



LEE'S SUMMIT
MISSOURI

Procurement Policy

for the

City of Lee's Summit, Missouri

Approved by City Council: TBA
Ordinance No. TBA

**City of Lee's Summit
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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 goods, services, construction or real estate through purchase, lease, or grants.

Affidavit: A written statement of facts provided by one party which may be made 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: A written addition to, deletion from, correction or modification of a document or contract that is agreed to and signed by both parties to the 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 an agreement or contract to a bidder or offeror.

Best and Final Offer (BAFO): In a competitive 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.

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 Order 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 construction contract or construction project 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, 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 obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent; legality of purpose; and definiteness. A legally binding promise, enforceable by law. An agreement between parties with binding legal and moral force, usually exchanging goods or services for money or other considerations.

Contractual Year: The dates used to identify annual spend on a contract when the contract's dates are not congruent with the fiscal year; such as 3/22/19 – 3/21/20. The amount is used in determining the appropriate approval level in Section 4.

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.

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; where delay would result in significant financial impact to the City as determined by the City Manager; or an emergency as declared by the Mayor.

Enterprise Resource Planning (ERP): A business process software system that manages multiple management systems. May include finance, accounting, human resources, purchasing, inventory control, and other activities.

eProcurement (ePro): Conducting all or some of the procurement function over the Internet through point, click, buy, and ship Internet technology.

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 that must be submitted in a sealed envelope and in conformance with a prescribed format to be opened in public at a specified date and time. As it pertains to the City, formal bids must be solicited for all goods or services \$75,000.00 or more.

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, price quotation or proposal for goods or services that is conveyed by a letter, e-mail or other written manner that does not require a formal sealed 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. As it pertains to the City, informal bids/proposals are to be solicited for goods or services when the annual spend is to be less than \$75,000.00 annually.

Interested Party: an actual or prospective bidder or offeror whose economic interest may be affected substantially and directly by the issuance of a solicitation, the award of a contract, or by the failure to award a contract. Whether an actual or prospective bidder or offeror has an economic interest will depend upon the circumstances of each case.

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.

Life Cycle Cost: The total cost of ownership over the life span of the asset.

Lowest and Best: in determining the lowest and most responsive and responsible bidder, cost, and other factors are to be considered in the evaluation process. Factors may include, but are not limited to, value, performance, and quality of a product. 34.010.2 RSMo.

Procurement: Purchasing, renting, leasing, or otherwise acquiring any goods, 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 City’s chief procurement officer responsible for management of Procurement and Contract Services, monitoring of services provided by the division, and other responsibilities as designated within the policy.

Protest: A written objection by an interested party to a solicitation or award of a contract with the intention of receiving a remedial result. May be filed in accordance with the agency policy and procedure within predetermined timelines.

Project: A planned piece of work that has a specific purpose (such as to find information/solution or to make something new) and that usually requires a lot of time.

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 goods, 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.

Quotation: 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.

Real Property: Real property shall be disposed of or acquired as allowed under this policy and state statute.

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 Qualifications (RFQ): A document issued by the City to obtain statements of qualifications for professional services such as architectural, engineering, land surveying, or landscape architecture. This document is part of the QBS process.

Requisition: An internal document by which a using agency sends details of goods or services 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.

Scope of Work (SOW): A detailed, written description of the conceptual requirements for the project contained within a Request for Proposal. The scope of work should establish a clear understanding of what is required by the entity.

Sole Sourcing: A situation created due to the inability to obtain competition. A procurement method where only one supplier possesses the unique ability or capability to meet the particular requirements of the solicitation. As it pertains to the City, a sole source justification from the requester is required as set forth in this policy.

Solicitation: A term for the process of obtaining pricing from vendors for goods and services. A City solicitation may take the form of a Quote, Bid, Request for Proposal, Request for Qualifications, or Invitation to Negotiate.

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.

Surplus Property: Refers to goods or materials that are obsolete or no longer needed by the agency and are designated for disposal. Said items may disposed of by auction, sealed bid or disposal.

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 goods 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 a single occurrence 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.

SECTION 2. AUTHORITY AND ENFORCEMENT

2.1 Compliance with Policy. The acquisition of property, goods, and services 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 specified by City Charter or approved by the City Council.

2.2 Parks and Recreation Department. Procurement for the Parks and Recreation Department shall emulate 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 the Parks and Recreation Department. The Parks and Recreation Board may exercise the authority that would otherwise be exercised by the City Council, as set forth in this policy, regarding procurements for the Parks and Recreation Department.

2.3 Authorized ERP System Users. Department Directors shall submit to the Finance and Information Technology Services (ITS) Departments 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 Finance and ITS Departments of any changes to the departmental listings. ITS shall update the City's ERP system accordingly.

2.4 Unauthorized Purchases/Transactions. Any purchase or any transaction that does not comply with this policy shall be considered an unauthorized purchase and may result in disciplinary action, which may also include repayment/restitution to the City. When an unauthorized purchase becomes evident, the Procurement and Contract Services Manager, P-Card Administrator (if applicable), designated procurement representative or any other City employee 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, P-Card Administrator (if applicable), and City Manager.

