



Purchasing Policy
2011 Edition

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SECTION 1: CENTRAL PURCHASING

A. Purpose

The Purchasing Manual provides the policies and procedures for City employees to follow when purchasing goods and services. Policy for handling the disposal of obsolete and/or surplus property is also outlined. The mission of Central Purchasing is to provide the highest level of customer service to requesting departments and vendors by maintaining good working relationships. The goal in purchasing is to obtain goods and services of the highest quality at the lowest cost and to assist all departments with any procurement needs.

B. Central Purchasing Responsibility

The objective of Central Purchasing is to ensure that the purchase of all materials, supplies, equipment, and services required by the City departments meet the requirements of the Charter, Guthrie Municipal Code and all other applicable laws and regulations; generally accepted moral and ethical standards; and the specific needs of each department. Central Purchasing's responsibilities are derived from the need to serve in the best interests of the citizens of Guthrie.

These responsibilities include, but are not limited to, the following:

1. Adhere to the various laws governing public purchasing and the policies, procedures and guidelines set forth herein;
2. Assist departments in the procurement and management of goods and services required to operate the City;
3. Develop and maintain current bid list, prospective vendor listing, and other such documents as needed for efficient operation;
4. Contract for supplies, equipment, and services required by any using department in accordance with the law and the purchasing procedures set forth herein, as needed;
5. Ensure full and open competition is possible on all purchases;
6. Be the division authorized to negotiate with suppliers on matters relating to bid items;
7. Solicit evaluations and recommendations from user departments on Bids/Requests for Proposals received; for recommendation of award/approval to City Council;
8. Dispose of all obsolete and/or surplus property as set forth herein;
9. Prepare and/or review Bid specifications, contracts and Requests for Proposals to assist in ensuring the document's sufficiency and compliance with the purchasing policies and procedures set forth herein;
10. Develop Purchasing policy and procedure, including but not limited to:

- a. The procedure for submitting requisitions for supplies, materials, equipment and services required by using departments.
 - b. The procedure for handling bids, opening and tabulation, rejection (if necessary) and the procedure for determining the lowest responsible bidder.
 - c. The procedure for making emergency purchases.
 - d. The procedure for the disposal of obsolete and/or surplus property.
11. Question purchases which do not appear to conform to the policies and procedures established herein.
 12. Review all requisitions to ensure completeness, which includes ensuring all back-up documentation has been provided.
 13. Update all electronic bid/RFQ/RFP data on the website.

C. Using Department Responsibilities

In the purchasing process, it is each department's responsibility to:

1. Adhere to the policies, procedures and guidelines set forth herein, particularly with respect to obligating the City for purchases of goods or services without a purchase order in place;
2. To recognize that, except in special cases, competition results in better value to the City and is required by law;
3. Process requisitions for materials, supplies, equipment and services according to the policies, procedures, and guidelines set forth herein;
4. Provide complete back-up documentation for all requisitions, as set forth herein;
5. Consider the lead time necessary for the Purchasing department to solicit bids, and plan accordingly to avoid increased costs;
6. To ensure that budgeted funds are available for item(s) requisitioned; and in the appropriate budget account(s);
7. Prepare technical specifications for Bids and Requests for Proposal;
8. Provide vendor sources for purchases when possible;
9. Promptly inform Central Purchasing of any unsatisfactory product or vendor performance;

10. Refer all interested vendors to Central Purchasing for inclusion in the Vendor/Bid list;
11. To inform Central Purchasing of any obsolete and/or surplus property;

SECTION 2: PURCHASING POLICIES

A. General

1. The responsibility for the implementation of the City's Purchasing Policies, has been delegated by the City Manager to the Purchasing Agent. All requirements for goods or services shall be processed through Central Purchasing. Funds of sufficient amount to cover required goods or services shall be budgeted and in the appropriate budget account prior to submitting requisition to Central Purchasing.
2. Funds must be encumbered, by properly authorized purchase order, prior to obtaining any goods or services.
3. Whenever any officer or employee of the City of Guthrie purchases or contracts for any goods, services or construction contrary to the provisions of this policy, such purchases or contract shall be void and shall not be considered an obligation of the City. Any officer or employee of the City of Guthrie may be held personally liable for the cost of such purchase or contract and may be subject to disciplinary action, including termination. If already paid out of City funds, the amount thereof may be recovered by the City by deduction from that person's compensation or by appropriate legal action.
4. The threshold for obtaining quotes or bids is \$1,501 and \$25,000, respectively. Under no condition shall requisitions be "split" into smaller requisitions in an attempt to circumvent stated Purchasing policies.
5. Specifications for vehicles and rolling stock must have Fleet Management approval, by providing a signature on the e-requisition, prior to submitting to Central Purchasing.
6. Specifications for computer or any type of technology equipment must have IT Management approval, by providing a signature on the e-requisition, prior to submitting to Central Purchasing.
7. Construction projects of any amount shall be approved by the City Engineer, if applicable, prior to submittal to Central Purchasing.
8. Members of the City Council or employees of the City shall not benefit or profit from any contract with the City. Also, no councilmember, employee, or business in which any councilmember, employee or spouse of same has a 25% or more proprietary interest shall engage in: selling, buying or leasing property, real or personal, to or from the City; contracting with the City; or buying or bartering for, or otherwise engaging in any bonds, warrants or other evidence of indebtedness of the City.

