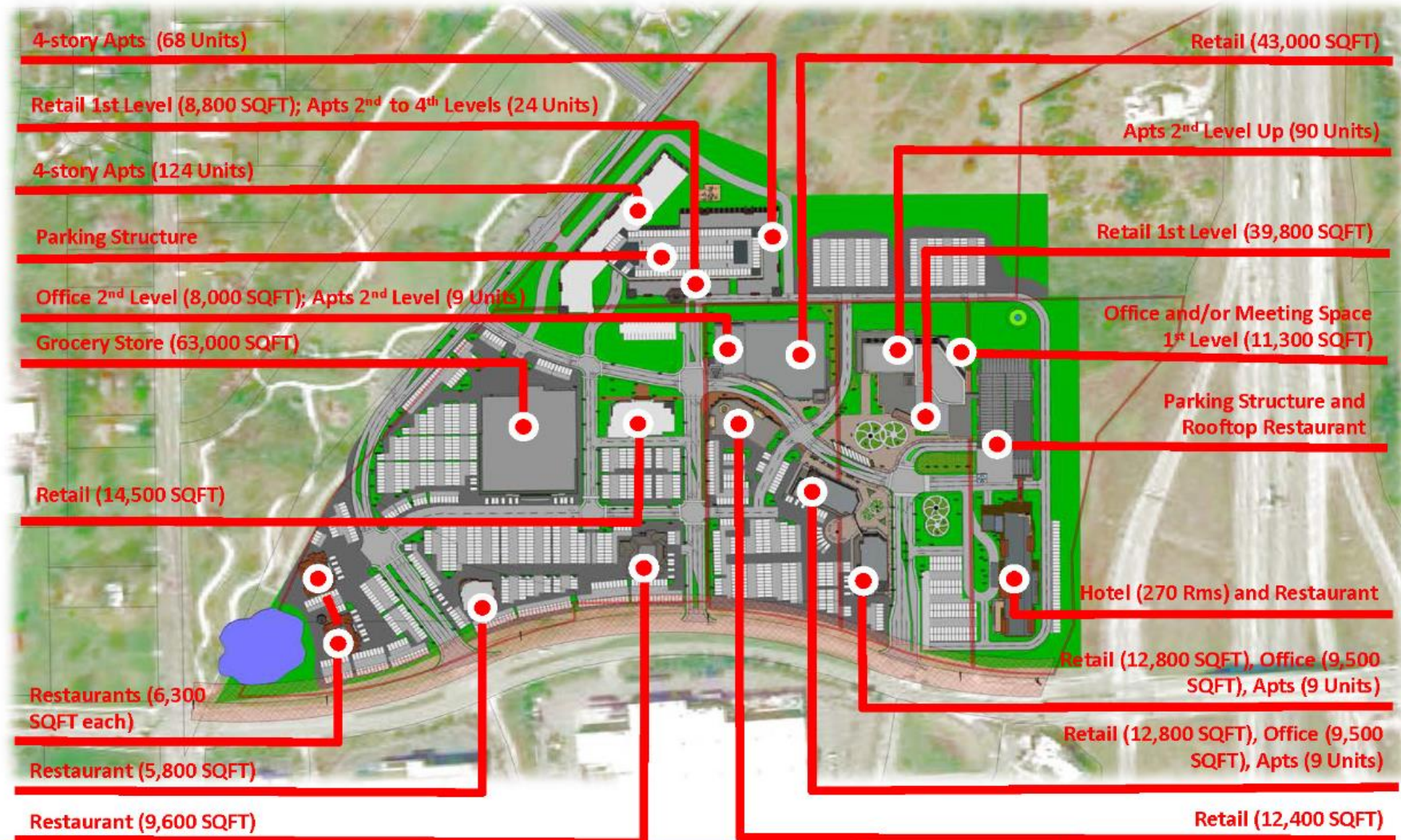
NORTH 

CONCEPT 3 – OBTAINED PROPERTY OWNER INPUT, PROVIDED FOR NEIGHBORHOOD FEEDBACK AT OPEN HOUSE – REMOVED SR. HOUSING AND ADDED NEW APARTMENT DESIGN ON THE SW CORNER

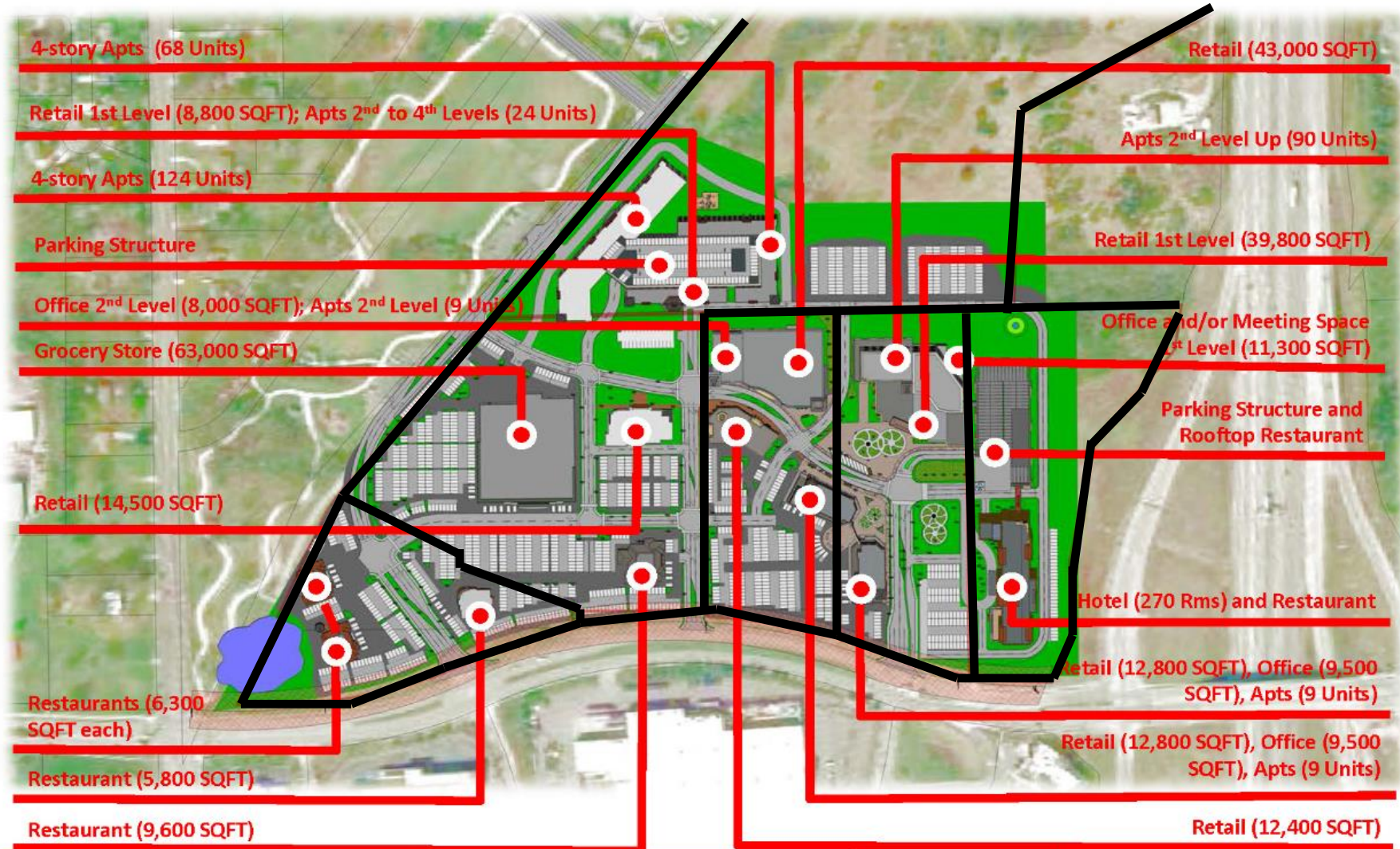


NORTH 

CONCEPT 4 – NEW CONCEPT PLAN WITH ALTERNATE APARTMENTS AND TRAFFIC REDESIGN – RESULTING FROM ALL COMMENTS RECEIVED – NOT VETTED THROUGH NEIGHBORHOOD OPEN HOUSE



Conceptual Development Plan Uses



Property Ownership overlay

(Property ownership lines depicted in black)

Packet Information

File #: 2017-1398, **Version:** 1

Presentation and discussion of the new Procurement Policy.

Key Issues:

- Continue competitive procurement processes.
- Continue to provide the necessary checks and balances to ensure fiscal responsibility in the utilization of public funds including disciplinary action for violation of policy.
- Create thresholds in line with comparator municipalities.
- Increase efficiency and effectiveness of the procurement process and maximize use of City resources by updating and streamlining processes.

Background:

A need to have the current Purchasing Policy revised was identified by the Finance Director and most recently in the procurement audit performed by Rubin & Brown. The Procurement and Contract Services Manager formed a Procurement Policy Committee to review and revise the current policy. The committee was made up of representatives from the majority of City departments. Meetings were held until the proposed Procurement Policy was finalized.

Current policy deficiencies:

- Minimal definitions to aid staff in understanding of policy.
- Out of date terminology.
- No reference to Enterprise Resource Planning (ERP) system (INFOR)
- Lack of procedures for use of term professional services agreements/construction contracts.
- Confusing policy organization, descriptions and methodology making it difficult to find needed information.
- Inefficient dollar thresholds for efficient procurement.
- Does not address the semi-decentralization of Procurement.
- Does not have disciplinary action for policy violation.

Impact/Analysis:

The significant changes of the proposed updated Procurement Policy:

- Continue competitive procurement processes.
- Continue to provide the necessary checks and balances to ensure fiscal responsibility in the utilization of public funds including disciplinary action for violation of policy.
- Create thresholds in line with comparator municipalities.
- Increase efficiency and effectiveness of the procurement process and maximize use of City resources

by updating and streamlining processes.

Presenter: Ben Calia, Procurement and Contract Services Manager

Yours Truly

Procurement Policy Update and Adoption

City Council Work Session

August 17, 2017

Agenda

1. Committee Members
2. Policy Background
3. Policy Update Goals
4. Current Policy Deficiencies
5. 2017 Procurement Policy Highlights and Significant Changes
6. Threshold Comparative Analysis-Recommendation
7. Cooperative-Piggyback Contracts
8. Contract Changes
9. Easement/Right of Way Acquisition
10. Summary

Committee Members

- Ben Calia, DeeDee Tschirhart - Procurement and Contract Services
- Conrad Lamb, Darlene Pickett, Patty Sanderson - Finance
- Brian Head, Jackie McCormick-Heanue - Law
- Nick Edwards - Administration
- Joe Snook, Carole Culbertson - Parks & Recreation
- Bradd Gartin - Police
- Dena Mezger, Bob Hartnett - Public Works
- Rick Poeschl - Fire
- Teresa Wright - ITS
- Brent Boice - Water

Policy Background

CURRENT POLICY

1. Originally adopted in 1999- Fully Revised in 2006, sporadic revisions until 2012
2. Previous ERP* Software-New World
3. E-procurement not identified
4. E-bidding not identified
5. No. of Contracts-2006: 239
6. Procurement Employees: 7
7. Budget FY06: Total Exp:\$214,941,636
8. General Fund: \$50,741,899
9. Centralized Procurement

* ERP (Enterprise Resource Planning)

PROPOSED POLICY

1. Proposed adoption of revised Procurement Policy-2017
2. Current ERP* Software-INFOR
3. E-procurement identified
4. E-bidding identified
5. No. of Contracts-2016: 275
6. Procurement Employees: 4
7. Budget FY17: Total Exp:\$208,419,359
8. General Fund: \$64,397,020
9. Semi-decentralized Procurement
10. Response to 2017 Procurement Audit

Policy Update Goals

1. Increase efficiency and effectiveness of the procurement process and maximize use of City resources by updating and streamlining processes
2. Continue competitive procurement processes
3. Continue to provide the necessary checks and balances to ensure fiscal responsibility in the utilization of public funds
4. Create thresholds in line with comparator municipalities
5. Establish disciplinary action for violation of policy

Current Policy Deficiencies

1. Minimal definitions to aid staff in understanding of policy
2. Out of date terminology
3. No reference to Enterprise Resource Planning (ERP) system (INFOR)
4. Lack of procedures for use of term professional services agreements/construction contracts
5. Confusing policy organization, descriptions and methodology making it difficult to find needed information
6. Inefficient dollar thresholds for efficient procurement
7. Does not address the semi-decentralization of Procurement
8. Does not have disciplinary action for policy violation

2017 Procurement Policy Highlights

1. Committee collaboration in reviewing policy cover to cover
2. Updated to reflect changes since 2006 revised policy adoption:
 1. E-procurement and e-bidding
 2. INFOR ERP system
 3. Semi-decentralization of Procurement
 4. License, permits, insurance and vendor requirements
4. Reviewed for efficiencies
5. Ensure outcome was inline with goals

Updated Policy Significant Changes

Updated policy proposes:

1. Increased spend thresholds for procurement of goods and services
2. Revisions to administrative approval of contract amendments
3. Disciplinary action for violation of policy

Efficiency is gained with more timely procurement by reducing the number of items in the Council approval process:

1. On average, the number of Council/Committee agenda items would be reduced by 15% per year (not including design and construction awards)
2. Total value of procurement items approved by Council reduced by average of 7% per year

Thresholds Comparative Analysis

38 governmental agencies from Missouri and Kansas surveyed:

1. Data was sorted and compared by formal solicitation thresholds
2. 26 cities were utilized for the comparative analysis
3. The other 12 entities surveyed were non-city public entities

Threshold Analysis Summary

Comparing thresholds of the 26 comparator cities to Lee's Summit current policy:

1. 89% of the agencies have a higher *unrestricted* threshold
2. 93% of the agencies have a higher *quotes* threshold
3. 96% of the agencies have a higher *informal solicitation* threshold
4. 94% of the agencies have a higher *formal solicitation* threshold
5. 81% of the agencies have a higher *formal (Legislative) approval* threshold

Threshold Recommendations

Spend Thresholds:	Current:	Proposed:
Unrestricted	Up to \$1,000	Up to \$2,999.99
Quotes	\$1,000 to \$3,000	\$3,000 to \$9,999.99
Informal Solicitations	\$3,000 to \$10,000	\$10,000 to \$49,999.99
Formal Solicitations	\$10,000+	\$50,000+
Formal (Legislative) Approval:	\$20,000+	\$50,000+

Contract Amendments

Proposed policy continues requirement that all changes in contract scope, cost and time increases in excess of designated amounts or percentages must be considered by Council.