2.4.1 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.

2.4.2 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 2.4.1 Enforcement.

2.5 Split Purchase. A split purchase is intentionally breaking an order or project to an external vendor(s) in to two or more purchases/payments to avoid procurement policy processes. Split purchases shall not be permitted and shall be considered a violation of this Policy.

2.6 Contracting Authority. Unless otherwise established by the City Charter, this policy, or by the City Council, the City Manager shall execute all documents necessary to effectuate the procurement of goods and services or that generate revenue on behalf of the City of Lee's Summit. All approval levels and requirements stipulated in this policy shall be adhered to, unless otherwise approved by the City Council.

2.7 Renewal of Contracts/Agreements. Contracts/Agreements may be renewed (i) automatically, (ii) as specified in the Contract/Agreement, (iii) by the City Manager without additional Council approval as long as the original Contract/Agreement contained terms allowing for renewals. If a vendor requests a price increase, Procurement shall refer the price increase to the User Department for approval. If applicable, prior to execution by the City Manager, the resulting renewal contract/agreement shall be approved by the Law Department.

2.8 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 by Section 105.450, RSMo., as amended.

The City recognizes it is difficult or impossible for every employee utilizing a purchasing card to know of every entity which a Councilmember, the Mayor or another employee may hold a substantial 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.

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 Preference Policy. The City does not have a preference policy to purchase goods or services from state, local, or minority enterprises. The City encourages participation in solicitation processes from local and regionally based businesses through education and recruitment activities. The City engages in processes to foster participation of qualified small and minority businesses and women's business enterprises as required by grant funding as more fully outlined in Section 3.5, below.

3.3 Domestic Product Policy. The City of Lee's Summit has adopted a formal written policy to encourage the purchase of domestic products that are manufactured or produced in the United States (See City of Lee's Summit Resolution No. 87-18, Section 34.353 3(5) RSMo.).

3.4 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 cost.
- d. Impacts and threats of harm to human health or the environment.
- e. The environmental performance of vendors in providing products and services.

3.5 Purchases Supported by Grant Funds. Departments shall review all requirements for grant funding to ensure 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.

- To encourage participation from qualified small and minority businesses and women's business enterprises, the City will add qualified businesses on solicitation lists; send solicitation notices to qualified businesses and as appropriate use such organizations as the Small Business Administration and the Minority Business Development Agency to identify qualified businesses.
- To the extent that a grant contains a requirement related to mandatory procurement policies that are not contained in this Procurement Policy, the City Manager shall have the authority to waive provisions of this policy in the form of a written memorandum for the limited purpose of ensuring compliance with the grant

requirement; such requirements however shall not alter the approval levels as set forth herein, or violate any existing ordinances or resolutions of the City. Any such waivers shall be made in writing.

3.6 Product Testing/Demonstrations. Product testing and demonstrations may be held as deemed appropriate by the Department, and does not require prior approval of Procurement and Contract Services. In no case shall the retention of a test item by the City be evidence of intent to purchase said item.

3.7 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 follow this procurement policy. Prior approval of the CTO or designee is required to purchase, transfer, or dispose of any computer software or related hardware.

3.8 Capital Asset Items. Departments shall follow 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 all of the following are met:

- a. It is tangible in nature;
- b. Has a useful life of two or more years; and
- c. Has a value exceeding \$5,000.00.

3.9 Sensitive Asset Items. A sensitive asset is an asset with a value of \$5,000.00 or less 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 by the department assigned with responsibility of the asset. Examples of sensitive asset items include but not limited to, fire arms and weapons; computers; cell phones; and audio-visual equipment.

3.10 Construction Projects. Construction Projects should be procured through and coordinated with the Public Works Department. Projects of this type and size require specific construction documents, professional services and management. Section 4 Approval Levels apply to Construction Projects.

3.11 Licenses. If applicable, the Procurement and Contract Services Division shall be responsible for ensuring that valid business licenses are on file for Procurement contracts. If applicable, for purchases made by a department or division other than Procurement, the procuring department shall be responsible for confirming a valid business license exists.

To extent permitted by the City Code, a business license shall not be required if the vendor's place of business does not reside within the corporate limits of the City of Lee's Summit and the vendor is only delivering products or equipment within the City.

3.12 Insurance Requirements. If applicable, vendors shall provide a certificate of insurance and endorsements in accordance with all contractual requirements. Contact the Risk Manager in the Law department for assistance with insurance requirements.

3.13 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. The department must provide said forms to the City's Accounts Payable Division.

3.14 Work Authorization and E-Verify. For any contract for services greater than \$5,000, the successful bidder shall comply with Section 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.

3.15 Prevailing Wage. Contracts for construction or major repair projects that have an estimated or actual expenditure of \$75,000 or more shall comply with Section 290.210, RSMo. et seq, as amended. Missouri's prevailing wage law establishes a minimum wage for certain projects. For assistance determining if a project is prevailing wage, contact the Law Department.

3.16. Contract Total Cost: When determining the total cost for a Contract, Departments shall include the annual cost of goods, services, maintenance, shipping, handling, travel expenses, labor, installation, and any other ancillary costs ("Contract Total Cost"). The amount of the Contract Total Cost determines which approval level in Section 4 applies. The annual Lease amount for equipment or real property and associated ancillary costs shall be used as the total cost when applying approval levels in Section 4.