9. The City shall purchase from suppliers who have adequate financial, management and service capabilities, high ethical standards, and the ability to provide materials which meet the City's requirements.
10. No bidder may submit more than one bid for any contract. Reasonable grounds for believing that a bidder is interested in more than one bid for a contract will cause rejection of all bids in which the bidder is interested. Any bids may be rejected if there is reason for believing that collusion exists among bidders. Participants involved in such collusion may not be considered for future bids for the same contract. Each bidder, as a condition of submitting a bid, shall certify that the bidder is not a party to any collusion between bidders for the contract.
11. Purchasing of goods or services through the federal General Services Administration and/or State of Oklahoma Department of Central Services, Central Purchasing Division shall be exempt from the bidding and quotation requirements of this policy.
12. Purchases may be exempt from the bidding and quotation requirements of this policy where another political subdivision and/or a department or agency thereof, has followed bidding or quotation procedures which substantially comply with the procedures herein. The City of Guthrie may rely upon said procedures as having satisfied the process required herein and may make a purchase pursuant thereto same as if the City of Guthrie had been the one who initiated said bidding or quotation procedures.
13. The City of Guthrie may alter its purchasing procedures in order to participate in a reverse online auction for the purchase of goods, materials, or to award a contract for public improvements as allowed by state law. When participating in an online reverse auction, procedures shall follow that of the online reverse auction.
14. It may be necessary from time to time to complete major purchases by lease/purchase. Oklahoma statutes set out the authority and procedures for a lease/purchase. The City of Guthrie, when using a lease/purchase, shall follow the guidelines as set forth in the Oklahoma Statutes and the guidelines of this policy to the extent this policy is not in conflict with State Statutes, and in the event of conflict the applicable Oklahoma Statutes shall control.
15. A bidder in response to a request for bids may withdraw a bid from consideration at any time before the time set for the opening of bids.
16. The City of Guthrie reserves the right to reject any and all bids and proposals.
17. The following statement regarding the Oklahoma Taxpayer and Citizen Protection Act of 2007 must be included in all construction contracts:

The Contractor certifies that it and all proposed subcontractors, whether known or unknown at the time this contract is executed or awarded, are in compliance with 25 O.S. §1313 and participate in the Status Verification System. The Status Verification System

is defined in 25 O.S. §1312 and includes but is not limited to the free Employee Verification Program (E-Verify) available at www.dhs.gov/E-Verify.

B. Competitive Bidding

1. Purchases up to \$1,500

Expenditures for goods or services \$1,500 or less do not require competitive bidding and may be purchased in the open market. However, departments are encouraged to compare for competitive prices.

2. Purchases of \$1,501 to \$3,000

Expenditures for goods, services, or construction where the estimated cost is between \$1,501 and \$3,000 shall only be made after obtaining a minimum of three (3) price quotations. Quotes may be solicited by phone, fax, or by mail (written is preferred). Quotes shall be for similar items that reflect the same quantity, and quality of item(s) specified

3. Purchases of \$3,001 to \$25,000

Expenditures for goods, services, or construction where the estimated cost is between \$3,001 and \$25,000 shall only be made after obtaining a minimum of three (3) written price quotations. Quotes must be received on the quoting vendor's letter head with a signature, or must be received in an e-mail from the vendor. Quotes shall be for similar items that reflect the same quantity, and quality of item(s) specified.

4. Purchases of \$25,001 or more

Expenditures for goods, services, or construction projects of \$25,001 or more shall be made after the solicitation of sealed bids or proposals and approval of award by the City Council or Purchasing Agent, as applicable.