Non-Construction Contract-Changes

Current:

1. Any increase that would increase the total expenditures to exceed \$20,000.00, a written contract modification or supplemental agreement shall be considered by City Council.
2. Any contract modification or supplemental agreement that does not cause the total contract amount to exceed \$20,000.00 may be executed by the City Manager.

Proposed:

1. Changes resulting in total contract amount of \$49,999.99 or less must be approved by the applicable Department Director and considered by the City Manager.
2. Changes resulting in total contract amount of \$50,000 or more must be considered by the City Council and executed by the City Manager.

Construction Contract-Changes

Change order approval procedure currently allows administrative approval based on value of contract:

1. Up to 10% increase for contracts < \$100,000
2. Up to 5% increase for contracts > \$100,000

Retain procedure but change value of contract from \$100,000 to \$500,000

All changes pertaining to scope shall still require Council approval

One Time Design Consultant Contract-Changes

Currently all changes require council approval regardless of amount

Proposed procedure similar to construction contract change order process:

1. Modifications up to a cumulative total increase of 5% of original contract amount may be approved by City Manager
2. Any single increase that exceeds 5% of original contract amount or \$100,000 or more, or any change in scope requires Council approval.

Right of Way-Easement Acquisition

1. Current Policy:

Approval by City Manager:

1. Proposed settlement is equal to or less than \$5,000 or
2. The proposed settlement amount is between \$5,000 and \$20,000 and /or if the excess amount is not greater than 10% of Appraised Value or
3. Proposed settlement amount is not in excess of \$50,000 and is equal to or less than the Appraised Value.
4. All other acquisitions must be presented to the Mayor and Council for approval.

2. Proposed Policy:

1. Staff may acquire property when the property is needed to proceed with a Capital Improvement Program project that has been approved by Council and project funding was part of the current capital or annual budget approved by Council.
2. If the settlement amount is equal to or less than the appraised value or the excess amount is less than or equal to \$10,000, City Manager may approve the acquisition.
3. All other proposed acquisitions requires City Council approval.

Summary

Proposed policy:

1. Maintains competitive procurement processes
2. Maintains the necessary checks and balances to protect the utilization of public funds
3. Maximizes the efficient and effective utilization of City resources including City Council, City Council Committees and City Staff



LEE'S SUMMIT
MISSOURI

Procurement Policy

**City of Lee's Summit
Procurement Policy**

Table of Contents

SECTION 1. PROCUREMENT DEFINITIONS

SECTION 2. AUTHORITY AND ENFORCEMENT

- 2.1 Compliance with Policy
- 2.2 Enforcement
- 2.3 Authorized ERP System Users
- 2.4 Parks and Recreation Department
- 2.5 Unauthorized Purchases
- 2.6 Serial Purchases
- 2.7 Contracting Authority
- 2.8 Renewal of Contracts/Agreements
- 2.9 Contract Agreement Extension
- 2.10 Prohibited Acts by Elected and Appointed Public Officials and Employees
- 2.11 Disciplinary Action

SECTION 3. GENERAL REQUIREMENTS

- 3.1 Specifications
- 3.2 Non Preference Policy
- 3.3 Green Procurement and Recycled Products
- 3.4 Purchases Supported by Grant Funds
- 3.5 Computer Related Items
- 3.6 Capital Asset Items
- 3.7 Sensitive Asset Items
- 3.8 Licenses
- 3.9 Permits
- 3.10 Insurance Requirements
- 3.11 Vendor Requirements
- 3.12 Transactions
- 3.13 Work Authorization and E-Verify

SECTION 4. PROCUREMENT METHODS AND DOLLAR THRESHOLDS

- 4.1 Approved Procurement Methods
- 4.2 Types of Procurement Methods and Dollar Thresholds
 - Unrestricted
 - Quotes
 - Informal Bids/Solicitations
 - Formal Bids/Solicitations

SECTION 5. TYPES OF CONTRACTS/AGREEMENTS

- 5.1 One-Time Purchase Contract/Agreement
- 5.2 Term Contract/Agreement
- 5.3 Term Professional Service Agreement or Construction Contract
- 5.4 Piggyback (Piggyback Cooperatives)
- 5.5 Cooperative Contracts
- 5.6 Piggyback/Cooperative Council Approval
- 5.7 Revenue Generating Contract/Agreement
- 5.8 Requirement for City Council Approval

SECTION 6. CONTRACT AMENDMENTS

- 6.1 Changes to Non-Construction Contracts
- 6.2 Changes Orders to Construction Contracts
- 6.3 Change Authorizations for Construction Contracts
- 6.4 Changes in Contract Time
- 6.5 Modifications to One Time Design Consultant Contracts

SECTION 7. SOLICITATION PROCESSES

- 7.1 Requests for Quotes (RFQ)
- 7.2 Bidding
- 7.3 Requests for Proposal (RFP)
- 7.4 Invitations to Negotiate (ITN)
- 7.5 Qualification Based Selection (QBS)
- 7.6 Requests for Information (RFI)

SECTION 8. NON-SOLITICATION TYPES OF PROCESSES

- 8.1 Unrestricted
- 8.2 Emergency Purchases
- 8.3 Sole Source

SECTION 9. REAL PROPERTY PROCESSES

- 9.1 Sale or Lease of Real Property
- 9.2 Acquisition of Interests in Rights-of-Way and Easements
- 9.3 Purchase of Real Property-Fee Simple

SECTION 10. PAYMENT AND PROCUREMENT METHODS AND PROCEDURES

- 10.1 Petty Cash
- 10.2 Procurement Card (P-Card)
- 10.3 Payment Information Forms (PIF)
- 10.4 Purchase Orders

SECTION 11. RECEIVING, DELIVERY, FREIGHT and PRODUCT TESTING

- 11.1 Delivery and Receipt of Goods and Services
- 11.2 Freight/Shipping on Orders
- 11.3 Product Testing/Demonstrations

SECTION 12. BID PROTESTS

- 12.1 Right to Protest
- 12.2 Review of Protest
- 12.3 Decision/Notice of Decision
- 12.4 Appeal
- 12.5 Finality of Decision
- 12.6 Stay of Procurement during Protest

SECTION 13. OTHER PROTESTS AND DISPUTES

- 13.1 Protests of Non-Bid Solicitations
- 13.2 Disputes with Vendors
- 13.3 Disputes between Departments and Procurement and Contract Services

SECTION 14. DISPOSAL OF PROPERTY PROCEDURES

QUICK REFERENCE GUIDE

SECTION 1. PROCUREMENT DEFINITIONS

*****Abrogate**: To annul or repeal a law or pass legislation that contradicts the prior law. Abrogate also applies to revoking or withdrawing conditions of a contract.

***Accept**: To receive as approved, adequate, or satisfactory. To receive willingly with the intent of retaining.

***Acquisition**: The process of obtaining supplies, services, construction or real estate through purchase, lease, or grants.

***Affidavit**: A written statement of facts provided by one party which may be under oath before a person of authority. An Affidavit may be required as part of a bid or request for proposal solicitation. For City purposes, affidavits shall be notarized.

***Agent**: A person authorized by a superior, i.e. principal, to act for him or her.

***Agreement**: An understanding, usually in writing, between two or more competent parties, under which one party agrees to certain performance as defined in the agreement and the second party agrees to compensation for the performance rendered in accordance with the conditions of the agreement.

Agreements and contracts are sometimes used synonymously. Generally agreements are approved "as to form" and for legal sufficiency prior to execution.

***Amendment**: An agreed addition to, deletion from, correction or modification of a document or contract.

***Authority**: The right to perform certain acts or prescribe rules governing the conduct of others.

***Award**: The acceptance of a bid or proposal; the presentation of a purchase agreement or contract to a bidder or offeror.

***Best and Final Offer (BAFO)**: In a comparative negotiation, the final proposal submitted after negotiations are completed that contains the proposer's most favorable terms for price, services and products to be delivered.

***Best Value**: An assessment of the return which can be achieved based on the total life cycle cost of the item; which may include an analysis of the functionality of the item; can use cost/benefit analysis to define the best combinations of quality, service, and time and cost considerations over the useful life of the acquired item. A procurement method that emphasizes value over price. The best value might not be the lowest cost. Generally achieved through the Request for Proposal (RFP) method.

***Bid Bond**: An insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the bidder will not withdraw the bid. The bidder will furnish bonds in the required amount and if the contract is awarded to the bonded bidder, the bidder will accept the contract as bid, or else the surety will pay a specific amount.

Bid-Solicitation Protest: A written objection by a potential interested party to a solicitation or award of a contract, with the intention of receiving a remedial result. A protest may be filed in accordance with agency policy and procedure within predetermined time lines.

***Blanket Order**: A purchase order under which a contractor/vendor agrees to provide goods or services to a purchaser on a demand basis; the contract generally establishes prices, terms, conditions, and the period covered, although no quantities are specified; shipments are to be made when and as required by the purchaser which in certain cases may be the end user.

Change Authorization: A form used on construction contracts when an amendment to the original contract is requested by the contractor and the work must proceed prior to processing a change order in order to prevent project delays.

***Change Order**: A written alteration that is issued to modify or amend a contract or purchase order. A bilateral (agreed to by all parties) or unilateral (government orders a contract change without the consent of the contractor) request which directs the contractor to make changes to the contracted scope of work or specifications. In reference to construction contracts, it relates primarily to changes caused by unanticipated conditions encountered during construction not covered by the drawings, plans or specifications of the project.

***Competitive Negotiations:** A procurement method for obtaining goods, services and construction for public use in which discussion and negotiations may be conducted with responsible offerors who submit responsive proposals.

***Construction:** The process of utilizing labor to build, alter, repair, improve, or demolish any structure, building or public improvement; generally does not apply to routine maintenance, repair or operation (MRO) of existing real property.

Construction Management: Construction management is the overall planning, coordination, and control of a project from beginning to completion as defined by state statute.

***Contract:** An agreement between parties with binding legal and moral force, usually exchanging goods or services for money or other considerations.

***Cooperative Procurement:** The action taken when two or more entities combine their requirements to obtain advantages of volume purchases including administrative savings and other benefits.

***Design-Build:** A delivery method for construction projects that combines the architectural, engineering, and construction services required for a project into a single contractual agreement.

***Designee:** A duly authorized representative.

****Electronic Bidding (e-bidding):** Is an electronic bidding event (without awarding commitment) according to defined negotiation rules (e-Agreement). A buyer and two or more suppliers take part in this online event.

****Electronic Procurement (E-procurement):** Is the business-to-business or business-to-consumer or business-to-government purchase and sale of supplies, work, and services through the internet as well as other information and networking systems, such as electronic data interchange and enterprise resource planning.

Emergency: An unexpected and urgent situation where an immediate threat to public health and safety exists; where conservation of public resources is at risk; where an immediate response is necessary to prevent further damage to public property, machinery, or equipment; or where delay would result in significant financial impact to the City as determined by the City Manager.

****Enterprise Resource Planning (ERP):** Is a category of business management software-typically a suite of integrated applications-that an organization can use to collect, store, manage and interpret data from many business activities, including: product planning, cost, manufacturing or service delivery, marketing and sales, inventory management, shipping and payment.

*****Fee Simple:** Absolute title to land, free of any other claims against the title, which one can sell or pass to another by will or inheritance.

Formal Bid: A bid which must be advertised and submitted in conformance with a prescribed format to be opened and read in public at a specified date and time. As it pertains to the City, formal bids must be solicited for all goods or services \$50,000 and above.

***Free on Board (FOB) Destination:** Where the seller or consignee delivers the materials to a specified delivery point. The cost of shipping and the risk of loss are borne by the seller or consignee. Title passes when delivery is received by the buyer at destination. Seller has total responsibility until shipment is delivered.

***Informal Bid/Proposal:** A competitive bid, quotation or proposal for supplies or services that is conveyed by a letter, fax, e-mail or other manner that does not require a formal bid or proposal, public opening or other formalities. Generally relegated to requirements that may be considered low value or fall under a stipulated price/cost threshold.

***Invitation for Bid (IFB):** All documents used to solicit competitive or multi-step bids.

***Invitation to Negotiate (ITN):** A competitive negotiation process that is used when the procurement authority deems it is in its best interest to negotiate with offerors to achieve "best value." A form of source selection that is similar to the Request for Proposal process.

Item: A product, material or service.

***Life Cycle Cost (LCC):** The total cost of ownership over the life span of the asset.

***Modification:** Any written alteration to a provision of any contract accomplished by mutual agreement of the parties to the contract. Used synonymously with the term Amendment.

***Piggyback (Piggyback Cooperatives):** A form of intergovernmental cooperative purchasing in which an entity will be extended the pricing and terms of a contract entered into by another entity. Generally an entity will competitively award a contract that will include language allowing for other entities to utilize the contract which may be to their advantage in terms of pricing, thereby gaining economies of scale that they normally would not receive if they competed on their own.

***Procurement:** Purchasing, renting, leasing, or otherwise acquiring any supplies, services or construction; includes all functions that pertain to the acquisition, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. The combined functions of purchasing, inventory control, traffic and transportation, receiving, inspection, storekeeping, salvage and disposal operations.

