

1st Reading:  
2nd Reading:

**SPONSOR: CRUTS**

**ORDINANCE NO. \_\_\_\_**

**BILL NO. 22-63**

**AN ORDINANCE AMENDING SECTION 800, PURCHASING POLICY, OF THE CITY'S FINANCIAL POLICIES MANUAL TO AMEND THE CITY'S BIDDING PROCEDURES.**

**WHEREAS**, sound financial management requires that cities have written financial policies and procedures; and

**WHEREAS**, on March 20, 2006, the Board of Aldermen adopted a Financial Policies Manual ("Financial Policy") for the City of Fenton through the passage of Ordinance No. 2791; and

**WHEREAS**, the City has amended Ordinance No. 2791 from time to time to update and modify its Financial Policy; and

**WHEREAS**, Staff has recommended changes to Section 800, Purchasing Policy, of the Financial Policy to allow for purchases related to the RiverChase YMCA facility to be obtained through the YPurchasing Group; and

**WHEREAS**, at the Board of Aldermen Committee Meeting held July 14, 2022, the Finance Committee discussed Staff's recommendation and concurred with the same; and

**WHEREAS**, the Board of Aldermen finds it in the best interest of the City to amend the Financial Policy to adopt said modifications under Section 800, Purchasing Policy.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF FENTON, MISSOURI, AS FOLLOWS:**

**Section 1.** Ordinance No. 2791, as amended, and the City's Financial Policy is hereby amended by repealing Section 800, Purchasing Policy, and enacting a new Section 800, Purchasing Policy, in substantially the form attached hereto and incorporated herein as Exhibit A. All other Sections within the Financial Policy and Ordinance 2791, as amended, shall remain in full force and effect.

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**Section 2.** This ordinance shall be in full force and effect from and after the date of its passage and approval.

PASSED this 28<sup>th</sup> day of July, 2022.

\_\_\_\_\_  
JOE MAURATH, MAYOR

APPROVED this 28<sup>th</sup> day of July, 2022.

\_\_\_\_\_  
JOE MAURATH, MAYOR

ATTEST:

\_\_\_\_\_  
Jane Hungler, City Clerk

Motion to approve. Roll Call vote:

Ayes:

Nays:

Absent:

ORD. NO. \_\_\_\_

**Exhibit A**

SECTION 800  
PURCHASING POLICY

**Policy Purpose**

The purpose of the purchasing policy is to ensure that all supplies and services purchased by the City of Fenton shall be made in a reasonable manner considering quality, price, economic impact, competition and budgetary constraints. It is also to ensure that all purchases are made in conformance with applicable Federal, State, and Local laws.

**Policy Statement**

It is the policy of the City of Fenton to make all purchases in accordance with the terms and conditions of this policy. All purchases of goods and services shall be made in the best interests of the City of Fenton.

It is the responsibility of the Financial Consultant to issue procedures to ensure conformance with all requirements of this policy.

## SECTION 800 PURCHASING POLICY

### BID PROCESS

All references to dollar amounts in this section refer to total cost per vendor, not cost per item. All purchase limit categories only apply if there is adequate funds in the budget to cover the purchase. If there is not adequate budget available, the Board must approve the purchase.

#### Purchases That Cost Less Than \$1,000

All purchases in this category may be made under the authority of the Department Head without the requirement for formal bid procedures.

#### Purchases That Cost More Than \$1,000, But Less Than \$5,000

1. Purchases in this category may be made under the authority of the Department Head.
2. Bids shall be obtained, but newspaper advertising is not required.
3. Where possible, at least three written bids shall be obtained. If the purchase is from a sole source vendor, the request for payment form should note this and describe why only one vendor can supply the goods or services desired.
4. Bids may be solicited by mail, e-mail, telephone, fax, or the internet.
5. As proof that all bidding procedures were followed, the bidding results are to be retained by the Finance Department on the bid quotations form in accordance with the State of Missouri records retention law.

#### Purchases That Cost More Than \$5,000, But Less Than \$15,000

1. Purchases in this category may be made under the authority of the Department Head with prior approval from the City Administrator.
2. Bids shall be obtained, but newspaper advertising is not required.
3. Where possible, at least three written bids shall be obtained. If the purchase is from a sole source vendor, the request for payment form should note this and describe why only one vendor can supply the goods or services desired.
4. Bids may be solicited by mail, e-mail, telephone, fax, or the internet.
5. As proof that all bidding procedures were followed, the bidding results are to be retained by the Finance Department on the bid quotations form in accordance with the State of Missouri records retention law.

#### Purchases That Cost More Than \$15,000

The City Clerk must advertise for sealed bids in at least one newspaper of general circulation, inviting bids to be received over a minimum of a 14-calendar day period. If the notice is published more than once, publication of the last notice shall be at least five-days preceding the due date for receipt of bids.

1. Such bids must be sealed bids and all bidders must be notified of when and where the bids will be opened so that the bidders may attend the bid opening if they so desire.
2. Upon review of the bids, the Department Head or an individual authorized by the Department Head shall prepare a bid memo and request Board of Aldermen approval to award the bid to the bidder that has submitted the most responsive, lowest and best bid.