C. Professional Services

Professional services are services performed by persons licensed as professionals such as attorneys, architects, etc. It is encouraged that procurement of professional services be made by solicitation of sealed proposal or by request for qualification as needed. Professional service contracts of \$25,001 or more shall be approved by the City Council. Professional services shall be initially selected based on the qualifications of the firm; however the availability to negotiate a fair price will be a factor in execution of an agreement.

D. Emergency Purchases

Competitive bids or quotes shall be required, except in the event of an emergency where immediate procurement of material or service is necessary to preserve City property, or to preserve or protect the life, health, or safety of the citizens of Guthrie, or such other reasons as may be proclaimed by the City Council or the City Manager in amounts as provided by the City

Charter. See Ordinance No. 3017, passed May 20, 1997. Emergency purchases of \$25,001 or more shall be approved by the City Council after the purchase has been made.

E. Sole Source Purchases

In the rare circumstance where there is only one supplier for a supply or service due to proprietary rights or other limitations, a purchase may be made to that vendor without competitive bidding. Sole source purchases of \$1,501 up to \$25,000 shall require a memo of justification and approval from the City Manager, and those \$25,001 or more shall be approved by the City Council prior to purchase.

F. Request for Proposals/Request for Qualifications

When the use of competitive sealed bidding is determined to be either not practicable or not advantageous, the purchase of goods and services may be made through solicitation of requests for proposals or qualifications. Award under the request for proposal procedure is made to the responsive and responsible offeror whose proposal is determined to be the most advantageous, taking into consideration price, demonstrated competence and qualifications for the service required. Awards of \$25,001 or more shall be approved by the City Council.

G. Blanket Purchase Orders

Blanket purchase orders enable departments to obtain recurring supplies or services without having to go through the requisition process each time. A blanket purchase order can be for any amount. However, if a department desires to exceed \$1,501 for an individual purchase then price quotes or competitive bidding is required in accordance with the policies and procedures. Purchases against a blanket purchase order should not exceed the encumbered amount, if funds have been depleted a new purchase order should be processed.

H. Other Procurement Methods

1. City Purchasing Card

City Purchasing Cards are the property of the City of Guthrie and issued to individuals for authorized purchases only. It is the responsibility of each Department Head to properly control and monitor credit card use by employees. Purchasing card use is subject to normal Purchasing policies and procedures and a specific Purchase Card policy.

2. Direct Payment Check Request (Incidental Fund)

A Direct Payment Check Request may be used for payment for purchases of supplies or services when it is not practical to issue a purchase order or when a vendor will not accept a purchase order. The completed check request along with pertinent documentation should be forwarded to the Finance Department for approval and preparation of the check. Following are authorized Direct Payment expenditures: dues, registrations and seminar fees, police department special investigations, vehicle tags and titles, vehicle safety inspections, recording fees, and subscriptions.

SECTION 3: PURCHASING PROCEDURES

These purchasing procedures are intended to be followed for normal purchasing actions of the City of Guthrie. However, if the City is working through a grant process or with another governmental entity with more stringent purchasing requirements, the requirements of the grant or more stringent procedures shall be followed.

A. Overview

1. Purchase Amount Procedure

- Up to \$1,500 Open Market purchase
- \$1,501 to \$3,000 Minimum three (3) verbal quotes required
- \$3,001 to \$25,000 Minimum three (3) written quotes required
- \$25,001 and above Formal Bid/RFP process required as provided in the Guthrie City Charter and as amended by Ordinance No. 3007, Section 1, Chapter 7, Article 8, Section 7-150 through 7-154, and City Council approved and adopted March 19, 1996. Ordinance No. 3053 (as amended May 12, 1998) and Ordinance No. 3090 (as amended September 18, 2001.)

B. Step-By-Step Procedure for Purchasing Equipment, Materials, and Services

1. Up to \$1,500

- a. Department representative identifies equipment, supplies or services required, determines that cost will not exceed \$1,500.
- b. Department representative issues a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing.
- c. Central Purchasing receives the approved e-requisition and audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed. Once a contract for goods has been awarded through Central Purchasing, items being purchased from another vendor must have approval from Central Purchasing.
- d. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

2. \$1,501 to \$3,000

- a. Department representative identifies equipment, supplies or services required, determines that cost will be \$1,501 to \$3,000

- b. Department representative obtains a minimum of three (3) price quotes for the requirement. Representative shall contact prospective vendors by mail, phone or fax, (written is preferred) and shall document all quotes received, as well as “no quote” responses. If three (3) quotes cannot be obtained, a memo of justification shall be submitted in lieu of the three (3) quote minimum.
- c. Department representative determines which vendor has the lowest and best quote based on their requirements, and issues a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing.
- d. Quotes are then forwarded to Central Purchasing along with memo of justification if not accepting the lowest quote. Note: Purchase orders will not be processed until Central Purchasing has received the required quotes and/or justification.
- e. Central Purchasing receives the approved e-requisition, audits the e-requisition for accuracy, appropriate budget, and dollar amount. Upon approval a purchase order is printed. Quotes shall be filed with the Central Purchasing copy of the purchase order.
- f. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor’s copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

