

AN ORDINANCE REPEALING THE CURRENT CITY OF LEE'S SUMMIT PURCHASING POLICY MANUAL AS ADOPTED BY RESOLUTION NO. 99-04 AND ADOPTING IN LIEU THEREOF A NEW POLICY ENTITLED THE CITY OF LEE'S SUMMIT PROCUREMENT POLICY.

WHEREAS, the City of Lee's Summit Procurement and Contract Services Division of the Finance Department provides semi-centralized procurement of goods and services for City operations; and,

WHEREAS, through the adoption of Resolution No. 99-04 on February 18, 1999, the City Council of the City of Lee's Summit, Missouri, established the City of Lee's Summit Purchasing Policy which set forth policy guidelines which were intended to assist in the procurement of necessary goods and services at economical prices while ensuring compliance with all applicable laws and policies and simultaneously maintaining confidence in government expenditures; and,

WHEREAS, the City Council has approved, by Resolution, a number of revisions and updates to the City of Lee's Summit Purchasing Policy, including the following: Resolution No. 03-07; Resolution No. 05-16; and Resolution No. 06-06; and,

WHEREAS, a number of administrative revisions have also been implemented into the City of Lee's Summit Purchasing Policy, including revisions related to Bid Protests, Professional Services Contracts for Engineering, Architectural and Land Surveying Services, Sole Sources, and Change Orders, the latest revisions occurring in February 2009; and,

WHEREAS, it has been identified by the Director of Finance and further confirmed through the completion of a professional procurement audit completed by the City's contract service provider, Rubin Brown, LLP, that substantial revisions are needed to the City of Lee's Summit Purchasing Policy; and,

WHEREAS, in response to this identified need, the Procurement and Contract Services Manager assembled a committee comprised of representatives of a majority of City Departments to review and propose revisions to the City of Lee's Summit Purchasing Policy; and,

WHEREAS, the proposed revisions to the City of Lee's Summit Purchasing Policy were compiled and organized to create the City of Lee's Summit Procurement Policy, which was presented to the City Council as a discussion item on August 17, 2017; and,

WHEREAS the City of Lee's Summit Procurement Policy includes within it significant changes to the City of Lee's Summit Purchasing Policy, including, but not limited to: increased efficiencies and effectiveness of procurement processes, streamlining of procurement processes, enhanced checks and balances to ensure fiscal responsibility in the utilization of public funds, more efficient and effective purchasing thresholds, and the establishment of disciplinary procedures for non-compliance or violations; and,

WHEREAS, the City Council of the City of Lee's Summit, Missouri now desires to repeal the City of Lee's Summit Purchasing Policy and enact in lieu thereof the City of Lee's Summit Procurement Policy which was presented for consideration at the August 17, 2017 City Council Work Session.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City of Lee's Summit Purchasing Policy as adopted by Resolution No. 99-04, and as amended from time to time, be and is hereby repealed.

SECTION 2. That the City of Lee's Summit Procurement Policy, attached hereto as "Exhibit A" and incorporated herein by reference as though fully set forth, be and is hereby adopted.

SECTION 3. That the City Manager is authorized to make or cause to be made purchases consistent with the provisions of the City of Lee's Summit Purchasing Policy and in accordance with applicable requirements for the budgeting and appropriation of funds.

SECTION 4. That should any sentence, section, or clause of this Ordinance be declared invalid of unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

SECTION 5. That this Ordinance shall be in full force and effect from and after the date of its adoption, passage and approval by the Mayor.

PASSED by the City Council of Lee's Summit, Missouri this 5th day of October, 2017.



Mayor Randall L. Rhoads

ATTEST:



Deputy City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of said City this 10th day of October, 2017.



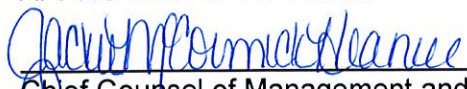
Mayor Randall L. Rhoads

ATTEST:



Deputy City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:



Chief Counsel of Management and
Operations/Deputy City Attorney
Jackie McCormick Heanue



LEE'S SUMMIT
MISSOURI

Procurement Policy

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

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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 ten 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.

SECTION 15. PROCUREMENT POLICY REVIEW

The Procurement Policy shall be reviewed no less than every two years to ensure that the policy is current with any and all applicable local, state and federal laws as well as City processes and procedures. Any proposed revision(s) shall be discussed with a Procurement Policy Committee that shall be derived from representative(s) from City departments. Those revisions deemed necessary to implement shall be presented to the City Council for approval and adoption.

QUICK REFERENCE GUIDE

Procurement Method

<p>Unrestricted \$.01 - \$2,999.99</p>	<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
<p>Quotes \$3,000.00 - \$9,999.99</p>	<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
<p>Informal Bid/Solicitation \$10,000.00 - \$49,999.99</p>	<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
<p>Formal Bid/Solicitation \$50,000.00 and Over</p>	<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
<p>Purchase Order</p>	<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)
<p>Inverted Purchase Order</p>	<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>P-Card</p>	<p>-Procurement and P-Card Policies must be adhered to</p>

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.