3.17 Funding. Prior to initiating any procurement, staff shall ensure that sufficient budgeted funds are available for the acquisition of the goods and/or services.

3.18 Purchase Orders. Absent extenuating circumstances, staff should process a purchase order prior to making a purchase from an awarded Quote, Bid, RFP, RFQ, or other solicitation process to assure City and Vendor compliance to the contract or the City's standard terms and conditions are incorporated. Examples of crucial times to process a purchase order are projects that have Prevailing Wage, cover multiple years, goods that may have a lead time, or when it is critical the City's terms and conditions are included.

For small day to day discretionary purchases staff should find the best value and may use a City issued purchasing card (P-card) to make purchases in person or online in compliance with Procurement and P-Card Policies.

SECTION 4. APPROVAL LEVELS

The following approval levels, based on annual Contract Total Cost, apply to the purchase of goods and services. Unless otherwise stated herein, any contract in which the City is expending \$75,000.00 or more annually, or is anticipated by City staff to result in expenditures of \$75,000.00, or more annually must be approved by the City Council before it is executed. Process descriptions are in Section 5 Solicitation Processes.

The Procurement and Contract Services staff will assist in determining the appropriate method of procurement. Contact Procurement and Contract Services for assistance.

Service purchases of less than \$5,000.00: A contract or insurance rider may be needed for services performed on City property or if vendor is interacting with the Public on the City's behalf. User Department shall contact the Risk Manager for insurance requirements.

4.1 Level I – Discretionary Transactions \$0.01 - \$4,999.99. If the annual Contract Total Cost or a single transaction is \$4,999.99 or less, the Department will identify sources for the item or service and select the best value for the City. The Department designee approves the transaction.

4.2 Level II – Quotes \$5,000.00 - \$19,999.99. If the annual Contract Total Cost or a single transaction is between \$5,000 and \$19,999.99, the Department shall obtain quotes as outlined in Section 5.1 Quotes. The Department designee approves the transaction. The quotes and quote tabulation form are emailed to the designated procurement officer to be attached the purchase order.

4.3 Level III – Informal Solicitation \$20,000.00 - \$74,999.99. If the annual Contract Total Cost or a single transaction is between \$20,000 and \$74,999.99, the Department director or designee approves the award of the purchase and comply with the following procurement methods:

- A) If the transaction is a one-time purchase of a good then quotes may be used (Section 5.1 A Quotes). Identify and select the best value based on the quotes. The quotes and quote tabulation form are emailed to the designated procurement officer to be attached the purchase order.
- B) If procuring a service or making multiple purchases of the same item(s), then the department designee shall contact the designated procurement officer to identify the best solicitation method. The resulting solicitation shall be reviewed by Procurement and Law prior to publication. The contract shall be reviewed and approved by the Law Department and City Manager.

*Expenditures on Level III solicitations and resulting agreements will be reviewed annually. If annual Contract Total Cost exceeds \$75,000.00 then either (i) a formal solicitation must be issued, a new contract executed and presented or (ii) the contract renewal must be approved by the City Council before it is executed. The increased spend may be the result of additional departments utilizing a valuable contract.

4.4 Level IV – Formal Solicitation \$75,000.00 and over. If the annual Contract Total Cost or a single transaction is \$75,000 or higher, the City shall issue a formal solicitation and the Department Director, Law Department, and City Council must approve the Contract before it is executed by the City. The Department shall coordinate the formal solicitation type and process with Procurement and Contract Services.

4.5 Revenue Generating Contracts. The approval levels outlined in the Section 4 shall apply to contracts or agreements that generate revenue for the City rather than the expenditure of City funds.

SECTION 5. SOLICITATION PROCESSES

5.1 Quotes

- A) Goods Only:** If a Department is procuring only goods, the Department shall get quotes from three (3) or more vendors (when possible). Quotes shall be documented on the Quote Tabulation Form (including phone quotes) found on the City intranet. A multi-line quote document from the vendor that provides at least the same information as found on the Quote Tabulation Form may be attached to the Quote Tabulation Form. The Department designee approves the selection and emails the Quote Tabulation Form and all Vendor quotes to the applicable Procurement Officer to be attached to the purchase order. A Quote may be used for multiple transactions not to exceed a total of \$19,999.99 for the fiscal year. For goods only, a quote may be used to make a one-time purchase up to the maximum amount of \$74,999.99. See 3.16 Contract Total Cost.
- B) Services:** If a Department is procuring services, or goods and services, a quote may only be used to make a one-time purchase up to the maximum amount of \$19,999.99. Prior to making the purchase, the Project Manager for the Department shall develop a scope of work and/or specifications for the project. The Project Manager prepares and distributes the Quote Form to three (3) or more vendors. Upon receiving the responsive quotes from the Vendors, the Project Manager identifies the quote that provides the best value for the project. Once the Project Manager has all the required documents from the selected Vendor, the Project Manager creates the purchase requisition and emails the quote and required documents to the Procurement Officer for attachment to the purchase order.