3. \$3,001 to \$25,000

- a. Department representative identifies equipment, supplies or services required, determines that cost will be \$3,001 to \$25,000.
- b. Department representative obtains a minimum of three (3) written price quotes for the requirement. Representative shall contact prospective vendors by mail, phone or fax, and all quotes shall be received on the quoting vendor’s letter head with a signature, or in an e-mail. If a quote is not received from a requested vendor it shall be documented as a “no quote” response. If three (3) written quotes cannot be obtained, a memo of justification shall be submitted in lieu of the three (3) quote minimum.
- c. Department representative determines which vendor has the lowest and best quote based on their requirements, and issues a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing.
- d. Quotes are then forwarded to Central Purchasing, along with memo of justification if not accepting the lowest quote. Note: Purchase orders will not be processed until Central Purchasing has received the required quotes and/or justification.
- e. Central Purchasing receives the approved e-requisition, audits the e-requisition for accuracy, appropriate budget, and dollar amount. Upon approval a purchase order

is printed. Quotes shall be filed with the Central Purchasing copy of the purchase order.

- f. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

4. \$25,001 and Over (Sealed Bid Procedure)

- a. Department representative identifies equipment, supplies or services required, determines that cost will be \$25,001 or above and that a bid must be issued based on the cost of the requirement. For capital outlay purchases prior City Council approval is required.
- b. Department representative defines the scope of work and prepares specifications, and proposed bidders list for the requirement, ensuring that the specification is understandable and effectively communicates the City's needs, without being restrictive.
- c. Department representative forwards specifications to Central Purchasing via E-mail. Note: Vehicle or rolling stock e-requisitions shall have Fleet Management approval, by providing a signature on the e-requisition, prior to submitting specifications to Central Purchasing.
- d. Central Purchasing receives the specifications and reviews for compliance and completeness then makes any suggestions or correction recommendations to department representative, if required. Bid number is assigned and schedule is determined, normally closing twenty-one (21) days from issue date, and awarded at the next available City Council meeting.
- e. Central Purchasing then incorporates completed specification into the appropriate Solicitation to Bid boiler plate. Solicitation to Bid notice is placed in the newspaper if necessary by Central Purchasing and the solicitation to bid package is placed on the City's website.
- f. All bids will be received by Central Purchasing and publicly opened at the closing time and place stated in the bid document.
- g. Bid tabulation and copies of the bids will be forwarded to the requesting department representative for evaluation and recommendation of award. Recommendation shall be submitted, in writing, to Central Purchasing along with the budget account to be charged and a memo of justification if awarding to other than low bidder.
- h. The requesting department will prepare an agenda item to present to the City Council for approval. Upon approval, the requesting department will issue the purchase e-requisition. Central Purchasing receives the approved e-requisition, audits the e-requisition for accuracy, appropriate budget, and dollar amount. Upon approval a purchase order is printed.

- i. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing. A copy of all completed and signed documents shall be provided to the City Clerk's office. Copies of all successful and unsuccessful bid packets and all contracts and required bonds shall be placed in a file and maintained for a minimum of five (5) years from the date of bid opening or for a period of three (3) years from the date of completion of the contract, whichever is longer.
5. \$25,001 and Over (Construction - Sealed Bid Procedure)
- a. Department representative identifies project required, determines that cost will be \$25,001.00 or above and that a bid must be issued based on the cost of the requirement. For capital outlay purchases prior City Council approval is required.
 - b. Department representative defines the scope of work and prepares specifications for the requirement, ensuring that the specification is understandable and effectively communicates the City's needs. Specification is then sent to the City Engineer to be incorporated into a construction bid packet, reviewed, and approved. Upon completion of this process the City Engineer and Central Purchasing will determine the bid schedule, at least twenty-one (21) days from the date of advertisement, with award being made at the next available City Council meeting. Advertisement shall be made in the local newspaper by Central Purchasing for two (2) consecutive weeks and placed on the City's website.
 - c. All bids will be received by Central Purchasing and publicly opened at the closing time and place as stated in the bid document.
 - d. Bid tabulation and copies of the bids will be forwarded to the requesting department representative (or the City Engineer if applicable) for evaluation and recommendation of award. Recommendation shall be submitted, in writing, to Central Purchasing along with the budget account to be charged and a memo of justification if awarding to other than low bidder.
 - e. The requesting department will prepare an agenda item to present to the City Council for approval, if applicable, within 45 days of the bid opening. Upon approval, the requesting department will issue the purchase e-requisition. The purchasing department receives the approved e-requisition, audits the e-requisition for accuracy, appropriate budget, and dollar amount. Upon approval a purchase order is printed.
 - f. The completed purchase order will be forwarded to the requesting department for distribution. The City Engineer will secure the required signed contract (minimum of three copies), bonds and insurance documents within 60 days and prior to the start of the project. The requesting department shall coordinate with the City Engineer to determine project schedule. A copy of all completed and signed documents shall be provided to the City Clerk's office. Copies of all successful and unsuccessful bid packets and all contracts and required bonds shall be placed in a file and maintained for a minimum of five (5) years from the date of bid