### Bid Award

Unless waived by the Board, the following conditions must be met to be considered the most responsive, lowest and best bidder:

1. The quality of the goods or services must meet the specifications as established in the request for bids.
2. The vendor must be able to provide the goods or services within the timeframe required by the City.
3. All construction bids must comply with all requirements of the Department of Labor's prevailing wage laws.
4. All other requirements of the bid must be met including any requirement for a performance bond or certificate of insurance.

### Exceptions

1. Purchases of certain supplies and commodities (food for resale, gasoline, materials and supplies that are purchased frequently, etc.) shall be made based on receiving bids annually and following all bid requirements for purchases costing between \$1,000 to \$5,000.
2. The Board has approved various contractors for specialty areas (IT, HVAC, electrical, etc.). Purchases of equipment, parts, and services through those approved contractors are exempt from the bidding process.

### Cooperative Purchasing Plans

Departments are encouraged to use cooperative purchasing programs, including those sponsored by the State of Missouri and St. Louis County, Missouri. Purchases made through these programs have met the requirements of competitive shopping and require only sufficient information to show the purchase is from such a program and the applicable referenced purchase price. Department Heads are still encouraged to solicit three written bids and document on the bid quotations form to be retained by the Finance Department.

The above also includes the use of the YPurchasing Group, a cooperative buying group for the YMCA, to purchase supplies and commodities related to RiverChase YMCA.

## SECTION 800 PURCHASING POLICY

The City of Fenton encourages the purchase and use of products manufactured, assembled or produced in the United States; providing the quality of the goods or services are comparable with goods or services not produced in the United States. Preference in bid awards can be given to vendors within the City limits of Fenton if the quality of the goods or services is comparable and the price differential is ten percent or less when compared to the most responsive, lowest and best bid.

All bids shall be awarded to the most responsive, lowest and best bidder that meets all bid specifications. Factors other than price will be considered in deciding which bid is the most responsible, lowest and best bid.

The City reserves the right to accept the bid it deems in the best interest of the City of Fenton.

The City reserves the right to reject any and all bids and re-advertise for new bids or purchase the goods or services on the open market if, in the opinion of the Board of Aldermen, the goods or services can be obtained at a better price. The Board of Aldermen can negotiate and modify bids without re-bidding, where appropriate. The Board of Aldermen can also waive technical deficiencies in a bid when appropriate.

This policy and the requirements herein, shall not apply to purchases made through or with the State of Missouri or any other governmental jurisdiction which operates a cooperative procurement program and will allow the City to purchase goods or services that the jurisdiction has made available following the completion of its own internal purchasing procedures.

In addition, for purchases or services that require specific bidding procedures pursuant to state or federal law or regulation, the bidding requirements herein shall not apply and the bidding procedures outlined by such applicable state or federal law or regulation shall be followed.

The Board of Aldermen has the authority to waive bidding procedures altogether, where appropriate, such as single-source vendors.

### Emergency Purchases

The Mayor, the President of the Board of Aldermen or the City Administrator shall have the authority to determine the existence of an emergency situation. Such determination may be made upon the recommendation from the City's Emergency Preparedness Official, Department Heads, or Commander of the Police Department or because of a known physical problem impacting public safety or health.

In case of an emergency that requires the immediate procurement of any supplies or services that are essential to prevent delay in work and which may affect life, health, or convenience of citizens, Department Heads may make direct purchases when authorized by the Mayor, President of the Board of Aldermen or the City Administrator.

The Board of Aldermen shall be notified as soon as possible of the emergency and the steps being taken to correct it for emergency purchases exceeding \$5,000. The Board should be updated periodically as information is available during the emergency purchase situation.

## PURCHASING PROCEDURES

These procedures are hereby established to ensure compliance with Section 800 (Purchasing Policy) of the City of Fenton Financial Policies Manual.

The purposes for these procedures include:

- 1) To ensure that all purchases are made according to the purchasing and bid policy,
- 2) To ensure that all purchases are made at the lowest, best and responsible cost, and
- 3) That a satisfactory audit trail is provided for all purchases and bids.

Questions over any aspect of these procedures should be directed to the Financial Consultant.

### Section 1 – Purchases Costing Less Than \$1,000

The following procedures should be used for purchases costing less than \$1,000:

1. Department Head must approve the purchase prior to the goods or services being ordered. This is an internal matter for each department and whether the request is in writing or verbal is up to each Department Head.
2. When the invoice is received, a Request For Payment Form must be filled out and signed by the person who ordered the goods and services and by the Department Head. Please refer to the expenditure procedures section (Section 900 of this manual) for details on filling out the Request For Payment Form.
3. The signed Request For Payment Form will then be sent to the Finance Department for payment.