Documents for processing Quotes are on the City's Intranet.

5.2 Bids (Level III and Level IV). The anticipated or historical Contract Total Cost per contractual year shall determine the appropriate solicitation method. To comply with this policy, the Department shall coordinate the bid with the appropriate staff in Procurement and Contract Services. The Department is responsible for providing Procurement and Contract Services with detailed specifications and/or scope of work for the solicitation. The Procurement and Contract Services staff will assist in determining any special requirements, tentative timeline for the project, estimated costs, roles, and possible suppliers. Documents prepared by Procurement and Contract Services staff will be submitted to the Department for review and approval prior to publishing.

The Department shall evaluate the bids and make a recommendation for award. The bid shall be awarded to the lowest and most responsive and responsible bidder.

If a bid is recommended for award to other than the lowest and most responsive and responsible bidder, a full and complete statement of the reasons for such a recommendation shall be prepared by the City and filed in the bid file. The City shall not award a bid to an entity other than the lowest and most responsive and responsible bidder if the decision for doing so is based on reasons not set forth in the bid, discriminatory reasons, or reasons that are prohibited by law.

5.2.1 *Informal Bidding* (Level III) – A written bid form is distributed to three (3) or more potential vendors (when possible), but does not require public advertising or City Council approval. The Department may choose the method of response to be required (i.e. written or electronic or both). The deadline for submission of bids may be extended by the City as long as bidders have been notified before the original closing date and time, or, if applicable, the amended closing date and time. Generally, the informal bid process from solicitation to the opening of offers takes from ten (10) days to two (2) weeks. The evaluation and award process may take up to thirty (30) additional days.

5.2.2 *Formal Bidding* (Level IV) – A written bid form with detailed specifications or statements of work is distributed to vendors and the appropriate public advertisement as required is posted. Based on the project type, performance, payment, and bid bonds may be required. The bid shall state the date and time after which bids will not be accepted. The deadline for submission of sealed bids may be extended by the City as long as any received bids remain sealed and bidders have been notified before the original closing date and time, or, if applicable, the amended closing date and time. Generally, the process takes anywhere from two to four weeks. After bids are opened the evaluation, selection, and award process may take up to an additional ninety (90) days.

5.3 Request for Proposals (RFP) (Level III and Level IV). The Project Manager shall work with Procurement and Contract Services to define the scope of work, any special requirements, tentative timeline for the project, estimated costs, roles, proposal evaluation criteria, and possible suppliers. The evaluation criteria may include, but is not limited to: responsiveness to project needs, evidence of experience, reliability, references, expertise of firm, expertise of key personnel, project approach, and cost. The deadline for submission of proposals may be extended by the City as long as proposers have been notified before the original closing date and time, or, if applicable, the amended closing date and time.

5.3.1. *Selection Committee* – A selection committee shall be established by the Project Manager to review the proposals and score each proposal according to the criteria established in the Request for Proposal.

5.3.2. *Evaluation Process* – The selection committee shall first score each proposal received on criteria established in the Request for Proposal. The composite scores of the committee shall be used to determine the top rated firms. If the committee determines that interviews are needed, firms will again be scored after the interviews and the interview composite score recorded. The interview composite score sheet, if applicable, will be used to determine the highest rated proposal.

5.3.3. *Evaluation of Cost* – Cost shall be evaluated using a pre-established formula based upon the weight assigned to that criteria. Cost may be considered at initial evaluation, following initial proposal scoring, or incorporated after scoring has been completed.

5.3.4. *Negotiation Process* – Upon determining the highest scored respondent, the Project Manager will then begin negotiations with the respondent receiving the highest score. If the City is unable to negotiate mutually agreed upon terms related to the proposal or project with the top scoring respondent, the City may begin negotiations with the second highest scoring respondent, and so forth until mutually agreed upon terms related to the proposal or project are reached. After said terms have been reached, the City may 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.

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

5.4.1 The ITN shall include: (1) a statement of the goods or services sought; (2) the time and date for the receipt of replies 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.

5.4.2 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. The City may negotiate concurrently with multiple respondents selected for negotiations.

5.4.3 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 the terms agreed upon 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.

5.4.4 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.

5.5 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 RSMo 8.285, et. seq. QBS may be used for other types of services allowed or required by law and determined by the Project Manager.

5.5.1 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 (RFQ). The RFQ 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; and/or

- The respondents understanding of the required services and specific ways in which the firm is most qualified to provide those services.

5.5.2 For design-build RFQs the criteria may also include a list of architects, engineers, land surveyors, contractors, etc. proposed to provide services.

5.5.3 When an RFQ is used, a selection committee shall be established by the Department Director or the Project Manager to review the qualifications. Each committee member will score each respondent's response according to the criteria set forth in the RFQ. The scoring 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 scored after the interviews according to the criteria and a final scoring by the committee will determine the most responsive and qualified respondent(s). The solicitation file shall contain documentation of the basis for selection.

5.5.4 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 highest scoring 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 all of the most responsive and qualified, top-rated respondents, as determined by the Department Director or the Project Manager, the Department Director or the Project Manager 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.

5.5.5 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.