Procurement and Contract Services Manager: The Procurement and Contract Services Manager for the City of Lee's Summit shall be that position designated as the chief procurement officer (CPO) who shall have the responsibility of making authorized purchases for the City, unless directed or indicated otherwise by this policy.

***Project Manager:** Designated individual within the agency to administer a specific task or contract.

***Purchase Order:** A purchaser's written document to a vendor formalizing all the terms and conditions of a proposed transaction, such as a description of the requested items, delivery schedule, terms of payment, and transportation.

Qualification Based Selection (QBS): QBS is a process used by the City to obtain statements of qualifications for architectural, engineering, land surveying, or landscape architecture as required by state statute. The City also follows this process for design-build services and may choose QBS for other services unless prohibited by law or other policies.

***Quote:** An informal purchasing process which solicits pricing information from several sources.

***Quotations:** A statement of price, terms of sale, and description of goods or services offered by a vendor; may be non-binding if solicited to obtain market information for planning purposes.

***Request for Information (RFI):** A non-binding method whereby a jurisdiction publishes via newspaper, internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback or reactions from potential suppliers (contractors) prior to the issuing of a solicitation. Generally price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.

***Request for Proposal (RFP):** The document used to solicit proposals from potential providers for goods and services (Offerors). Price is usually not a primary evaluation factor. Provides for the negotiation of all terms including price prior to contract award. May include a provision for the negotiation for Best and Final Offers.

***Request for Quotation (RFQ):** A small order amount purchasing method. Generally used for small orders under a certain dollar threshold. A request is sent to suppliers along with a description of the commodity or services needed and the supplier is asked to respond with price and other information by a pre-determined date. Evaluation and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance and reliability.

***Request for Qualifications (RFQu):** A document is issued by a procurement entity to obtain statements of the qualifications from bidders prior to issuing the solicitation. An attempt to gauge potential competition and obtain information which may be helpful when writing a statement of work or developing specifications. As it pertains to the City, this is a document issued by the City to obtain statements of qualifications for professional services. This document is part of the QBS process.

Requisition: An internal document by which a using agency sends details of supplies, services, or materials required to the Procurement and Contract Service Department. Requisitions are entered into and processed by the City's ERP system.

***Responsible Bidder/Offeror:** A contractor, business entity or individual who is fully capable to meet all of the requirements of the solicitation and subsequent contract. Must possess the full capability, including financial

and technical, to perform as contractually required. Must be able to fully document the ability to provide good faith performance.

***Responsive Bidder/Offeror:** A contractor, business entity or individual who has submitted a bid or request for proposal that fully conforms in all material respects to the IFB/RFP and all of its requirements, including all form and substance.

Serial Procurement: Serial Procurement is intentionally breaking an order to an external vendor into two or more purchases/payments to avoid the required bid process. Also purchases over a 90 day period for the same product or service from the same supplier that reaches or exceeds a total of \$50,000 for that period.

***Scope of Work (SOW):** A written description of the contractual requirements for materials and services contained within a Request for Proposal, or detailed description of the tasks to be performed by the successful bidder. A well-conceived and clearly written SOW serves four main purposes:

- Establishes clear understanding of what is needed;
- Encourages competition in the marketplace and promotes economic stimulus;
- Satisfies a critical need of government; and
- Obtains the best value for the taxpayer.

***Sole Sourcing:** Selection of one particular supplier to the exclusion of all others. This decision may be based on lack of competition, proprietary technology, copyright or a supplier's unique capability. In government procurement, a sole source justification may be required from the requestor. As it pertains to the City, a sole source justification is required as set forth in this policy.

***Specification:** A precise description of the physical or functional characteristics of a product, good or construction item. A description of goods as opposed to a description of services. A description of what the purchaser seeks to buy and what a bidder must be responsive to in order to be considered for award of a contract. Specifications generally fall under the following categories: design, performance, combination (design and performance), brand name or approved equal, qualified products list and samples. May also be known as a purchasing description.

******Substantial Interest:** Ownership by the individual, the individual's spouse, or the individual's dependent children, whether singularly or collectively, directly or indirectly, of ten percent or more of any business entity, or of an interest having a value of then thousand dollars or more, or the receipt by an individual, the individual's spouse or the individual's dependent children, whether singularly or collectively, of a salary, gratuity, or other compensation or remuneration of five thousand dollars, or more, per year from any individual, partnership, organization, or association within any calendar year.

***Surplus Property:** A designation that applies to government property that is no longer needed by the agency and is designated for disposal outside of a government organization.

***Term Contract (aka: On-Call, Term & Supply or Yearly):** A type of contract in which a source of supply is established for a specified period of time for specified services or supplies all at a predetermined unit price; usually characterized by an estimated or definite minimum quantity, with the possibility of additional requirements beyond the minimum, all at a predetermined unit price..

Transaction: A Transaction is an instance of buying or selling something; a business deal. A transaction is an agreement between a buyer and a seller to exchange goods, services or financial instruments.

*Terms and definitions from the "Public Procurement Dictionary of Terms". "The Comprehensive Reference for Public Purchasing Terms and Concepts". National Institute of Governmental Purchasing, Inc. (NIGP), 151 Spring Street, Herndon, VA 20170. Copyright 2008 by NIGP.

** Terms and definitions from Wikipedia. *** Definitions from Law.com. ****Term and definition from Missouri Revised Statutes, Chapter 105, section 105.450.1, August 28, 2015. Non* definitions were determined based on current City processes.

SECTION 2. AUTHORITY & ENFORCEMENT

2.1 Compliance with Policy. The acquisition of any and all items or any transaction made by or on behalf of the City of Lee's Summit, its departments, officials and authorized agents shall be made in accordance with the procurement policy contained herein unless otherwise approved by the City Council.

2.2 Enforcement. The City Manager will have the responsibility for the enforcement of this administrative policy. Department Directors will be entrusted with the responsibility of enforcing the policy within their departments.

2.3 Authorized ERP System Users. Department Directors shall submit to the Information Technology Services (ITS) Department a list of personnel authorized to issue requisitions, approve requisitions and conduct receiving functions on behalf of said department. It will be the Department Directors or their designees' responsibility to inform the ITS Department of any changes to the departmental listings. ITS shall update the City's Enterprise Resource Planning (ERP) system accordingly.

2.4 Parks and Recreation Department. Procurements regarding parks and recreation programming shall follow the standards and requirements set forth in this policy. Unless otherwise provided by City Charter, or other applicable law, the Administrator of Parks and Recreation shall exercise the authority that would otherwise be exercised by the City Manager, as set forth in this policy regarding procurements for parks and recreation programming. The Parks and Recreation Board shall exercise the authority that would otherwise be exercised by the City Council, as set forth in this policy, regarding procurements for parks and recreation programming.

2.5 Unauthorized Purchases/Transactions. Any purchase of an item or any transaction which does not comply with this policy shall be considered an unauthorized purchase and may result in disciplinary action as identified in Section 2.11 Disciplinary Action which may also include repayment/restitution to the City. When an unauthorized purchase becomes evident, the Procurement and Contract Services Manager (CPO), P-Card Administrator (if applicable) or designated procurement representative will notify the applicable Department Director. The Director shall be responsible for submitting a memorandum outlining the facts and circumstances of the purchase, as well as steps taken to avoid future unauthorized purchases, to the Procurement and Contract Services Manager (CPO), P-Card Administrator (if applicable), and City Manager.

2.6 Serial Purchases. Serial purchases shall not be permitted and shall be considered a violation of this Policy.

2.7 Contracting Authority. Unless otherwise established by the City Charter, this policy, or by the City Council, the City Manager shall execute all contracts and agreements for the procurement of goods and services or that generate revenue on behalf of the City of Lee's Summit. All dollar thresholds and approval requirements stipulated in this policy shall be adhered to, unless otherwise approved by the City Council.

2.8 Renewal of Contracts/Agreements. City Council approval is not required for the renewal of contracts when the City Council previously approved renewal options. The City Manager shall have the authority to approve proposed renewal price increases if he or she concurs that the vendor provided justification is reasonable, fair, mutually agreed to, and within the parameter(s) established in the solicitation. Prior to execution, the resulting renewal contract/agreement shall be approved by Legal and City Manager.

2.9 Contract/Agreement Extension. Contract/agreement extensions shall be executed by the City Manager.

2.10 Prohibited Acts by Elected and Appointed Public Officials and Employees:

For any transaction identified in this policy, the City shall not knowingly purchase any service, good or property from any Councilmember, the Mayor or any City Employee or any entity in which he or she holds a “substantial interest” as defined in section 105.450 RSMo. Additionally, it is recognized that it is difficult or impossible for every employee utilizing a purchasing card to have knowledge of every entity which a Councilmember, the Mayor or another employee may hold an interest as described above; however, the City shall exercise its best efforts to refrain from conducting such transactions utilizing a purchasing card and shall not knowingly do so.

2.11 Disciplinary Action. Noncompliance with the provisions of the Procurement Policy may result in the initiation of applicable disciplinary action as identified in the City Charter, Code of Ordinances or Personnel Policies. Any disciplinary action for violation of this policy shall be determined by the City Manager in accordance with section 2.2 Enforcement.

SECTION 3. GENERAL REQUIREMENTS

3.1 Specifications. It is the responsibility of the department to write specifications and establish the quality of the product or service required. Procurement and Contract Services may assist the department in writing specifications, upon department request. Specifications shall be written to foster competition.

3.2 Non Preference Policy. The City does not have a preference policy for state and local commodities or services and minority enterprises other than that of “Domestic Products”. The City of Lee’s Summit has adopted a formal written policy to encourage the purchase of products manufactured or produced in the United States (City of Lee’s Summit Resolution No. 87-18, MO. State Statute No. 34.353, Section 3(5)).

3.3 Green Procurement and Recycled Products. City staff is encouraged to integrate environmental factors into the City’s buying decisions and procure environmentally preferable goods and services whenever practicable. Consideration should be given to:

- a. Replacing disposable with re-usable, recyclable, or compostable goods whenever possible. Specify and/or purchase products which contain a high percentage of post-consumer recovered material, reduce waste in the manufacture and use of products, and reduce packaging.
- b. Specifying non-virgin materials when comparable performance can be achieved.
- c. Life cycle economics.
- d. Impacts and threats of harm to human health or the environment.
- e. The environmental performance of vendors in providing products and services.

3.4 Purchases Supported by Grant Funds. Departments shall review all requirements for grant funding to insure the procurement process required as a condition to receiving said grant funds are complied with during the procurement of the item. Procurement and Contract Services will assist in the inclusion of all required procedures that are in addition to the requirements of this policy.

In the event a specific procurement procedure is required to be in writing, pursuant to grant rules and regulations, when the City is procuring an item which is funded in whole or in part by grant funds, the City Manager shall have the authority to authorize the amendment of this Procurement Policy by supplement to incorporate the special requirements of that procurement, such requirements however shall not alter the dollar thresholds as set forth herein, or violate any existing ordinances or resolutions of the City.

3.5 Computer Related Items. Purchases of computer-related equipment/software must be made via the ITS Department unless the Chief Technology Officer (CTO) delegates certain purchases to certain departments. All

purchases shall be in compliance with the procurement policy contained herein. Prior approval of the CTO or designee is required to purchase, transfer or dispose of any computer software or related hardware.

3.6 Capital Asset Items. Departments are responsible for following the City's Capital Asset Policy when accepting and receiving any item that meets the definition of a capital asset. An item is a capital asset if:

- a. It is tangible in nature;
- b. Has a useful life longer than two years; and
- c. Has a value exceeding \$5,000.

3.7 Sensitive Asset Items. This is defined as an asset with a value below the capitalization threshold which could easily be adopted for personal use or converted into cash, including property for which theft, loss, or misplacement could be dangerous to the public safety or community security. Sensitive asset property must be subject to physical security, protection, control and accountability. Examples of sensitive asset items include but not limited to:

- a. Fire Arms and Weapons;
- b. Computers;
- c. Cellular Phones; and
- d. Audio visual equipment.

3.8 Licenses. City vendors shall secure licenses as may be required by City ordinance or other applicable law and pay all associated charges and fees. A current City of Lee's Summit, MO, Business License shall be required, unless exempted by City ordinance. Before the issuance of any purchase order, contract or agreement, proof of a business license (i.e. xerographic copy of the paid receipt or of the actual license) shall be provided to the applicable contracting or ordering department. Said applicable contracting or ordering department shall keep said license on file. A business license shall not be required if the vendor's place of business does not reside in the City of Lee's Summits' city limits and is only delivering products or equipment.

3.9 Permits. Any City municipal building permits required for City building/construction projects shall be provided by the City at no cost to the vendor.

3.10 Insurance Requirements. If applicable, vendors shall provide a certificate of insurance in accordance with all stipulated requirements.

3.11 Vendor Requirements. To be placed in the City's ERP system as a vendor, vendors are required to provide a Federal W-9 and a completed City's Vendor Information Form to the applicable ordering/contracting department. Said forms are to be provided to the City's Accounts Payable Division so vendors can be established in the City's ERP software system.

3.12 Transaction(s). All transactions performed by City personnel shall be in compliance with this policy. It is the responsibility of City personnel to utilize the proper procurement and/or solicitation method for a single transaction or multiple transactions based upon estimated annual spend.

3.13 Work Authorization and E-Verify. For any contract for services greater than \$5,000, the successful bidder shall comply with § 285.530, RSMo, as amended, and (1) provide by sworn affidavit affirmation that it does not knowingly employ any person who is an unauthorized alien and (2) provide documentation affirming its enrollment and participation in a federal work authorization program with respect to the employees working in connection with this contract. The required documentation affirming enrollment must be from the federal work authorization program provider. Letter from respondent reciting compliance is not sufficient. When applicable,

solicitations shall require the signed and notarized Work Authorization Affidavit and the electronic signature page from the E-Verify program prior to the issuance of a contract.