### Section 2 – Purchases Costing More Than \$1,000, But Less Than \$5,000

The following procedures should be used for purchases costing more than \$1,000 but less than \$5,000:

1. Formal Specifications will be created by the Department Head or an individual authorized by the Department Head. Bids may be solicited by mail, email, telephone, fax, or the internet. Newspaper advertisement is not required.
2. Through such solicitation process, the Department Head or an individual authorized by the Department Head will obtain at least three written bids and will fill out the Bid Quotations Form. Copies of all bids received shall be attached to the Bid Quotations Form, which will be attached to the vendor invoice when payment is made. (Exceptions to this requirement will be purchases requiring a contractual agreement which will be approved by the City Administrator and the Department Head or requiring formal bid procedures pursuant to state or federal law).
3. Upon obtaining the three bids, the Department Head or an individual authorized by the Department Head will order the goods or services. If the Department Head or an individual authorized by the Department Head are unable to obtain three bids for such purchase, unless such purchase meets another bid-exception within this policy (such as a single-source vendor), the reasons for less than three bids must be documented.
4. Upon receipt of the invoice, the originating department will complete a Request For Payment Form, attach the Bids Quotations Form and the vendor invoice, and forward all documents to the Finance Department for payment. The Department Head must sign the Request For Payment Form or it will not be processed by the Finance Department.

### Section 3 – Purchases Costing More Than \$5,000, But Less Than \$15,000

The following procedures should be used for purchases costing more than \$5,000 but less than \$15,000:

1. Formal Specifications will be created by the Department Head or an individual authorized by the Department Head. Bids may be solicited by mail, email, telephone, fax, or the internet. Newspaper advertisement is not required.
2. Through such solicitation process, the Department Head or an individual authorized by the Department Head will obtain at least three written bids and will fill out the Bid Quotations Form. Copies of all bids received shall be attached to the Bid Quotations Form, which will be attached to the vendor invoice when payment is made. (Exceptions to this requirement will be purchases requiring a contractual agreement which will be approved by the City Administrator and the Department Head or requiring formal bid procedures pursuant to state or federal law).
3. Upon obtaining the three written bids, the Department Head or an individual authorized by the Department Head will present the Bid Quotations Form to the City Administrator for approval. If the Department Head or an individual authorized by the Department Head are unable to obtain three bids for such purchase, unless such purchase meets another bid-exception within this policy (such as a single-source vendor), the reasons for less than three bids must be documented.
4. After the City Administrator has approved and signed the Bid Quotations Form, the Department Head or an individual authorized by the Department Head may order the goods or services.
5. Upon receipt of the invoice, the originating department will complete a Request For Payment Form, attach the approved Bids Quotations Form and the vendor invoice, and forward all documents to the Finance Department for payment. The Department Head must sign the Request For Payment Form or it will not be processed by the Finance Department.

### Section 4 - Purchases Costing More Than \$15,000

All purchases costing more than \$15,000 must follow the formal bid process:

1. If the item being purchased is in the approved budget, the Department Head may seek bids without prior approval. If the items being purchased is not in the approved budget, the originating department must send a memo to the Board of Aldermen requesting permission to seek bids for the desired goods and services. The memo should first be reviewed and approved at any Board Committee meeting. The memo should include a description of what is being bid and any other relevant information.
2. The Department Head or an individual authorized by the Department Head will then develop bid specifications and prepare a formal bid packet.
3. The City Clerk will then advertise in at least 1 local newspaper a request for sealed bids. Bidders must have at least 14 days to respond to the bid. The request for bids should state the date and time that the bids will be opened so that the bidders may attend the bid opening if they desire.
4. At the time listed in the request for bids, the bids will be opened in the presence of the City Clerk, the Department Head, and any bidders who wish to attend.



5. The staff will review the bids and select a winning bidder, who in staff's opinion submitted the most responsive, lowest and best bid to meet the City's interests, subject to final Board approval.
6. A memo will be prepared to go to the appropriate Board Committee listing the bids received and the winning bidder as recommended by staff. The memo should include a comparison of the difference between the amount budgeted for the purchase and the recommended bid. Should the low bid exceed the amount included in the budget, the memo should note this and provide the Board with options for covering the additional costs. The Financial Consultant should be copied on the memo so that a budget amendment can be prepared if required. Upon approval by the Board Committee, the bid will be sent to the next Board meeting for final approval.
7. Upon final approval by the Board of Aldermen, the item/service may be purchased.

#### Section 5 - Procurement Programs

The Board encourages City participation in cooperative procurement programs. While participation in such programs does not require the City to undertake any formal bidding requirements as provided in Section 800 of this Policy Manual, **when possible**, Department Heads should still solicit three written bids and document that on the Bid Quotations Form before making the purchase through the cooperative procurement program. Items between \$5,000 and \$15,000 must be approved by the City Administrator and items over \$15,000 must be approved by the Board of Aldermen prior to the purchase in accordance with the City's purchasing policy.

#### Section 6 - Emergency Purchases

The Mayor, the President of the Board of Aldermen, or the City Administrator can authorize emergency purchases upon notification by the Department Head that an emergency exists. The full Board shall be notified as soon as possible of the emergency and the steps being taken to correct it for emergency purchases exceeding \$5,000. The Board shall be updated periodically as information is available during the emergency purchase situation.