5.6 Use of Approved On-call Contracts for Goods and/or Services: An on-call contract for goods is a contract for goods such as rock, road salt, fuel, concrete or other commodities are natural or manufactured. An on-call contract for services is a contract for services such as engineering, architectural, land surveying, consulting, construction, specialized or technical services. An on-call contract for goods and/or services in which a source of supply is established for a specified period of time for specified goods and/or services all at a predetermined unit price. When utilizing an on-call contract for services, 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 terms and applicable rates or other costs contained in the contract that will be used for work performed on an hourly or other unit price basis.
- c. For each project, an addendum to the on-call contract shall be prepared reciting the scope of services to be provided, payment terms and fee schedule and any other project specific terms.
 - c.1. Projects which have received appropriation through the budget process which can be completed through use of an on-call contract, may be awarded without additional City Council approval, unless (i) the aggregate annual spend of the on-call contract is \$75,000 or more and the on-call contract has not been previously approved by City Council or (ii) the aggregate spend under the on-call contract exceeds the appropriated budget for such projects.
 - c.2 On-call contracts with a total annual spend of less than \$75,000.00 shall be approved by the appropriate staff as identified in Section 4. Approval Levels.

5.7 Requests for Information (RFI). A RFI is used prior to preparing documents for a Bid, RFP, or RFQ.

SECTION 6. ALTERNATIVE PROCUREMENT METHODS

6.1 Cooperative Purchasing. Cooperative Purchasing is a form of procurement that can take many forms.

Common forms used by the City are:

- Two or more entities combine requirements and solicit bids or offers for goods or services.
- Entities include terms in their solicitations that allow a similar entity to piggyback on the awarded contract.
- Third Party Aggregators that bring multiple entities together to represent their requirements resulting in the award of contracts.

A cooperative contract is primarily intended for purchases of goods only. If a Department desires to use a cooperative contract for services, please contact Procurement and Contract Services. For approval purposes, the approval levels defined in Section 4 shall apply. The City Manager shall have the authority to approve the City's participation in cooperative contract(s).

Procurement and Contract Services will review cooperative contract(s) to make sure they are competitively awarded and cost effective, and contain all of the legally required terms and conditions, including E-Verify, non-appropriation, Boycott of Israel, prevailing wage, and so forth. If necessary, the City may amend the cooperative contract to add legally required terms and conditions. The City may also negotiate the fees and costs of a cooperative contract, provided the goods and services of the cooperative contract do not change. The Department designee will determine if the contract meets the Department's needs.

If service or work is to be performed on City property, then review the contract's included insurance as it may not include adequate coverage and protection for the City. Contact the City's Risk Manager assistance.

6.2 Convenience Contracts. Convenience contracts are established in accordance with applicable procurement laws and policies for the purchase of goods and services for use by the City and offer a higher than normal level of convenience and flexibility in circumstances where it is warranted. Every reasonable effort should be made to obtain competitive pricing and good quality while using convenience contracts. Annual expenditures of a Convenience Contract shall not exceed \$20,000 annually.

6.2.1 Convenience Contracts are permitted when at least one of the following criteria is met:

1. Proximity of the vendor to the area where services or products are needed is a significant consideration.
2. Quality assessment of the product or service is subjective and difficult to process a solicitation. May be based on preferences of the City's customers, volunteers, etc. Examples include, but not limited to performing artists and programs instructors. This is a need to be responsive to the preferences of the City's clientele.

6.2.2 For Convenience contracts processed by a Department or division, the procuring Department shall be responsible for obtaining and maintaining all required documentation, including but not limited to current W-9, E-Verify and Work Authorization (if spending over \$5,000 annually), insurance, and business license.

6.2.3 A Convenience Contract shall not be established with a vendor that failed to win an award from a competitive solicitation.

Refer to the guidelines for Convenience Contracts on the City's intranet for process details. Contact the Procurement and Contract Services staff for assistance in establishing a Convenience Contract.

SECTION 7. NON-SOLICITATION TYPE OF PROCESSES

7.1 Emergency Purchase. Emergency purchases shall be made with as much competition as practical under the circumstances. Immediately upon determining that an Emergency exists, as defined in Section 1, and prior to contacting vendors for goods and services, the City Manager or Procurement and Contract Service Manager shall determine the appropriate course of action. Departments must submit emergency purchases on the appropriate

form and shall include an explanation of the emergency in advance of the purchase or as soon as practical thereafter.

7.1.1 The Procurement and Contract Services Manager shall have the authority to approve all emergency purchases \$34,999.99 and below. Emergency purchases \$35,000.00 to \$74,999.99 require the approval of the Procurement and Contract Services Manager and City Manager. An emergency purchase \$75,000.00 or more shall be approved by the Procurement and Contract Services Manager and City Manager and shall be presented to City Council for ratification at the earliest opportunity after the purchase has been made.

7.1.2 If an Emergency exists that requires a contract modification, the City Manager shall have the authority to execute a contract modification where approval by the City Council would otherwise be required. The emergency modification shall be submitted to the City Council by the City Manager for ratification at the next available Council meeting.

7.1.3 Unless superseded by the City's Emergency Operations Plan, all purchase during an Emergency shall be made in accordance with this policy.