SECTION 4. PROCUREMENT METHODS AND DOLLAR THRESHOLDS

4.1 Approved Procurement Methods. The City department conducting the solicitation will work with the Procurement and Contract Services Division as needed to determine the appropriate solicitation process. Approved methods of procurement are the utilization of established contracts and agreements, unrestricted, quotes, informal bids/solicitations, or formal bids/solicitations. These methods enable the procuring department(s) to achieve the maximum in efficiency and convenience, the utilization of economy of scale whenever possible as well as maintaining the necessary checks and balances to protect the utilization of public funds. All procurement methods shall be performed in compliance with this policy.

4.2 Types of Procurement Methods and Dollar Thresholds. Items not available on an existing City contract or authorized as an emergency purchase may be purchased by departments in accordance with the following:

- 4.2.1. **Unrestricted: \$.01 to \$2,999.99** - Departments are strongly encouraged to obtain the lowest cost through cost comparisons. This method requires approval as determined by the specific department.
- 4.2.2. **Request for Quotations (RFQ): \$3,000.00 to \$9,999.99** – City staff shall secure a minimum of three (3) quotations (if possible) from vendors if the item being procured is not available on an existing contract and if a sufficient number of vendors are available. This method requires approval by the Department Director or designee.
- 4.2.3. **Informal Bids/Solicitations: \$10,000.00 to \$49,999.99** – All informal solicitations within this dollar range shall be submitted to a pre-determined vendor list and may be broadcast on the internet. This method requires approval of a contract by the City Manager.
- 4.2.4. **Formal Bids/Solicitations (IFB): \$50,000.00 and over** – All solicitations for this dollar range shall be appropriately advertised, broadcast and received either in hard copy or electronically via a City approved Electronic Bidding System as determined by the department unless state or federal law governing a specific procurement provides otherwise. This method requires approval of a contract by the City Council.

SECTION 5. TYPES OF CONTRACTS/AGREEMENTS

5.1 One-Time Purchase Contract/Agreement. This is a contract/agreement for the procurement of a good or service that covers no more than one purchase unless multiple purchases of the same product are indicated for a short duration.

5.2 Term Contract/Agreement. These are contracts/agreements in which a source of supply or services is established for a specified period of time with established specific pricing, which the City intends to use on an as-needed basis. Purchases must be within the using Department's approved budget.

5.3 Term Professional Service Agreement or Construction Contract. A term professional service agreement or Construction Contract is a contract/agreement for services such as engineering, architectural, land surveying, consulting, construction or other specialized or technical services in which a source of supply is established for a specified period of time for specified services all at a predetermined unit price. When utilizing a term professional services agreement or construction contract, the using department personnel shall confirm the work is within the general scope of the agreement and validate rates and unit costs applicable to the required work.

- a. For a defined scope of work, staff will obtain a quote before authorizing the provider to proceed.
- b. Confirm in writing the applicable rates or other costs contained in the agreement that will be used for work performed on an hourly or other unit price basis.

c. The cost of any single task authorized by the department director must be less than \$50,000. d. Tasks costing \$50,000 or more must go through the City Council approval process.

5.4 Piggyback (Piggyback Cooperatives). A form of intergovernmental cooperative procurement in which an entity will be extended the pricing and terms of a contract entered into by another entity. Generally an entity will competitively bid and award a contract that will include language allowing for other entities to utilize the contract which may be to their advantage in terms of pricing, thereby gaining economies of scale that they normally would not receive if they competed on their own. In this type of contract the City is not necessarily a party to the contract.

The City Manager shall have the authority to approve the City's participation in any piggyback contract(s) if estimated annual spend is less than \$49,999.99. City Council approval shall be required if the estimated annual spend exceeds \$50,000.00.

5.5 Cooperative Contracts. Contracts established when two or more entities combine their requirements to obtain advantages of volume purchases including administrative savings and other benefits. In this type of contract the City would be a party to the contract. The City Manager shall have the authority to approve the City's participation in any cooperative contract(s) if estimated annual spend is less than \$49,999.99. City Council approval shall be required if the estimated annual spend exceeds \$50,000.00.

5.6 Revenue Generating Contract/Agreement. A contract/agreement that generates revenue for the City rather than the expenditure of City funds.

5.7 Requirement for City Council Approval. Unless otherwise stated herein, all contracts in which the City is expending \$50,000.00 or more, or is anticipated by City staff to result in commission from a vendor of \$50,000.00 or more shall be subject to approval by the City Council.

SECTION 6. CONTRACT AMENDMENTS

A Contract Amendment is necessary when there is a change in the quantity, cost, or scope of the item, service or work provided under the contract.

6.1 Changes to Non-Construction Contracts. Contract amendments shall be in writing and executed by all parties.

6.1.1. Changes resulting in total contract amount of \$49,999.99 or less must be approved by the applicable Department Director or their designee and executed by the City Manager.

6.1.2. Changes resulting in a total contract amount of \$50,000.00 or more must be approved by the City Council and executed by the City Manager.

6.2 Change Orders to Construction Contracts.

6.2.1. **Contracts \$500,000.00 and Greater:** For changes in quantities, materials, or costs not associated with a change in the contract scope, or change orders up to a cumulative total increase of five percent (5%) or less of the original contract amount must be approved by the appropriate Department Director and the City Manager. Change orders resulting in a revised contract amount exceeding five percent (5%) of the original contract, any single change order for an increase of \$100,000.00 or more, or any change in contract scope must be approved by the City Council. Any change order resulting in a decrease in quantities, materials or costs must be approved administratively by the appropriate Department Director and the City Manager.

6.2.2. **Contracts less than \$500,000.00:** For changes in quantities, materials, or costs not associated with a change in the contract scope, or change orders up to a cumulative total increase of ten percent (10%) of the original contract amount must be approved by the appropriate Department Director and the City Manager. Change orders resulting in an increase to the revised contract amount exceeding ten percent (10%) of the

original contract, any single change order for an increase of \$50,000.00 or more, or any change in contract scope must be approved by the City Council. Any change order resulting in a decrease in quantities, materials or costs must be approved administratively by the appropriate Department Director and the City Manager.

6.3 Change Authorizations for Construction Contracts. When total change orders exceed the percentages outlined above, and, due to the stage of construction in progress or to prevent a lengthy delay in a project, the applicable Department Director, with the approval of the City Manager and with notification to the appropriate City Council committee chairperson, can issue a Change Authorization. The change authorization must be incorporated into a formal change order and presented to City Council for ratification at the next available meeting.

6.4 Changes in Contract Time. For changes in contract time not associated with a change in contract scope, additional time up to a cumulative total of ten percent (10%) of the original contract time must be approved by appropriate Department Director and the City Manager. Change orders resulting in a revised contract time exceeding ten percent (10%) of the original contract time, a single change order increasing contract time by 30 days or more, or any change in contract time due to a change in scope must be approved by the City Council. Any change order resulting in a decrease in contract time must be approved administratively by the appropriate Department Director and the City Manager.

6.5 Modifications to One Time Design Consultant Contracts. For modifications to one-time contracts for design of capital projects, changes in cost of services, not associated with a change in the contract scope, up to a cumulative total increase of five percent (5%) or less of the original contract amount must be approved by the appropriate Department Director and the City Manager. Modification resulting in a revised contract amount exceeding five percent (5%) of the original contract, any single modification for an increase of \$100,000.00 or more, or any change in contract scope must be approved by the City Council. Any modification resulting in a decrease in cost must be approved administratively by the appropriate Department Director and the City Manager.

SECTION 7. SOLICITATION PROCESSES

7.1 Request for Quotes (RFQ).

7.1.1. The City department conducting the solicitation should identify the specific good or service to be quoted. The Department should identify any applicable special requirements that could include but not limited to the following: Current Prevailing Wage and incremental increase, City Business License, Certificate of Insurance (COI) naming the City as additionally insured under general liability, additional insurance requirements, Federal Work Authorization Affidavit and E-Verify Signature page (only for **services** that are \$5,000.00 or more), shipping and handling cost if not included in unit price, and estimated delivery time after receipt of order.

7.1.2. Requests for quotes may be made by any method conducive to providing all necessary information for soliciting a response. An actual quote should be provided by the potential vendor via email, fax or mail to insure that the goods or services quoted meet the requirements of the solicitation as well as the expectation of the requestor.

7.1.3. The City department conducting the solicitation shall utilize the Procurement and Contract Services Quote Form located on the City's intranet to summarize the quotes received. The completed Quote Form and any attachments (including individual submittals) associated with the Quote Form shall be approved by the applicable Department Director or designee and forwarded to the applicable Procurement Officer after the requisition has been entered and approved so it can be attached to the purchase order via the City's (ERP) system. The requisition number shall be identified on the Quote Form.

7.1.4. If a quote is chosen from a new vendor, a W-9 and vendor information form must be submitted to Accounts Payable.

7.2 Bidding. The City department conducting the solicitation shall determine the appropriate solicitation method in compliance with this policy. If assistance is requested, Procurement and Contract Services staff will meet with the City department conducting the solicitation to assist in determining the appropriate method of procurement. This meeting may also identify any special requirements, establish the tentative timeline for the project, estimate costs, define roles, and identify possible suppliers. The meeting will also determine which division/department will be responsible for preparing specifications and other bid documents. If documents are prepared by Procurement and Contract Services staff they will be submitted to the department conducting the solicitation for review and approval prior to letting.

7.2.1 Every bid shall state the closing date and time after which bids will not be accepted. The City department conducting the solicitation is authorized to extend the closing date for any bid if all responding bids have remained sealed, and if notice of the extension is provided to all potential vendors prior to the original opening time.

7.2.2 Bids shall be evaluated by the City department conducting the solicitation. The bid shall be awarded to the lowest, most responsive/responsible bidder, including consideration of any incentives, early payment discounts, buy-back provisions, or life cycle costs or other specified evaluation criteria included in the bid document that is deemed to be in the best interest of the City upon the recommendation and approval of the City department conducting the solicitation or their designated representative.

7.2.2.1. Informal Bidding – The City department conducting the solicitation will distribute the specifications to a minimum of three potential vendors (when possible). Written or electronic bids shall be required as stipulated in the informal bid document. Informal Bids between \$10,000.00 and \$49,999.99 may be broadcast on the internet.

7.2.2.2. Formal Bidding – On formal bids, appropriate advertisement is required. Performance, payment bonds, and bid bonds may be required. City Council approval is required on all formal bid recommendations for award of \$50,000.00 and over.

7.3 Requests for Proposal (RFP). Every RFP shall state the closing date and time until such proposals will be accepted. If the request has an indefinite closing date and will remain open until a satisfactory proposal is received, the request shall so state. The City department conducting the solicitation is authorized to extend the closing date for any RFP if all responding proposals have remained sealed and notice of the extension is provided to all potential respondents prior to the original closing time.

7.3.1. Selection Committee – A selection committee shall be established by the Project Manager to review the proposals and rate each firm according to the evaluation criteria established in the Request for Proposal.

7.3.2. Evaluation Process – The committee shall use the evaluation criteria established in the RFP. A two-step process may be used whereby the selection committee will first rate each proposal received on criteria established in the Request for Proposal. The composite scores of the committee will be used to determine the top rated firms which may be interviewed. If interviews are conducted, the firms are rated after the interviews and a second composite score recorded. The interview composite score sheet will be used to determine the highest rated respondents interviewed.

7.3.3. Evaluation Criteria-Best Value Procurement – The evaluation criteria shall be determined as a part of the RFP, which may include, but not be limited to, evidence of experience, reliability, references, expertise of firm, expertise of key personnel, and project approach. Cost may or may not be an evaluation criteria depending upon the nature of the project, but shall be predefined in the RFP document.

7.3.4. Negotiation Process – Upon determining the highest rated respondent, the Department Director or designated representative will then begin negotiations with the respondent receiving the highest score. If the City is unable to negotiate mutually agreed upon terms with the top rated respondent, the City shall begin negotiations with the second rated respondent, and so forth until mutually agreed upon terms are reached. After

said terms have been reached, the City should request a fully executed best and final offer (BAFO) from an authorized agent of the selected firm to document any changes made during the negotiation process. Said BAFO shall be incorporated into the applicable contract/agreement.

7.3.5 Whenever construction management services are needed, the Department Director or the Project Manager shall prepare a Request for Proposal (RFP) which may include:

1. Fees for overhead and profit;
2. Reimbursable costs for reimbursable items as defined in the City's request for proposal;
3. Qualifications;
4. Demonstration of ability to perform projects comparable in design, scope and complexity;
5. Demonstration of good faith efforts to achieve compliance with federal, state and local affirmative action requirements, if applicable;
6. References of owners for whom construction management services have been performed;
7. Financial strength;
8. Qualifications of in-house personnel who will manage the project; and
9. Demonstration of successful management systems which have been employed for the purposes of estimating, scheduling and controlling costs.
10. The solicitation file shall contain documentation of the basis for respondent selection.

7.4 Invitation to Negotiate (ITN). The City may procure commodities and contractual services by an ITN. An ITN is used when the goals or problems can only be generally described in the scope of work. Respondents provide proposed solutions to the problem or methodologies to achieve the desired goal.

7.4.1 The ITN shall include: (1) a statement of the commodities or contractual services sought; (2) the time and date for the receipt of replies and the public opening as provided in the ITN document; (3) the primary terms and conditions applicable to the procurement, including the criteria to be used in determining the acceptability of the reply; (4) the time frames for completion of the work, including renewal periods, if applicable, and (5) the format for the recommended pricing structure.

