

Chapter 133

PURCHASING POLICY

Section 133.010. Purpose. [Ord. No. 2008-09 §1, 8-11-2008]

- A. *Purpose.* The purpose of this Chapter is to establish rules and procedures governing the procurement of materials, supplies, equipment and services for the City of Wellington and to maintain a high ethical standard for all officers and employees of the City in connection therewith.
- B. *Introduction.* The City's purchasing Chapter was established to ensure that needed supplies and services are obtained in a timely manner, at the lowest prices consistent with acceptable quality standards and within the requirements of public purchasing laws.
- C. Consistent with these objectives, a part of the City's procurement activity is decentralized. In recognition of the cost of staff time and to reduce the cost of making small purchases, the City Clerk and department heads are permitted to purchase items of daily need with a business credit card or by charging the purchase to a business account as approved by the City's Aldermen.
- D. Procedures which apply to purchases made directly by City staff as well as the steps followed by the City's Aldermen are described below, along with the public purchasing law and ethical standards that shape the City's purchasing activities.
 1. *Governing laws and regulations.* Procurements by the City of Wellington are governed by State and local laws and regulations. The City policy, adopted by ordinance, along with the State Statutes and City's administrative policies and procedures describe the basic procurement processes: e.g., public bidding, bid opening, bid evaluation and bid awarding.
 2. *Principles and ethics.* All employees of the City of Wellington subscribe to the following principles and ethics:
 - a. We believe in the dignity and worth of the services rendered by government and our own social responsibility as trusted public servants. We consider, first, the interest of the City in all transactions and carry out and believe in the City's established policies and ordinances and the laws of the State of Missouri.
 - b. We keep the City informed, through appropriate channels, on problems and progress of the agency we serve, but keep ourselves in the background by emphasizing the importance of the facts.

- c. We are governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the City and the public, which we serve.
 - d. We strive to stimulate competitive bidding in order to obtain goods and services at the lowest possible cost and to provide all interested vendors with the opportunity to offer their product to the City.
 - e. We strive to accord a prompt and courteous reception, so far as conditions will permit, to all who call on a legitimate business mission.
 - f. We believe that personal gain or benefit obtained through misuse of public or personal relationships is dishonest.
- E. *Conflict Of Interest.* No employee or official of the City shall participate in a transaction, contract, activity or service of the City in which they personally have a direct or predictable effect on their financial interests or interest of an immediate family member.
- F. *Personal Purchases.* It is prohibited for an employee or official to make purchases for their own personal purpose or to receive special pricing from a vendor using the City's name or reputation.
- G. *Unauthorized Purchases.* No individual has the authority to enter purchase agreements or contracts on behalf of the City unless specifically authorized by the Board of Aldermen governing the City of Wellington. Individuals with authority to purchase supplies and repairs as necessary to continue daily operations shall be those employees with purchasing cards or those employees whom the Board of Aldermen have given prior permission to charge items on a business account in the name of the City but still complying with all ordinances and State laws and regulations. Any such purchase classified as unauthorized is considered a personal expense and the obligation of the purchaser.

Section 133.020. Authorization For Purchases Under Certain Amounts. [Ord. No. 2008-09 §1, 8-11-2008]

- A. Purchases of supplies and contractual services not exceeding one thousand dollars (\$1,000.00) or less may be made on the open market without bids or proposals. Departments shall always strive to maximize value and to minimize costs when making these purchases. All such purchases shall be submitted to the Board of Aldermen for approval at the next regularly scheduled meeting.
- B. Any expenditures between one thousand one dollars (\$1,001.00) and ten thousand dollars (\$10,000.00) shall require three (3) non-sealed bids solicited by telephone, direct mail, electronic media, fax or by such other means as the Board of Aldermen deems appropriate; and then submitted to the Board of Aldermen for approval. The City shall award the contract to the "best" bid, not necessarily the lowest bid, and shall have the right to reject any and all bids. In the event the bid is not awarded to the lowest bidder, a statement of the reasons for placing the order elsewhere shall be prepared and filed with the bid documents.

- C. The provisions of this Section may be waived when the Board of Aldermen agree that following this Section's provisions may cause excessive delay and/or significant cost penalty, public inconvenience, where ensuring compatibility with existing City equipment is necessary, in the case of an emergency, or for any other reason deemed necessary by the Board of Aldermen.