Documents for an Emergency Purchase are on the City's Intranet.

7.2 Sole Source. The Procurement and Contract Services Manager may waive the requirement of competitive bids or proposals for goods/services when the Procurement and Contract Services Manager has determined in writing one or more of the following conditions are met:

- a. goods or services are proprietary and/or only available from the manufacturer, a single distributor, or service provider;
- b. based on past procurement experience, it is determined that only one (1) distributor services the region in which the goods or services are needed;
- c. goods or services are available at a discount from a single distributor for a limited period of time;
- d. company 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; or
- e. to maintain uniformity and consistency in an area (e.g. decorative light pole or other infrastructure), a good must be purchased from a single distributor

If a product or service can be provided by more than one company, it generally does not qualify as a sole source unless it fits within one of the exceptions above.

7.2.1 Contracts pursuant to a sole source purchase are subject to approval as follows:

- \$5,000.00 – \$19,999.99: Department Director and the Procurement and Contract Services Manager prior to purchase. Any resulting contract shall be reviewed by Law and signed by the City Manager.
- \$20,000.00 - \$74,999.99: Department Director, Procurement and Contract Services Manager, City Manager prior to purchase, with written recommendation from the above.
- \$75,000.00 and over: Department Director, Procurement and Contract Services Manager, City Manager, applicable committee, and City Council prior to purchase with written recommendation from the above.

Departments must submit a sole source request on the form specified by the Procurement and Contract Services Manager.

Documents for Sole Source are on the City's Intranet.

7.3 Exempt Expenditures. The following types of expenditures are deemed to be ineligible for competitive pricing and are therefore exempt from the Policies related to solicitation processes defined herein. Nothing in this Section 7.3 exempts a department from obtaining City Council approval before spending \$75,000 or more on such expenditures. These expenditures include:

- Utilities – phone, electricity, gas, water, sewer, Internet, cable/dish services
- Advertising-employment, public notices and hearings, promotional, legal notices

- Professional memberships, sponsorships, 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
- Payments made in connection with a Worker’s Compensation settlement
- Postage for mail and Postage for bulk mailing
- Parks and Recreation “Camp Summit” activities such as field trips to local attractions (Science City, Worlds of Fun, World War I Museum, etc.), food venues, goods and services
- Independent contracts for specialized services and programs offered by City to the community
- Art pieces purchased by the City, with approval from the City Manager, with funds appropriated by the City Council

7.4 Original Equipment Manufacturer (OEM) Agreements. OEM agreements are between the City and the manufacturer or local dealer for the purpose of acquiring OEM parts and service to maintain the manufacturer’s warranty or repair equipment purchased by the City. The agreements are updated annually to identify any discounts afforded the City and used as a source for the Department that uses the equipment. The OEM agreements are not a method for which to purchase additional or new equipment.

SECTION 8. CONTRACT AMENDMENTS

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

8.1 Non-Construction Contracts. Amendments shall be in writing and executed by all parties.

8.1.1. **Contracts under \$75,000.00:** An amendment that increases the total annual cost of the contract to an amount of \$74,999.99 or less does not require City Council approval, but must be approved and signed by the City Manager.

8.1.2. **Contracts \$75,000.00 and Greater:** The City Council must approve (i) any amendment that increases the annual cost of the Contract by \$75,000.00 or more, or (ii) any change in contract scope. If a proposed amendment does not change the contract scope or increases the annual cost of the Contract by less than \$75,000.00, the applicable Department Director shall recommend the amendment for approval to Procurement and Contract Services and it must be approved and signed by the City Manager. Any amendment resulting in a decrease in costs may be approved administratively by the appropriate Department Director and the City Manager.

8.1.3. **Extensions:** A contract may be extended up to one year if agreed to by the City and Vendor at the same prices as the final renewal. Said extension shall be in writing and executed by all parties. The approval levels in Section 4 shall determine the appropriate approvers for the extension.

8.2 Construction Contracts.

8.2.1 Change Orders

A) **Contracts \$1,000,000.00 and Greater:** The City Council must approve any change order (i) that causes the total contract price, including previous change orders, to exceed the greater of five percent (5%) or \$200,000.00, of the original contract amount, (ii) any single change order for an increase of \$250,000.00 or more, or (iii) any material change in contract scope. Change orders not associated with a change in the contract scope up to a cumulative total increase of the greater of five percent (5%) or \$200,000.00 or less of the original contract amount must be approved by the appropriate Department Director and the City Manager. Any change order resulting in a decrease in costs may be approved administratively by the appropriate Department Director and the City Manager.

B) **Contracts less than \$1,000,000.00:** The City Council must approve any change order (i) that causes the total contract price, including previous change orders, to exceed the greater of \$75,000.00 or ten percent (10%) of the original contract amount, (ii) any single change order for an increase of \$75,000.00 or more, or (iii) any material change in contract scope. Change orders not associated with a change in the contract scope up to a cumulative total increase of the greater of \$75,000.00 or ten percent (10%) or less of the original contract amount must be approved by the appropriate Department Director and the City Manager. Any change order resulting in a decrease in costs may be approved administratively by the appropriate Department Director and the City Manager.