7.4.2 A response is generally evaluated for its technical merit, innovative methodology, experience, and cost within the limitations set forth in the ITN. It differs from an RFP in that responses may be refined during the negotiation and evaluation process prior to making an award of the contract. Proposals may be ranked at any point in the evaluation process when the Evaluation Team determines it has received sufficient information from respondents. Ranking is not required prior to negotiations. The City may negotiate concurrently with multiple respondents selected for negotiations.

7.4.3 The City may select one or more respondent(s) upon the conclusion of negotiations. At the conclusion of negotiations, the City should request a fully executed best and final offer (BAFO) from an authorized agent of the selected firm(s) to document any changes made during the negotiation process. Said BAFO shall be incorporated into the applicable contract/agreement. When concurrent negotiations are held, BAFOs should be obtained from all respondents participating in the negotiations prior to final evaluation and recommendation of award. The City may award contract/agreement(s) to one or more responsible respondent(s) based on the BAFOs the City determines who will provide the best value and best meet the City's objectives.

7.4.4 The solicitation file shall contain documentation of the basis for respondent selection, setting forth the deliverables and price pursuant to the contract/agreement, and explaining how these deliverables and price meet the objectives of the solicitation.

7.5 Qualifications Based Selection (QBS). The QBS process must be used for selection of professional services consultants for architecture, engineering, land surveying and landscape architecture in accordance with state statutes. The City also uses QBS in the selection of design-build teams due to the professional service providers included in the team. QBS may be used for other types of services allowed by law and determined by the Project Manager.

7.5.1 Whenever architectural, engineering, land surveying, landscape architecture or design-build services are needed, the Department Director or designated representative of the City department conducting the solicitation shall prepare a Request for Qualifications (RFQu). The RFQu will include a description of the project or services required and the criteria to be used in evaluating responses from interested professionals. Criteria should be tailored for the specific project or services needed and may include such items as:

- The specialized experience and technical competence of the respondent with respect to the type of services required;
- The capacity and capability of the respondent to perform the requested work;
- The past record of performance of the respondent with respect to such factors as control of costs, quality of work, and ability to meet schedules;
- The respondent's familiarity with the area in which the project is located.
- The respondents understanding of the required services and specific ways in which the firm is most qualified to provide those services.

7.5.2 For design-build RFQs the criteria may also include a list of architects, engineers, land surveyors, contractors, etc. proposed to provide services and their applicable hourly rates.

7.5.3 When an RFQu is used, a selection committee shall be established by the Department Director or the Project Manager to review the qualifications. Each committee member will rate each respondent's response according to the criteria set forth in the RFQu. The ranking of respondents by the committee will be used to determine the top rated respondent, which may be interviewed at the discretion of the Department Director or the Project Manager. If interviews are conducted, the respondents are again rated after the interviews according to the criteria and a final ranking by the committee will determine the most responsive and qualified respondent(s). The solicitation file shall contain documentation of the basis for selection.

7.5.4 If the Department is unable to negotiate a satisfactory contract with the selected respondent, those negotiations shall be terminated. Negotiations shall then commence with the second ranked respondent. If there is failure to reach agreement with the second respondent, the process will repeat until a contract has been successfully negotiated. At the conclusion of negotiations, the City should request a fully executed best and final offer (BAFO) from an authorized agent of the selected firm(s) to document any changes made during the negotiation process. Said BAFO shall be incorporated into the applicable contract/agreement. If there is a failure to negotiate a contract with any of the respondents, the Department shall reevaluate the necessary services and scope of work and re-issue a revised RFQ if appropriate and proceed in accordance with the provisions of this article.

7.5.5 For design-build services, contracts may be negotiated as two separate agreements: 1. For preliminary design-build services and; 2. For final design-build services, or a single initial contract for all services.

7.6 Requests for Information (RFI). RFIs can be utilized prior to preparing bid documents, RFPs or RFQs.

SECTION 8. NON-SOLICITATION TYPE OF PROCESSES

8.1 Unrestricted. Departments procure goods or services not available through existing contracts and are less than \$2,999.99.

8.2 Emergency Purchase. Immediately upon determining that an emergency situation exists, as defined in Section 1, and prior to contacting vendors for supplies and services, the Procurement and Contract Service Manager shall determine the appropriate course of action. The Procurement and Contract Services Manager (CPO) or designated representative shall determine whether the purchase can be made utilizing an existing procurement contract on a timely basis or securing a minimum of three (3) quotations from vendors, if a sufficient number of vendors and adequate amount of time is available. Emergency purchases shall be made with as much competition as practical under the circumstances. Departments must submit emergency purchases on the appropriate form and must include an explanation of the emergency.

8.2.1 The Procurement and Contract Service Manager (CPO) shall have the authority to approve all emergency purchases \$24,999.99 and below. Emergency purchases \$25,000.00 to \$49,999.99 require the approval of the City Manager. An emergency purchase that exceeds \$50,000.00 shall be presented to City Council by City Staff at the earliest opportunity after purchase has been made.

8.2.2 In certain emergency situations, the City Manager shall have the authority to execute an emergency contract modification where approval by the City Council would otherwise be required. The City Manager shall only execute the emergency modification if the work qualifies as an emergency and the overall budget is not exceeded. The emergency modification shall be submitted to the City Council by the City Manager for ratification at the next available Council meeting.

8.2.3 During periods of a “declared city emergency” by the Mayor, purchases may be made in accordance with the City’s Emergency Operations Plan.

8.3 Sole Source. The Procurement and Contract Services Manager (CPO) may waive the requirement of competitive bids or proposals for supplies/services when he/she has determined in writing the following conditions:

- a. supplies or services are proprietary and only available from the manufacturer or a single distributor;
- b. based on past procurement experience, it is determined that only one (1) distributor services the region in which the supplies are needed;
- c. supplies or services are available at a discount from a single distributor for a limited period of time; or
- d. A firm has significant previous or specialized knowledge on a proposed project that would result in significant monetary and/or time savings in completion of the project.

8.3.1 Sole source purchases shall be subject to approval as follows:

- \$.01 – \$9,999.99: Department Director and the Procurement and Contract Services Manager (CPO) prior to purchase
- \$10,000.00 - \$49,999.99: City Manager prior to purchase, with written recommendation from the above.
- \$50,000.00 and over: City Council prior to purchase with written recommendation from the above.

8.4 Exempt Transactions. Specific types of transactions are deemed to be ineligible for competitive pricing and are therefore exempt from the procurement policies defined herein. These transactions include:

Utilities

Advertising

Professional memberships, sponsorships, or training

Subscriptions to professional publications

Travel reimbursement and direct payments to travel related vendors

Maintenance and/or support contracts with vendors pertaining to software or hardware, which are required in order to maintain warranty compliance or the continuation of licensing and/or maintenance agreements.

Payments made in connection with risk management claims.

SECTION 9. REAL PROPERTY PROCESSES

9.1 Sale or Lease of Real Property.

- a. All sale or lease of real property and any contracts pursuant hereto shall be subject to approval by the City Council.
- b. Prior to City staff actively marketing real property for sale or lease, the City Manager shall seek approval from the City Council regarding the method(s) used to market said property.

9.2 Acquisition of Interests in Rights-of-Ways and Easements.

- a. As used in this article, the following terms shall have the described meaning:
 1. *Settlement Amount* - the amount to be paid by the City in consideration of receiving a property interest from a property owner.
 2. *Appraised Value* - the fair market value of the subject property as determined by the City's qualified appraiser and may include replacement and/or relocation costs of amenities or facilities located within the real estate tract to be acquired.
 3. *Excess Amount* – the difference between the Settlement Amount and the Appraised Value.
 4. *Property* – legal interests in real estate acquired for public purposes.
- b. Staff is authorized to acquire property administratively when the following conditions are met:
 1. The property is needed in order to proceed with a project that is part of the Capital Improvement Program that has been approved by the City Council; and,
 2. Funding for said project has been included in the current capital or annual budget approved by the City Council.
- c. Administrative Procedures for Acquisition
 1. If the proposed Settlement Amount is equal to or less than the Appraised Value, the City Manager or designee may approve the acquisition of the property, regardless of amount.
 2. If the Excess Amount is less than or equal to \$10,000.00, the City Manager or designee may approve the acquisition of the property.
 3. All other proposed acquisitions must be presented to the City Council for approval.
- d. The City Manager, Mayor or designee is authorized to execute all documents necessary to carry out the intent of this policy.
- e. All deeds, agreements and other documents used for an acquisition under this policy must be approved by the City's Law Department.

9.3 Purchase of Real Property-Fee Simple:

- a. The purchase of real property in fee simple shall not be subject to the solicitation requirements set forth herein.

- b. The purchase of real property in fee simple in the amount of \$50,000.00 or more shall be subject to City Council approval.

SECTION 10. PAYMENT AND PROCUREMENT METHODS AND PROCEDURES

10.1 Petty Cash. Petty cash shall only be used for purchases ranging from \$.01 to \$50.00.

10.2 Procurement Card (P-Card). P-Cards may be used to make purchases in accordance with this policy and the P-card policy.

10.3 Payment Information Form (PIF). A PIF may be used for payment of supplies or services **only when a purchase order or P-card cannot be utilized.** PIFs are to be submitted to Accounts Payable with the invoice and any other supporting documentation. PIFs are located on the intranet under Online Forms for the Finance Department.

10.4 Purchase Orders. Supplies and services that are not procured utilizing a P-Card or paid for using petty cash or a Payment Information Form (PIF) shall be procured with the issuance of a purchase order.

10.4.1 A requisition must be entered into the City's ERP system by the Department prior to a purchase order being issued by Procurement and Contract Services. Procurement and Contract Services will generate a Purchase Order document from the approved requisition information.

10.4.2 An inverted purchase order is a type of purchase order issued for multiple contract items that will be purchased, received, and invoiced over a period of time. The inverted purchase order will remain open with 'draws' or invoices paid from said purchase order. Inverted purchase orders should only be issued after consulting with Procurement and Contract Services and Finance to make sure that its utilization will meet all of the needs of the requestor.

10.4.2 If a Purchase Order was issued for an amount of \$49,999.99 or less and was placed less than one hundred eighty (180) days of the date of the original quote, departments are authorized to repeat an order for a maximum amount of \$25,000.00, provided that the supplier agrees to the original quote terms and pricing. When repeating an order, and prior to placing the order, the department must enter a new requisition (referencing original quote) into the ERP system for Procurement and Contract Services to create a new purchase order.

SECTION 11. RECEIVING, DELIVERY, FREIGHT and PRODUCT TESTING

11.1 Delivery and Receipt of Goods and Services. The City of Lee's Summit uses decentralized receiving. City Departments are responsible for receiving goods and services they have ordered or had ordered for them either by physical signature or via the ERP system dependent upon the payment type to be utilized. Their physical signature or electronic signature in the ERP system indicates they have accepted the item or service and that it is in the correct quantity, size, and color and is in satisfactory working condition. Departments via their representative(s) are required to inspect the delivery and make note if there are external signs of damage. Internal damage or missing items shall be reconciled with the supplier and Procurement and Contract Services immediately. When items are delivered to City Departments, the only paperwork to be signed is the delivery notice. City Departments may conduct the receiving process in the ERP system which may not require paper transfers between departments. Any other vendor/supplier purchase order, document, contract, warranty, maintenance agreement, etc. are NOT to be signed at delivery. Department representatives should review aforementioned documents with applicable procuring department upon receipt of documents.

11.2 Freight/Shipping on Orders. The City shall use F.O.B. Destination as its primary freight or shipping designation.

11.3 Product Testing/Demonstrations. Product demonstrations may be held as deemed appropriate without prior approval of Procurement and Contract Services. In no event shall the retention of a test item by the City be evidence of intent to purchase said item.

SECTION 12. BID PROTESTS

This procedure is intended solely as an attempt to provide bidders with the opportunity to communicate perceived issues to the City department conducting the solicitation. It is not intended to create any legal right, cause of action, property interest or independent means of redress that does not otherwise exist under Missouri law. It shall not serve to abrogate or effect the City's exclusive right to determine the lowest and most responsible bidder in any particular bid situation. Any correspondence initiated by, that involves or may involve legal representation shall be addressed to and handled by the City's Legal Department.

12.1 Right to Protest. Any actual or prospective bidder who is aggrieved in connection with the solicitation or award of a contract may protest to the applicable City department conducting the solicitation. The protest shall be submitted in writing to the City Clerk within 48 (forty-eight) hours after such aggrieved person knows or should have known of the facts giving rise thereto. The protest shall identify specific issues that are being protested and the facts that the protestor believes support the claim. It is the protestor's responsibility to establish his/her case. If and when the applicable City procuring entity is directly involved in the procurement action then the Director of Finance shall review the case and respond within the timeframe stated above.

12.2 Review of Protest. The Department Director of the City department conducting the solicitation shall have the authority to resolve a protest of an aggrieved bidder concerning the solicitation or award of a contract.

12.3 Decision/Notice of Decision. The applicable Department Director or Procurement and Contract Services manager, whoever was responsible for the solicitation, shall issue a decision in writing within three (3) business days of actual receipt of the protest. The decision shall state the reasons for the action taken. A copy of the decision shall be mailed or otherwise furnished immediately to the protestor.

12.4 Appeal. A protestor may appeal the decision by submitting a written appeal to the City Manager within five (5) business days of the date of the Department Director decision. The written appeal shall state with specificity the facts supporting the protestor's position. The appeal shall be reviewed by the City Manager or designee, who will issue a decision in writing within five (5) business days of receipt of the protestor's timely filed written appeal.

12.5 Finality of Decision. A Director's decision shall be considered final and is not subject to appeal or further consideration unless a timely appeal is filed. In the event of a timely appeal, the decision of the City Manager, or designee, shall be considered final and not subject to appeal or further consideration.

12.6 Stay of Procurements during Protest. In the event of a timely protest, the City of Lee's Summit shall not proceed further with the solicitation or with the award of the contract until the protest process is complete, unless the City Manager makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the City.