Section 133.030. Formal Bids — Purchases Greater Than \$10,000.00. [Ord. No. 2008-09 §1, 8-11-2008]

- A. All supplies and contractual services, except otherwise provided in this Chapter, when the estimated cost thereof shall exceed ten thousand dollars (\$10,000.00) shall be purchased by formal, written contract from the lowest responsible bidder. In the event the bid is not awarded to the lowest bidder, a statement of the reasons for placing the order elsewhere shall be prepared and filed with the bid documents.
- B. The Board of Aldermen or as delegated shall by certified or regular mail, or in his/her discretion by first class mail or by electronic mail, solicit sealed bids from at least three (3) responsible prospective suppliers setting forth detailed specifications and all pertinent information necessary for the prospective supplier to file a bid or proposal. The invitation to bid will also be advertised in at least one (1) legal paper. The bid process should be approximately three (3) weeks or fifteen (15) working days from the first (1st) ad published. Prospective suppliers to whom invitations to bid are sent shall be limited to those who are part of the trading group offering commodities and services similar in character to that being purchased.
1. All bid documents will include proof of Workers' Compensation insurance for all employees of the bidder and for all employees of all subcontractors.
 2. Every contract awarded for public works shall be accompanied by a payment/performance bond with:
 - a. Corporate surety licensed to do business in the State of Missouri; or
 - b. Cash in the form of a cashier's check, conditioned upon the faithful performance of the contract of said work and payment of all subcontractors and suppliers.
 - (1) For contracts over one hundred thousand dollars (\$100,000.00), said bond shall be equal to at least the entire amount to be paid for such work. All public works contracts in excess of one hundred thousand dollars (\$100,000.00) shall be bid requiring a five percent (5%) bid bond.
 - (2) For public works contracts under one hundred thousand dollars (\$100,000.00), the City shall require a cash bond in the form of a twenty percent (20%) retainage on all estimates requested by the contractor. The retainage bond shall be conditioned for the payment of any and all materials, labor, equipment, tools, insurance premiums or any other items connected with the work whether by subcontractor or otherwise. The City shall stipulate the

ability to retain ten percent (10%) of the total amount of the contract for up to one hundred eighty (180) days after the project is completed. When this retainage bond is used, the City shall require lien waivers for all work which is covered under a pay estimate.

- C. *Manner Of Submission Of Bids — Opening And Recommendations Of The Board Of Aldermen.* Sealed bids or proposals shall be submitted to the City Clerk and shall be identified as to the bid involved on the envelope. The bids shall be opened in public at the time and place stated in the invitation to bid and in any public notices. After the opening, the Board of Aldermen shall review and file a report with their recommendation and justification.
- D. *Award Of Contract To Bidder.* The City shall award the contract to the "best" bid, not necessarily the lowest bid, and shall have the right to reject any and all bids. When the award is not given to the lowest bidder, a full and complete statement of the reason for placing the order elsewhere will be filed with the bid documents.
- E. In the event three (3) responsible suppliers are not available, documentation of that will be made, and the Board of Aldermen may deem the lesser number to be in compliance with the requirements of this Section.
- F. The provisions of this Section may be waived when the Board of Aldermen agree that following this Section's provisions may cause excessive delay and/or significant cost penalty, public inconvenience, where ensuring compatibility with existing City equipment is necessary, in the case of emergency, or for other reasons as deemed necessary by the Board of Aldermen.

Section 133.040. Exemptions From The Public Bidding Process — Professional Services.
[Ord. No. 2008-09 §1, 8-11-2008]

- A. This purchasing policy shall not apply to professional services and the requirements shall not be mandatory in the employment of professional services. Professional services include, but are not limited to, the following:
 - 1. Attorneys.
 - 2. Municipal Judge.
 - 3. Bond counsel.
 - 4. Certified public accountants.
 - 5. Consultants.
 - 6. Engineers.
 - 7. Financial advisors.
 - 8. Real estate brokers.
- B. Contract made with other government agencies.
- C. Sole suppliers of goods or services.

Section 133.050. Waiver of Procedure. [Ord. No. 2008-09 §1, 8-11-2008]

The Wellington Board of Aldermen shall have the power to waive any and all of the above requirements of this purchase policy if, in the opinion of the majority of the members, it is beneficial or expeditious for the City to do so.