8.2.2 Urgent Change Order Authorizations for Construction Contracts. When total change orders exceed the percentages outlined in Section 8.2.1 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 Order Authorization. The Change Order Authorization must be incorporated into a formal change order and presented to City Council for ratification at the next available meeting.

8.2.3 Changes in Contract Time for Construction Contracts. The City Council must approve any change order (i) resulting in an increase to the contract time exceeding the greater of 30 days or twenty percent (20%) of the original contract time, (ii) a single change order increasing contract time by 90 days or more, or (iii) any change in contract time due to a change in scope. All other changes in contract time, including a decrease in contract time, may be approved by appropriate Department Director and the City Manager.

8.3. Modifications to One Time Design Consultant Contracts. The City Council must approve any amendment or change order to a single project design construction contract (i) that causes the total contract price, including previous change orders, to increase to an amount exceeding the greater of \$75,000.00 or ten percent (10%) of the original contract, (ii) any single modification for an increase of \$100,000.00 or more, or (iii) any change in contract scope. All other amendments to a single project design construction contract, including a decrease in cost, may be approved by the appropriate Department Director and the City Manager.

SECTION 9. PROJECT DELIVERY METHODS

In compliance with Sections 67.5050 and 67.5060, RSMo., as amended, the City has only its own construction manager at-risk and design-build procurement methods. The City recognizes there are several methods to complete a successful construction project. The Department uses the scope and complexity of the project to determine the best method to use. The following are approved methods for delivery of construction and capital improvement projects undertaken by the City.

9.1 Design – Bid – Build

Design-bid-build is the traditional sequentially phased approach that involves contracting for design and architectural/engineering services. The Qualifications Based Selection (QBS Section 5.5) solicitation is used to select the architect/engineering firm. The construction solicitation (Bid Section 5.2 or RFP Section 5.3) is developed using the design documents. The selected general contractor purchases the materials and hires subcontractors, as needed, to construct and deliver the final product to the City.

9.2 Design Build

Design build process includes a primary relationship between the City and a General Contractor or a joint venture with a contractor and design team. A Qualifications Based Selection (QBS Section 5.5) solicitation is issued to identify the best contractor or team. The Design Build process may save time in the project time as work can begin before the last stages of the building design are complete. Project cost may also be controlled or even reduced through use of the design-build process.

9.3 Construction Manager (CM)

A Construction Manager is hired to oversee the construction of the project. The selection is made about the same time as or following selection of the designer. The CM is able to work with the designer to monitor the budget and schedule prior to releasing the bids for construction. A Request for Proposals (RFP Section 5.3) solicitation is issued to identify the best construction manager based on qualifications and price. Bids (Bids Section 5.2) are issued for each phase or trade for the project. Contracts are awarded between the City and the contractor. The Construction Manager oversees the construction work on behalf of the City.

9.4 Construction Manager at Risk (CMR)

Construction Manager at Risk is a construction contracting method in which the City enters into separate contracts with the designer and builder, often about the same time so that both parties can collaborate. Selection of the CMR is done based on qualifications and price using a Request for Proposals (RFP Section 5.3). The CMR offers a Guaranteed Maximum Price (GMP) instead of a fixed bid. The GMP serves as a ceiling which decreases (in theory) as the design is refined. The CMR is responsible and accepts risk for constructing the entire project for the GMP and the contractor is responsible for assembling the team of suppliers and subcontracts to deliver the project.

9.5 Engineering, Procurement, Construction (EPC)

Engineering, Procurement, Construction, also known as EPC, is a prominent form of contracting agreement in the construction industry. The engineering and construction contractor will carry out the detailed engineering design of the project, procure all the equipment and materials necessary, and then construct to deliver a functioning facility or asset to the City. A Qualifications Based Selection (QBS Section 5.5) shall be used to select the best firm qualified to engineer the project. The selected firm will use public bidding to purchase materials and award contracts to subcontractors.

SECTION 10. REAL PROPERTY PROCESSES

10.1 Sale or Lease of Real Property.

- a. Sale or lease of real property owned by the City and any contracts pursuant hereto shall be subject to approval by the City Council. Pursuant to Article IV of the City Charter, the Mayor must execute all instruments conveying or releases an interest in real property, including leases and easements. A license to use real property does not convey or release any interest in the real property and is therefore exempt from this policy.
- b. Prior to City staff actively marketing real property for sale or lease, the City Manager shall seek approval from the City Council to designate the property surplus and eligible for disposition. Unless otherwise directed by the City Council, City staff shall actively market real property for sale for at minimum fourteen (14) days before executing any instrument conveying its interest in such property to another party. For purposes of this Section, "actively market" means to advertise and solicit offers for the property in a manner that will generate an offer that is equal to or greater than the property's fair market value or the value set by the City Council, including but not limited to placing a "For Sale" sign on the property, advertising among realty organizations, advertising on the City's websites, and similar such actions.

The City may, but is not required, to market real property before leasing it.