SECTION 13. OTHER PROTESTS AND DISPUTES

13.1 Protests of Non-Bid Solicitations. Any protest regarding a non-bid competitive solicitation, such as RFP, QBS or ITN process, shall follow the same steps as previously outlined for bid protests.

13.2 Disputes with Vendors. City staff involved in the disputed procurement shall notify Procurement and Contract Services or the City department conducting the solicitation in a timely manner, concerning any complaint or dispute regarding an order, delivery, specification, defective supplies or poor performance by a supplier. Any decision concerning an attempt to cancel a contract or an attempt to resolve a dispute regarding defective products or unacceptable services shall be made jointly by Procurement and Contract Services and the City department conducting the solicitation. Any correspondence with suppliers shall be conducted via the Procurement and Contract Services Manager (CPO).

13.3 Disputes between Departments and Procurement and Contract Services. In the event a procurement dispute arises between the requesting Department and Procurement and Contract Services, the Finance Director supervising the Procurement and Contract Services Division shall make the final decision. If the Department Director of the requesting Department does not agree or accept the decision of said Finance Director, the requesting Department Director and the Finance Director may discuss the issue with the City Manager, or his designated representative and the City Manager or his designee shall make the final decision.

SECTION 14. DISPOSAL OF PROPERTY (OTHER THAN REAL PROPERTY)

Department Director or designated representative determines property (other than real property) is no longer needed. Procurement and Contract Services is sent written notification with detailed information of surplus items. Procurement and Contract Services Manager (CPO), Department Director and/or designee will determine the best method for disposal. Once a disposal method is determined the Procurement and Contract Services Manager (CPO) or designated representative will coordinate the process. The following methods will be used for disposal of surplus property:

- Sell by requesting sealed bids.
- Trade-in as part of a bidding process.
- Sell through electronic auctioning process.
- Donate to an approved centralized not-for-profit clearinghouse such as Surplus Exchange Group to be picked up at no charge to the City (only after items have gone through two auction cycles with the City's e-Surplus auction service).
- Dispose of at the City's designated landfill if the property has no value.

QUICK REFERENCE GUIDE

Procurement Method	
<u>Unrestricted</u> \$.01 - \$2,999.99	<ul style="list-style-type: none"> • Quotes not required, cost comparison encouraged • Department administrators • Department Director or designee authorization required to purchase • P-Cards may be utilized
<u>Quotes</u> \$3,000.00 - \$9,999.99	<ul style="list-style-type: none"> • Three (3) quotes required if item is not available from an existing contract and if sufficient vendors are available • Department administrators • Department Director or designee authorization required prior to purchase • ERP System Utilized – Department must enter requisition before order is placed • If sole source, a sole source form must be signed with required approvals obtained prior to purchase
<u>Informal Bid/Solicitation</u> \$10,000.00 - \$49,999.99	<ul style="list-style-type: none"> • Informal bid/solicitation process required • City department conducting solicitation authorization required • City department conducting solicitation and Department Director authorization required prior to purchase • Broadcasted electronically via the internet if deemed necessary
<u>Formal Bid/Solicitation</u> \$50,000.00 and Over	<ul style="list-style-type: none"> • Formal process required • City department conducting solicitation administrators • City department Director in charge of conducting solicitation, City Manager and City Council approval required prior to purchase • Broadcasted electronically via the internet and e-bidding system
Purchase Order	<p>Always required for purchases with the exception of:</p> <ol style="list-style-type: none"> 1. Capital Project progress payments 2. Petty Cash purchase 3. P-Card purchase 4. Utilization of a Payment Information Form (PIF)
Inverted Purchase Order	<p>Set up for commodity/service/construction contract purchases – reduces the need for additional purchase orders against contract</p> <p>-Inverted purchase orders should only be issued after consulting with Procurement and Contract Services and Finance to make sure that it's utilization will meet all of the needs of the requestor</p>
P-Card	-Procurement and P-Card Policies must be adhered to

Payment Method	\$ Dollar Range	Conditions
Petty Cash	\$.01 - \$50.00	-Reimbursed with receipt by supervisor
Payment Information Form	No dollar limits	-To be used for miscellaneous expenses, limited to recurring charges such as utility bills, seminar registration, insurance, etc.

CITY OF LEE'S SUMMIT

PURCHASING POLICY MANUAL



March 2006

PURCHASING MANUAL
DIVISION OF PURCHASING
CITY OF LEE'S SUMMIT MISSOURI

TABLE OF CONTENTS

I. Purchasing Policy Updates.....Section 1
(Originally adopted per Resolution No. 99-24, Revised per passage and adoption of Resolution No. 03-07 by the City Council on May 1, 2003

Resolution approving and adopting a Revised City of Lee's Summit Purchasing Policy, by the City Council on May 1, 2003.

Cooperative Programs and Agreements, Revised per Administrative Amendment 05-01, dated November, 2005.

Sale and Lease of Real Property, Revised per Resolution No. 05-16, passed and adopted by City Council, December 1, 2005.

Policy for the Administrative Acquisition of Rights-Of-Ways and Easements, Revised per Resolution No. 05-16, passed and adopted by City Council, December 1, 2005.

Change Orders (For other than Construction Contracts), Revised per Resolution No. 06-06, passed and adopted by City Council, March 9, 2006.

Bid Protest, Resolution 07-02 Adopted September 1, 2007 by City Administrator.

Professional Services Contracts-Engineering, Architectural and Land Surveying Services, Resolution 07-03 Adopted August 28, 2007 by City Administrator.

Sole Source, Resolution 08-1 Adopted November 17, 2008 by the City Manager.

Change Orders for Construction Contracts, Resolution 09-01 Adopted February 20th, 2009 by the City Manager.

II. PURCHASING POLICY GOALS

- A. The Purchasing Division provides centralized procurement of goods and services. It is the responsibility of the Purchasing Division to assist city departments in obtaining necessary goods and services at the most economical prices while ensuring compliance with all applicable laws and policies, and maintaining confidence in government expenditures.

III. BUSINESS PURCHASING CARD PROGRAM

- A. Any purchase made pursuant to the Business Purchasing Card Program shall be made in accordance with the terms of the process manual for the Business Purchasing Card Program, and applicable Purchasing Policy provisions.
- B. Any purchases currently being made pursuant to the process for Purchases \$0 to \$250 at Facilities with Charge Accounts may continue until users of that process begin using a Business Purchasing Card.

IV. DEFINITIONS

CONSTRUCTION - the process of building, altering, repairing, improving or demolishing any public structure or facility or other public improvement of any kind.

CONTRACT - a legally binding promise enforceable by law, and generally, in writing.

EXISTING PURCHASING CONTRACTS - contracts previously entered into by the City and currently existing for such items, including but not limited to, term and supply contracts, annual contracts, maintenance contracts, and warranty contracts.

FORMAL WRITTEN BIDS - a competitive bid which must be submitted, in response to an advertised request, in a sealed envelope, in a prescribed format, to be opened in public at a specified time.

INFORMAL WRITTEN BIDS - a competitive bid or price quotation for supplies or

services conveyed to the City in writing by sealed bid without requiring advertising.

ITEMS - a product, material or service.

MATERIAL VALUE - a determination made by the Department Director as to the value of an item to be purchased relative to their respective Department budgets.

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

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

REQUISITION - an internal document by which a department sends details of supplies, services, or material required to the Purchasing Division and documentation for authority to commit funds for the purchase.

SCOPE OF SERVICES - a detailed description of the tasks to be performed by the successful bidder.

SPECIFICATIONS - a description of the physical or functional characteristics, or of the nature of a supply, service, or construction item; the requirements to be satisfied by a product, material, or process indicating, if appropriate, the procedures to determine whether the requirements are satisfied, and/or the capabilities and performance characteristics that the item must satisfy.

V. PURCHASING PROCEDURES

A. PURCHASES \$0 TO \$50 AND PAID FROM PETTY CASH

1. Items in this range may be purchased directly by city departments with reimbursement from petty cash funds. The Department Director or designated representative must approve the purchase. Department Director will determine the amount of "petty cash" that shall be available at any given time in the department.

B. PURCHASES \$0 TO \$1000

1. Items in this range and not available on an existing purchasing contract, may be ordered by departments. Prior to placing an order, Departments are encouraged to obtain the lowest cost through cost comparisons and must contact the Purchasing Division for a purchase order number. After placing the order, a requisition must be submitted to the Purchasing Division, which shall include the purchase order number, account number, cost comparisons received, and Department Director or designated representative's signature.

C. PURCHASES \$1000 TO \$3000

1. Items in this range, and not available on an existing purchasing contract, through an approved "sole source", or authorized as an emergency purchase may be ordered by departments. Prior to placing an order, the Department Director, or designated representative shall contact the Purchasing Division to coordinate the purchase. The Purchasing Division will briefly summarize purchasing techniques, including a reminder to fully inquire about terms, freight charges and discounts, provide the Department with names and numbers of possible sources of supply, if necessary, and provide the department a purchase order number with which to place the order. The Department Director, or designated representatives, or Purchasing Division, if requested by the Department, shall secure a minimum of three (3) quotations from vendors, if a sufficient number of vendors are available.

2. The Department shall submit a requisition to the Purchasing Division within 24 hours of placing the order, which shall include the purchase order number, account number, a description of the item(s) to be purchased, quotations received, and the Department Director or designated representative's signature.

3. Departments are authorized to repeat an order for a maximum amount of \$3000, if the order is placed within ninety (90) days of the original quotation, following the Purchasing Division's approval, and provided that the supplier agrees to the same terms as the original purchase. When repeating an order, and prior to placing the order, the department must contact the Purchasing Division for a new purchase order number. A requisition must be submitted to the Purchasing Division, which shall include the purchase order number, account number, a description of the item(s) to be purchased, quotations received, and the Department Director or designated representative's signature.

D. PURCHASES \$3000 TO \$10,000

1. Items in this range, and not available on an existing purchasing contract, through an approved "sole source", or authorized as an emergency purchase, are to be ordered by purchase requisition through the Purchasing Division. The Purchasing Division shall obtain informal written bids. A minimum of three (3) bids shall be solicited, if sufficient vendors are available. All bids are to be received and opened by the Purchasing Division.

2. The Department Director or designated representative shall schedule a meeting with the Purchasing Division prior to preparing specifications to determine the method of procurement to be used, identify any special requirements, outline the time line for the project, estimate costs, define roles, and identify possible vendors. The department shall prepare

specifications and submit them, along with the requisition, to the Purchasing Division for review and procurement.

3. The bid shall be awarded to the lowest and best bidder upon the recommendation of the Department Director or designated representative and the approval of the Purchasing Agent or designated representative. The Purchasing Division may repeat an order within these ranges when the previous purchase was made within ninety (90) days of the original order and the seller agrees to the same terms as the previous purchase.

E. PURCHASES OVER \$10,000

1. The items in this range are to be requested by the department by submitting a purchase requisition to the Purchasing Division. The Purchasing Division shall obtain formal written bids, which must be advertised. Certain bonds, including performance, payment, and bid bonds may be required to be submitted when bidding for certain purchases. Purchasing Division will advise departments as to applicable bonds at the preparation meeting set forth in section E.2 below. In addition, the award of purchases in excess of \$20,000 range require City Council approval. All bids are to be received and opened by the Purchasing Division.
2. The Department Director or designated representative shall schedule a meeting with the Purchasing Division, prior to preparing specifications, to determine the method of purchase to be used, identify any special requirements, outline the time line for the project, estimate costs, define roles, and identify possible vendors. The department shall prepare specifications and submit them, along with a requisition, to the Purchasing Division for review and procurement.
3. The bids may be evaluated by the Purchasing Division and/or the Department, at the discretion of the Department Director. The bid shall be awarded to the lowest and best bidder upon the recommendation of

the Department Director or designated representative and the approval of the Purchasing Agent or designated representative. Prior to being placed on the Council agenda, the Department Director or designated representative shall prepare recommendation of award for Council approval. The recommendation must be signed by the Purchasing Agent or designated representative, certifying that all Purchasing policy requirements were met. .

4. "Sole source" purchases, over \$10,000 in price, shall be negotiated upon the approval of the Purchasing Agent, the Finance Director and the City Administrator or their designated representatives. See the Sole Source section of this Policy for additional information.

VI. CHANGE ORDERS (FOR OTHER THAN CONSTRUCTION CONTRACTS)

Revised per Resolution No. 06-06, passed and adopted by City Council, March 9, 2006

- A. Contracts over \$20,000. In the event there is a change in the scope of services or cost in a contract, the Contractor may request a change order. A change order is an amendment to the contract. The contract amendment should contain the change in scope of services and/or in cost and must go to the City Council for approval.

In certain emergency situations or due to the stage of construction in progress or to prevent a lengthy delay in a project, the Department Director, with the approval of the City Administrator, and with notification to the appropriate City Council committee chairperson, can authorize a change order. After authorizing the change order, the change order is prepared and sent to City Council with a request to ratify the change order. These change orders may involve such issues as additional tasks, deletion of tasks, cost changes, and extensions of time.

- B. Contracts less than \$20,000. In the event there is a change in the scope of services or costs in a contract with an original contract amount of less than \$20,000, the Contractor may request a change order. A change order is an

amendment to the contract. The contract amendment should contain the change in scope of services and/or in cost must be approved by the Department Director and Purchasing Division. These change orders may involve such issues as additional tasks, deletion of tasks, cost changes, and extensions of time.

In the event the change order itself contains costs in an amount in excess of \$20,000, the change order must go to City Council for approval. In the event a series of change orders on a single contract accumulates to an amount in excess of \$20,000, all subsequent change orders, regardless of amount, must go the City Council for approval.

- C. Purchase Orders. Change orders to purchase orders are only allowed if the change is in the cost of the item being purchased. No change orders are allowed for changes in quantity or scope of original purchase order. Changes in quantity or scope are to be purchased with separate purchase order numbers. See applicable price range provisions regarding repeat orders.

Purchase Order Change order cost adjustments in an amount up to \$3,000 requires prior approval of the Purchasing Division.

Purchase Order Change order cost adjustments in an amount up to \$20,000 require prior approval of Purchasing Division and City Administrator.

Purchase Order Change order cost adjustments in an amount over \$20,000 require prior approval of the Purchasing Agent, City Administrator and City Council.

VII. COOPERATIVE PROGRAMS AND AGREEMENTS

Revised per Administrative Amendment 05-01, dated November, 2005

1. COOPERATIVE PURCHASING PROGRAMS

- A. As used in this Article, the term “cooperative purchasing program” refers to programs through which the members of the program may acquire goods and

services in cooperation with other members of the program, thereby saving money on the purchase of goods and services through economies of scale and through the reduction of administrative costs. Subject to the provisions of this Article, the Purchasing Agent is authorized to participate in cooperative purchasing programs with the United States or any agency of the United States; with the State of Missouri or any agency, municipality or political subdivision of the State of Missouri; with other states or any agency, municipality or political subdivision of any other state; or with any association of municipalities or political subdivisions; provided that the cooperative purchasing program follows a competitive bidding process.

- B. From time to time, but not less than each July of each even numbered year, the City Council shall authorize by resolution the participation of the City in any and all Cooperative Purchasing Programs which the Council believe appropriate (the "Approved List"). The Purchasing Division shall be responsible for notifying the departments of current approved cooperative purchasing programs and any limitation or special requirements for their use.
- C. Council approval shall not be required for the purchase of any budgeted items from purchasing programs which are on the Approved List. City Council approval will be required for all purchases of unbudgeted items in excess of \$20,000. Specific unbudgeted items less than \$20,000 may be purchased through a cooperative purchasing program on the Approved List provided an alternative funding source with the respective Department's budget is identified in writing to the Finance Director and City Administrator.
- D. During the annual City budget approval process, if a Department knows a proposed budgeted item will be purchased through a cooperative purchasing program or acceptable purchasing agreement, as defined below, the Department shall provide such information to the City Council.

2. COOPERATIVE PURCHASING AGREEMENTS

- A. The City may procure goods or services pursuant to an acceptable cooperative purchasing agreement. An “acceptable cooperative purchasing agreement” is an agreement between a governmental entity and a third party which meets the following conditions:
1. the contract followed a competitive bidding process and was established in accordance with the laws and regulations applicable to the establishing governmental entity;
 2. the contract contains the same, or better, terms, conditions, specifications and pricing for the respective item that the City Department seeking the acquisition would bid and purchase on its own; and
 3. the contract contains a cooperative purchasing clause (sometimes referred to as a “piggyback” clause) which authorizes other governmental entities to purchase under the contract with the same terms and conditions.
- B. In the event a Department desires to acquire goods or services through a cooperative purchasing agreement, the Department Director or designated representative shall contact the Purchasing Department. The Purchasing Agent, or Purchasing Agent’s designated representative, shall determine whether the proposed agreement is an acceptable cooperative purchasing agreement. After this determination is made the matter shall be forwarded to the City Administrator for review.
- C. The City Administrator is authorized to approve purchases through acceptable cooperative purchasing agreements, subject to the following conditions:
1. City Council approval will be required for all purchases of unbudgeted items in excess of \$20,000.00
 2. Specific unbudgeted items less than \$20,000.00 may be purchased through a cooperative purchasing program provided an alternative funding source with the respective Department’s budget is identified in writing to the Finance Director and City Administrator.
- Council approval shall not be required for the purchase of any budgeted items from acceptable cooperative purchasing agreements.

VIII. TERM AND SUPPLY AND ANNUAL CONTRACTS

- A. Term and supply contracts and annual contracts shall be bid through the Purchasing Division following the same procedures established by this policy for other purchases based upon estimated value of contract. The Purchasing Agent shall prepare a recommendation of award for Council approval for all term & supply and annual contracts over \$20,000, based upon the annual value of the contract. In the instance of multiple year contracts, Council approval is not required for the renewal periods when the requested price increase does not exceed the renewal period increase established in the original contract. All multiple year contracts shall contain a clause which states that the Contractor understands that the obligation of the City to pay for goods and/or services under the contract is limited to payment from available revenues and shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City nor shall anything contained in the contract constitute a pledge of the general tax revenues, funds or moneys of the City , and all provisions of the contract shall be construed so as to give effect to such intent. The Purchasing Division shall be responsible for notifying the departments of all current contracts available for use.

- B. The Purchasing Division will provide ordering instructions for each contract as is appropriate for that particular item. After a Department purchases an item from a term and supply or annual contract, the Department shall submit the signed tickets and/or receipts evidencing the purchase directly to the City Accounts Payable Division.

IX. NON-CONTRACT SERVICES

- A. Departments shall contact the Purchasing Division prior to obtaining quotations for any service involving labor, which is not covered by an existing contract to determine the appropriate method of procurement.

- B. If it is determined by the Purchasing Division that bonds, insurance, or prevailing wage are required, the Purchasing Division shall handle the procurement of such service, regardless of cost.

X. PROFESSIONAL SERVICES CONTRACTS-ENGINEERING, ARCHITECTURAL AND LAND SURVEYING SERVICES

Revision 07-03 Approved per City Administrator effective August 28, 2007

- A. Contracts for architectural, engineering and land surveying services shall be negotiated on the basis of demonstrated competence and qualifications for the type of services required and at fair and reasonable prices. The Purchasing Department shall encourage firms engaged in the lawful practice of the architectural, engineering and land surveying professions to annually submit a statement of qualifications and performance data to the City.
- B. As used in the Article unless the context specifically requires otherwise:
 - 1. "Architectural services" means any service as defined in section 327.091, RSMo.
 - 2. "Engineering services" means any services as defined in Section 327.181, RSMo.
 - 3. "Firm" means any individual, firm, partnership, corporation, associates or other legal entity permitted by law to practice the profession of architecture, engineering or land surveying and provide said services;
 - 4. "Land surveying services" means any service as defined in section 327.272, RSMo.
 - 5. "Protest" means any capital improvement project or any study, plan, survey or program activity of the City, including development of new or existing programs.
- C. Whenever architectural, engineering or land surveying services are needed, the Purchasing Agent and the Department Director, or their designated representatives, shall evaluate current statement of qualifications and performance data of firms on file together with those that may be submitted by other firms regarding the proposed project. Except for those cases in which the required services may be provided through an existing indefinite delivery (aka "on call") contract, the Purchasing Agent or designated representative shall prepare a Request for Qualifications (RFQ) designed to ascertain qualifications of firms that may be interested in providing services for the proposed project.
 - (1) The specialized experience and technical competence of the firm with respect to the type of services required;
 - (2) The capacity and capability of the firm to perform the work in question. Including specialized services, within the time limitations fixed for the completion of the project;
 - (3) The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules;
 - (4) The firms' proximity to and familiarity with the area in which the project is located.When an RFQ is used, a selection committee shall be established by the Department Director or designated representative to review the qualifications.

Each committee member will rank each firm according to the criteria set forth in section C (1-4) of this Article. The composite rating of the committee will be used to determine the three top rated firms, which may be interviewed at the discretion of the Department Director. If interviews are conducted, the firms are again individually rated after the interviews according to the criteria contained in section C (1-4) of this Article and a second composite of the committee's rating of the firms.

The Purchasing Agent and the Department Director, or their designated representatives, shall list three highly qualified firms as determined by the process set forth in this section. They shall then select the firm considered best qualified and capable of performing the desired work and negotiate a contract for the project with the firm selected.. If an RFQ is used, the committee's composite rating shall be used to determine the best qualified firm. For a basic for negotiations the Department Director, or their designated representatives, are unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm shall be terminated. Negotiations shall then commence with another of the qualified firms selected. If there is a failing of accord with the second firm, negotiations with such firm shall be terminated. Negotiations shall then commence with the third qualified firm. If there is a failure to negotiate a contract with any of the selected firms, the Purchasing Agent and the Department Director, or their designated representatives, shall reevaluate the necessary architectural, engineering or land surveying services, including the scope and reasonable fee requirements. again compile a list of qualified firms and proceed in accordance with the provisions of the subsection.

XI.-B. SPECIALIZED CONSULTING SERVICE CONTRACTS

A. When a Department determines that specialized consulting services may be necessary regarding a project or program, the Department shall contact the Purchasing Agent or designated representative to determine the appropriate course of action.

B. The Purchasing Agent, or his or her designated representative, with the approval of the City Administrator, or his or her designated representative, may authorize the award of a specialized consulting services contract when the requesting Department has stated in writing that there is a need for such services from the proposed consultant because of specific circumstance which require a unique combination of abilities or expertise to perform . In the event that the contract amount will exceed \$20,000, the contract must be approved by the City Council upon the recommendation of the City Administrator.

XII.-C PROFESSIONAL SERVICES CONTRACTS- CONTRACT APPROVAL PROCESS AND CONTRACT MODIFICATION

- A. The Department Director or designated representative shall prepare a recommendation of award for Council approval for all contracts over \$20,000. The recommendation must be signed by the Purchasing Agent, prior to being placed on the Council Agenda, certifying that all requirements were met. Council approval is not required for the renewal of contracts when the requested price increase does not exceed the renewal period increase established in the original agreement or contracts under \$20,000 that may be authorized by the City Administrator. All multiple year contracts shall contain a clause which states that the Contractor understands that the obligation of the City to pay for goods and/or services under the contract is limited to payment from available revenues and shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City nor shall anything contained in the contract constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the contract shall be construed so as to give effect to such intent.

Upon approval of the Purchasing Agent and City Administrator, professional services under \$5,000 may be exempt from the Request for Proposal and competitive bidding process.

B. Contract Modifications & Supplemental Agreements

In the event it is necessary to change the scope of services that increases the total compensation for a professional services contract valued at \$20,000 or more or if the change will cause the contract amount to exceed \$20,000, a written contract modification or supplemental agreement shall be approved by the City Council prior to the work commencing. Contract modifications or supplemental agreements that do not cause the total contract amount to exceed \$20,000 may be executed by the City Administrator.

In certain limited emergency situations, the City Administrator shall be given the authority to execute an emergency contract modification or supplemental agreement prior to City Council approval to modify the scope of services. "Emergencies" shall be defined as those unforeseen circumstances that present an immediate threat to public health, welfare, or safety; or when immediate response is necessary to prevent further damage to public property, machinery, or equipment; or when delay would result in significant financial impacts to the City as determined by the Department Director and City Administrator. The City Administrator shall only execute the emergency contract modification or supplemental agreement if the work qualifies as an "emergency" and the overall project budget is not exceeded. The emergency contract modification or supplemental agreement would be submitted to the City Council for ratification at the next available meeting.

XIII A. CONSTRUCTION CONTRACTS

- A. Construction contracts, supervised by City of Lee's Summit personnel, shall be bid through the Purchasing Division in accordance with the procedures

established for other purchases by this policy according to applicable price range.

- B. Construction contracts, supervised by outside consulting services shall be bid in coordination with the Purchasing Division. A bid package shall be reviewed by the Purchasing Division and approved by the Department Director or designated representative. Construction contracts shall be prepared by the consultant. The bid shall be advertised by the Purchasing Division and/or Department. The Consultant or the Purchasing Division, as determined by the Purchasing Division and the Department Director or designated representative, shall distribute the bid package to potential bidders. Purchasing shall receive, record and tabulate the bids and shall certify that bids were opened in compliance with all Purchasing Policy requirements. The final award of the bid shall be communicated to the successful bidder by the Purchasing Division.

- C. All construction contracts over \$10,000 must be advertised. All construction contracts in excess of \$20,000 must be approved by the City Council. The Department Director or designated representative shall prepare a recommendation of award for Council approval. Prior to being placed on the Council agenda, the recommendation must be signed by the Purchasing Agent or designated representative, certifying that all purchasing requirements were met.

D. CHANGE ORDERS FOR CONSTRUCTION CONTRACTS

Revised per Resolution No. 09-01, approved by the City manager on February 20th, 2009.

- 1. Contracts \$100,000 and Greater: For changes in quantities, materials, or costs not associated with a change in the contract scope, change orders up to a cumulative total **increase** of five percent (5%) of the original contract amount must be approved by the appropriate Department Director and the City **Manager**. Change orders resulting in **an increased** revised contract amount exceeding five percent of the original contract, any single change order **for an increase of** \$100,000 or more, or any

change in contract scope must go through City Council for approval. **Any change order resulting in a decrease in quantities, materials or costs must be approved administratively by the appropriate Department Director and the City Manager.**

2. Contracts less than \$100,000. For changes in quantities, materials, or costs not associated with a change in the contract scope, change orders up to a cumulative total **increase** of ten percent (10%) of the original contract amount must be approved by the appropriate Department Director and the City **Manager** . Change orders resulting in an **increased** revised contract amount exceeding ten percent of the original contract, any single change order **for an increase of \$10,000 or more**, or any change in contract scope must go through City Council for approval. **Any change order resulting in a decrease in quantities, materials or costs must be approved administratively by the appropriate Department Director and the City Manager.**
3. For all contracts. For changes in contract time not associated with a change in contract scope. Change orders up to a cumulative total of ten percent (10%) of the original contract time must be approved by appropriate Department Director and the City Manager. Change orders resulting in a revised contract time exceeding ten percent of the original contract time, and single change order totaling 30 days or more. Or any change in contract time due to a change in scope must be approved by the City Council.

XIV C. EMERGENCY PURCHASES

- A. The Purchasing Agent or designated representative may authorize emergency procurement of supplies, services, or construction items when there exists a threat to public health, welfare, or safety; or when immediate repair is necessary to prevent further damage to public property, machinery, or equipment; or when City operations

will be adversely affected as determined by the Department Director and City Administrator or designated representatives.