10.2 Acquisition of Interests in Rights-of-Way and Easements.

- a. Definitions applicable to this Section 10:
 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 a licensed appraiser selected by the City 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. Excess amount may include negotiated expenses to replace property amenities lost with sale of the easement, such as fencing, sprinkler system, or landscaping.
 4. *Property* – legal interests in real estate acquired for public purposes.
- b. Staff is authorized to acquire property for Rights-of Way or Easements administratively, without City Council approval, 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 \$25,000.00, 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 shall be approved by the City's Law Department.

10.3 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 \$75,000.00 or more shall be subject to City Council approval.

SECTION 11. DISPOSAL OF PROPERTY (OTHER THAN REAL PROPERTY*)

The Department determines when property (other than real property) is no longer needed and sends written notification with detailed information of surplus items to the Procurement and Contract Services Manager or designee. The Procurement and Contract Services Manager or designee will determine the best method for disposal. Once a disposal method is determined the Procurement and Contract Services Manager 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.
- For perishable food items and other items with a combined value of less than \$500.00, donate to a not-for-profit with a valid 501 (c)(3)
- De minimis items may be disposed of in a reasonable manner
- Public Safety materials and equipment unique to use by Public Safety departments, may be donated to other agencies with the approval of the City Manager or designee

*Refer to the City's Capital Asset Policy No. 807 for disposal of Capital Assets and Computer Equipment for steps to be completed before contacting Procurement.

SECTION 12. RECEIVING, DELIVERY, and FREIGHT

12.1 Delivery and Receipt of Goods and Services. The City of Lee's Summit uses decentralized receiving. Departments are responsible for receiving goods and services they have ordered. The electronic receiving in the ERP system indicates the Department has accepted the good or service. Departments via their representative(s) shall inspect the delivery promptly, and notate any damage, deficiency, missing goods or other inaccuracy. Any issues shall be reconciled by the Department representative with the supplier immediately upon discovery. When goods are delivered to Departments, the only paperwork to be signed is the delivery notice. Any other vendor/supplier purchase order, document, contract, warranty, maintenance agreement, etc. are NOT to be signed at delivery.

12.2 Freight/Shipping on Orders. The City shall, absent extenuating circumstances, use F.O.B. Destination as its primary freight or shipping designation.

SECTION 13. PROTESTS

This Section outlines the process to protest the City's compliance with this procurement policy or the award of a contract. 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 applicable law. It shall not serve to abrogate or effect the City's exclusive right to determine the lowest and most responsive and responsible bidder or highest ranked proposal in any solicitation process. Any correspondence that involves or may involve legal representation shall be forwarded to and handled by the City's Law Department.

13.1 Right to Protest. Any interested party to a contract who is aggrieved in connection with the solicitation or award of a contract may protest the process. The protest shall be submitted in writing to the Procurement and Contract Services Manager on or before the seventh (7th) day after (i) the date of the notice of award to bidder or respondent or (ii) if applicable, the date the City Council authorizes the City Manager to execute the awarded contract, whichever occurs first. The protest shall identify the specific issue(s) that are being protested and the facts supporting the protestor's claim. The protestor is responsible to establish the protestor's case.

13.2 Review of Protest. The Procurement and Contract Services Manager shall have the authority to resolve a protest of an aggrieved bidder or respondent concerning the solicitation or award of a contract.

13.3 Decision/Notice of Decision. The Procurement and Contract Services Manager shall issue a decision in writing within five (5) 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 made available immediately to the protestor.

13.4 Appeal. A protestor may appeal the decision by submitting a written request to review the Procurement and Contract Services Manager's decision to the City Manager within five (5) business days of the date of the Procurement and Contract Services Manager's decision. Upon receipt of such notice, the Procurement and Contract Services Manager shall forward the written protest to the City Manager along with the Procurement and Contract Services Manager's decision regarding the protest. A protestor's appeal to the City Manager shall only include the facts and issues raised in the written protest submitted to the Procurement and Contract Services Manager. The City Manager or designee, will issue a decision in writing within five (5) business days of receipt of the protestor's timely filed written appeal.

13.5 Finality of Decision. The Procurement and Contract Services Manager's decision shall be considered final and is not subject to appeal or further consideration unless a timely appeal is filed as set forth in this Policy. 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.

13.6 Stay of Procurements during Protest. In the event of a timely protest under this Section 13, the City shall not proceed further with the solicitation or with the award of the contract until the Procurement and Contract Services

Manager, after consultation with the Project Manager and 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 14. DISPUTES WITH CONTRACTOR PERFORMANCE

City staff shall notify Procurement and Contract Services or the Project Manager (if applicable) concerning poor performance by a vendor, or any complaint or dispute regarding an order, delivery, specification, or goods. Any decision concerning an attempt to withhold payment, terminate a contract, or an attempt to resolve a dispute shall be made jointly by Procurement and Contract Services and the Project Manager (if applicable). Correspondence with suppliers regarding disputes shall be conducted via Procurement and Contract Services.

SECTION 15. PROCUREMENT POLICY REVIEW

The Procurement Policy shall be reviewed no less than every three 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. Proposed revision(s) and updates shall be distributed and feedback solicited from representative(s) of each of the City departments. Those revisions deemed necessary to implement shall be presented to the City Council for approval and adoption.