- B. Immediately upon determining that an emergency situation exists, and prior to contacting vendors for supplies and services, the Department shall contact the Purchasing Division to determine the appropriate course of action. Emergency purchases require prior approval of the Purchasing Agent or designated representative and shall be procured by the following procedure. The Purchasing Agent or designated representative shall determine whether the purchase can be procured on an existing purchasing contract on a timely basis; approved "sole source"; or securing a minimum of three (3) quotations from vendors, if a sufficient number of vendors are available. Emergency purchases shall be made with as much competition as practical under the circumstances. Departments must submit emergency purchases on the appropriate form and must include an explanation of the emergency.

- C. The Purchasing Agent shall approve all emergency purchases under \$10,000. Emergency purchases over \$10,000 require the approval of the Purchasing Agent and the City Administrator.

- D. During periods of a "declared city emergency" by the Mayor, purchases may be made in accordance with the City Emergency Operations Plan.

____Article XIII of the City of Lee's Summit Purchasing Policy is hereby amended to read as follows:

XV. SOLE SOURCE

Revised per Resolution No. 08-01 approved by the City manager on November 17, 2008

- A. When a Department determines a sole source may be necessary for purchase of an item, and before contacting the sole source vendor, the Department shall contact the Purchasing Agent or designated representative to determine the appropriate course of action **unless a proposed contract is for an item and vendor designated a per-se sole source.**

B. The Purchasing Agent or designated representative and Department Director or designated representative may authorize a sole source purchase when such a request is presented in writing by the requesting Department that only a single feasible procurement source exists. A single feasible sole source exists when:

1. Supplies or services are proprietary and only available from the manufacturer or a single distributor;
2. Or it is determined that only one (1) distributor services the region;
3. Or when supplies or services are available at a discount from a single distributor for a limited period of time;
4. Or specialized consultant or technical services for a project with specific circumstances which require a unique combination or abilities or expertise to perform the services required.
5. In the event a sole source purchase is in the amount excess of \$20,000, it shall also be approved by the Finance Director and City Manager or their designated representatives and must be approved by the City Council.
6. **The following items/vendors are designated as per-se sole source which may be approved without further verification of sole source status:**
 - **private utility companies contracting to move or relocate their own utility facilities.**
 - **maintenance and support contract with vendors or software or hardware, which are required in order to maintain warranty compliance or pursuant to existing licensing agreements.**

C. SPECIAL PURCHASES

A. The Purchasing Agent, under special circumstances, may purchase up to \$3000, through negotiation without competitive bids. This authority shall be used only when a written determination is made by the Purchasing Agent that no better prices could have been obtained through competitive bidding. Orders of this

nature may not be placed more than once during any 90 day period with any one firm or organization.

D. POLICY FOR THE ADMINISTRATIVE ACQUISITION OF RIGHTS-OF-WAY AND EASEMENTS

Revised per Resolution No. 05-16, passed and adopted by City Council, December 1, 2005.

A. Purpose: The purpose of this policy is to provide an administrative approval process for acquiring rights-of-way and easements needed for City projects.

B. Definitions: As used in this article, the following terms shall have the described meaning:

Settlement Amount - the amount to be paid by the City in consideration of receiving a Property Interest from a property owner.

Appraised Value - the fair market value of the subject property as determined by the City's qualified appraiser.

Excess Amount – the difference between the Settlement Amount and the Appraised Value.

Property – legal interests in real estate acquired for the following purposes: rights-of-way, storm water and sanitary sewer easements, water line easements and temporary construction easements.

C. Conditions: Staff is authorized to acquire Property administratively when the following conditions are met:

1. The Property is needed in order to proceed with a project that is part of the Capital Improvement Program that has been approved by the City Council; and,
2. Funding for said project has been included in the current annual budget approved by the City Council.

If the above conditions are met, the acquisition of Property may be approved administratively in the following situations, and subject to the procedures detailed herein.

D. Procedures

1. If the proposed Settlement Amount is equal to or less than \$5,000.00, the City Administrator may approve the acquisition of the Property.
2. If the proposed Settlement Amount is between \$5,000.00 and \$20,000.00, the City Administrator may approve the acquisition of the Property if the Excess Amount is not greater than 10% of the Appraised Value.
3. If the proposed Settlement Amount is not in excess of \$50,000.00, and is equal to or less than the Appraised Value, the City Administrator may approve the acquisition of the Property.
4. All other proposed acquisitions must be presented to the Mayor and City Council for approval.

E. The City Administrator, or the City Administrator's designee, is authorized to execute all documents necessary to carry out the intent of this policy.

F. All deeds, agreements and other documents used for an acquisition under this policy must be approved by the Law Department.

E. SALE AND LEASE OF REAL PROPERTY

Revised per Resolution No. 05-16, passed and adopted by City Council, December 1, 2005.

- a. The Mayor and City Council may lease real property which is currently underutilized in order to maximize the return of the property to the City until such time as such properties shall be required for public usage, after following an applicable process which results in a fair market value determination which is financially most advantageous to the City.
- b. Nothing herein shall prevent, the City Administrator or designated representative from negotiating the lease to a Lessee of any real property that is shown to have a unique value to such Lessee due to its configuration, accessibility or size. Mayor and City Council shall have final approval of all such negotiations and any transaction.

- c. The Mayor and City Council may sell real property after following an applicable process which results in a fair market value determination which is financially most advantageous to the City.
- d. Nothing herein shall prevent the City Administrator or the City Administrator's designated representative from negotiating for sale or trade to a buyer any real property that is shown to have a unique value to such buyer due to its configuration, accessibility or size. The Mayor and City Council shall have final approval of all such negotiations and any related transaction.

XVI. PRODUCT TESTING/DEMONSTRATIONS

- A. Product demonstrations may be held as deemed appropriate by the department without prior approval of the Purchasing Division.
- B. Prior to taking into the City's possession any item for testing or evaluation, departments shall contact the Purchasing Division for approval. Purchasing shall notify the vendor in writing that the City has taken the item into possession for test purposes only and if a purchasing decision is made, that decision will be communicated directly to the vendor at the end of the test period. In no event shall the retention of a test item by the City be evidence of intent to purchase said item.

XVII. GENERAL INSTRUCTIONS

A. SPECIFICATIONS

- 1. It is the responsibility of the department to write their specifications and establish the quality of the product or service required, using standard bid formats prepared by the Purchasing Division. The Purchasing Division may assist the department in writing specifications, upon department request.

2. Specifications shall be written to require competition at the manufacturer's level when possible. Use of a brand name specification shall include the designation "or an approved alternate". A "no substitute" request must be approved by the Purchasing Division following written justification by the department as to why no other brand will meet the need.

B. MULTIPLE PURCHASES

1. Making multiple purchases for the purpose of avoiding the bidding process shall not be permitted and shall be considered a violation of this Policy.

C. INVOICES

1. Vendors are to be instructed to send all original invoices to the City of Lee's Summit Accounts Payable Department, P.O. Box 1600, Lee's Summit, Missouri 64063.

D. DESIGNATED REPRESENTATIVES

5. Throughout this Policy several references have been made to "designated representatives", in order to assure that proper authority has been given to an individual who represents themselves as a "designated representative" the departments are requested to make an effort to communicate said designated authority to the Purchasing Division when appropriate.

6. The Purchasing Division reserves the right to request evidence of an individual's "designation".

E. RECYCLED PRODUCTS

1. The City shall purchase recycled content products over those made from virgin materials when cost, quality, variety, quantity, delivery time and any other defined specifications are comparable to products made from virgin materials.

F. CONFLICT OF INTEREST

1. It shall be considered a conflict of interest and a violation of the City's disciplinary policy for a city employee or an immediate family member to attempt to conduct, or conduct, business with the City as a vendor of goods or services if the employee is involved directly or indirectly with the City's procurement process of the particular items such as preparing specifications, making recommendations, accepting materials or performing any other management act.

G. PURCHASES SUPPORTED BY GRANT FUNDS

1. Departments shall review all requirements for grant funds used in the procurement of items to insure the bidding process required as a condition to receiving said grant funds are complied with during the procurement of the item. The Purchasing Division will assist in the inclusion of all required procedures that are in addition to the requirements of this policy.

H. PURCHASING POLICY SUPPLEMENTAL

1. In the event a specific procurement procedure is required to be in writing when the City is purchasing an item which is funded in whole or in part by grant funds, ie. CDBG, the City Administrator shall have the authority to authorize the amendment of this Purchasing Policy by supplement to incorporate the special requirements of that procurement.

D. DELIVERY OF ITEMS

1. When items are delivered to City Departments, the only paperwork to be signed is the delivery notice. Any other vendor purchase order, document, contract, warranty, maintenance agreement, etc. are NOT to be signed at delivery. All such documents shall be forwarded to the Purchasing Agent or designated representatives.

2. Once the Purchasing Agent or designated representatives receive the aforementioned documents they will coordinate review and execution of the documents with the applicable Department Directors or designated representatives.

XIII. BUDGET

1. It shall be the Department Director's responsibility to ensure that all items to be purchased, of material value, have been approved through the budget process. Unbudgeted or unanticipated items may be purchased during the fiscal year with notification provided to the Finance Department indicating an alternate funding source within the respective department's budget.

2. The Finance Director and Department Director or department designated representative will forward the request with a recommendation to the City Administrator for approval. All other applicable purchasing policy requirements shall be followed for the procurement of the previously unbudgeted item, once approved by the City Administrator.

XIX. DISPUTES ,ADJUSTMENTS AND APPEALS

A. Departments shall notify the Purchasing Division, in a timely manner, concerning any complaint or dispute regarding an order, delivery, specification, defective goods or poor performance by a supplier. Any decision concerning an attempt to cancel a contract or an attempt to resolve a dispute regarding defective products

or unacceptable services shall be made jointly by the Purchasing Division and the Department Director(s) or department designated representative. Any correspondence with suppliers shall be made available to both the Department Director and the Purchasing Agent.

- B. In the event a procurement dispute arises between the requesting Department and the Purchasing Division, the Assistant to the City Administrator supervising the Purchasing Division shall make the final decision. If the Department Director of the requesting Department does not agree or accept the decision of said Assistant to the City Administrator, the requesting Department Director and the said Assistant to the City Administrator may discuss the issue with the City Administrator, or designated representative, and the City Administrator, or designated representative shall make the final decision.

XX. UNAUTHORIZED PURCHASES

The purchase of an item must be made in accordance with the Purchasing Policy and Procedures. Any purchase of item, which does not comply with these procedures shall be considered an unauthorized purchase. Whenever funds have been expended or payment cannot be avoided on an unauthorized purchase, anyone may report the matter in writing to the Department Director and to the City Administrator for action. Said action may include discipline in accordance with the City's disciplinary policies.

XXI. RESPONSIBILITY FOR ENFORCEMENT

- A. The City Administrator will have the responsibility for the enforcement of this administrative policy. Department Directors will be entrusted with the responsibility of enforcing the policy within their departments.

XXII. POLICY AMENDMENT

- A. The City Administrator may authorize amendments to this administrative policy in furtherance of the goals of this Policy.

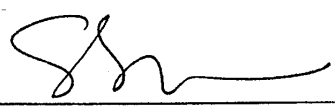
XXIII: BID PROTESTS

Revised per Revision 07-02 approved by City Administrator on September 1, 2007

- (1) Right to Protest. Any actual or prospective bidder who is aggrieved in connection with the solicitation or award of a contract may protest to the Purchasing Manager. The protest shall be submitted in writing within 48 (forty-eight) hours after such aggrieved person knows or should have known of the facts giving rise thereto. The protest shall identify specific issues that are being protested and the facts that the protestor believe supports their claim (it is the protestor's responsibility to establish their case).
- (2) Review of Protest. The Purchasing Manager shall have the authority to resolve a protest of an aggrieved bidder concerning the solicitation or award of a contract. This authority shall be exercised in accordance with the City's Purchase Policy and subject to the approval of the City Administrator.
- (3) Decision. The Purchasing Manager shall issue a decision in writing within three (3) days of receipt of the protest. The decision shall state the reasons for the action taken.
- (4) Notice of Decision. A copy of the decision under Subsection (3) of this Article shall be mailed or otherwise furnished immediately to the protestor and any other party intervening.
- (5) Appeal. A protestor may appeal the decision of the Purchasing Manager by submitting a written appeal to the City Administrator within five business days of the date the Purchasing Manager's decision under Subsection (3) of this article. The written appeal shall state with specificity the facts supporting the protestor's position. The appeal shall be reviewed by the City Administrator, or his designee, who will issue a decision in writing 5 (five) business days of receipt of the protestor's timely filed written appeal.
- (6) Finality of Decision. A decision under Subsection (3) of this Article shall be considered final and is not subject to appeal or further consideration unless a timely appeal is filed under Subsection (5). In the event of a timely appeal under Subsection (5) the decision of the City Administrator, or his designee, shall be considered final and not subject to appeal or further consideration.
- (7) Stay of Procurements During Protests. In the event of a timely protest under Subsection (1) of this Article, the City of Lee's Summit shall not proceed further with the solicitation or with the award of the contract until the Purchasing Manager issues a decision under Subsection (3) or (until the City Administrator, or his designee, renders a decision on appeal pursuant to Subsection (5) of this Article), or until the Purchasing Manager, after consultation with the City Administrator, makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the City of Lee's Summit.

The procedure provided by this Article is intended solely as an attempt to provide bidders with the opportunity to communicate perceived issues to the City's Purchasing Department. It is not intended to create any legal right, cause of action, property interest or independent means of redress that does not otherwise exist under Missouri Law. This article shall not serve to abrogate or effect the City's exclusive right to determine the lowest and most responsible bidder in any particular bid situation.

5/1/03
Date


Shelley Temple-Kneuvean, Acting City
Administrator

(Current as of 5/2006)