opening or for a period of three (3) years from the date of completion of the contract, whichever is longer.

C. Step-By-Step Procedure for Purchasing Professional Services

1. Up to \$1,500

- a. Department representative identifies services required, determines that cost will not exceed \$1,500. Note: Engineering shall be consulted during the negotiating process to ensure City requirements are being met.
- b. Department representative issues a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing.
- c. Central Purchasing receives the approved e-requisition and audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.
- d. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

2. \$1,501 to \$25,000

- a. Department representative identifies service required, determines that cost will be \$1,501 to \$25,000. Departments are encouraged to obtain quotes or statements of qualifications. Note: The Engineering department should be consulted during the negotiating process to ensure City requirements are being met.
- b. Department representative may obtain a minimum of three (3) price quotes or statements of qualifications for the requirement. Representative shall contact prospective vendors by mail, phone or fax, (written is preferred) and shall document all quotes or statements of qualifications received, as well as "no quote" responses. If three (3) quotes or statements of qualifications cannot be obtained, a memo of justification shall be submitted in lieu of the three (3) quotes or statement of qualification minimum.
- c. Department representative determines which vendor has the lowest and best quote based on their requirements, and issues a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing.
- d. Quotes or statement of qualifications are then forwarded to Central Purchasing, along with memo of justification if not accepting the lowest quote.
- e. Central Purchasing receives the approved e-requisition, audits the e-requisition for accuracy, appropriate budget, and dollar amount. If received, quotes shall be filed with the Central Purchasing copy of the purchase order.

- f. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

3. \$25,001 and Over

- a. Department representative identifies service required, determines that cost will be \$25,001 or above. Unless exceptional or legal circumstances justify differently, departments shall solicit for proposals or qualifications as set forth in the following Section F, items 1-9. City Council approval is required for all contracts that are \$25,001 or above, regardless of whether RFP/RFQ's are solicited. Note: Engineering shall be consulted during the negotiating process to ensure City requirements are being met.
- b. The department representative will prepare an agenda item to present to the City Council for approval (copy should be forwarded to Central Purchasing). Upon Council approval, and/or execution of applicable contract, the requesting department will create a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing. Note: Council approval and date should be noted in the body of the e-requisition.
- c. Central Purchasing receives the approved e-requisition and audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.
- d. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

D. Step-By-Step Procedure for Emergency Purchases

1. Up to \$1,500

- a. Department representative identifies equipment, supplies or services required, determines that cost will not exceed \$1,500. During regular business hours department representative shall contact the Purchasing Agent for approval and place the order. After hours department representative shall make the required purchase and notify the Purchasing Agent as soon as possible.
- b. Department representative shall provide a memo of justification for the purchase and fill out a purchase e-requisition within twenty-four (24) hours and department head or authorized representative approves e-requisition and transfers it to Central Purchasing. Purchasing Agent approval should be noted in the body of the e-requisition.
- c. Central Purchasing receives the approved e-requisition and audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.

- d. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

2. \$1,501 to \$25,000

- a. Written, competitive quotes shall be required, except in the event of emergency where immediate procurement of materials or service is necessary to preserve City property, or to preserve or protect the life, health, or safety of the citizens of Guthrie.
- b. Department representative identifies equipment, materials or services required, determines that cost will be \$1,501 to \$25,000. During regular business hours department representative shall contact the City Manager for approval and place the order. After hours, department representative shall make the required purchase and notify the Purchasing Agent as soon as possible. Department representative shall provide a memo of justification and fill out a purchase e-requisition within twenty-four (24) hours and transfer it to the Purchasing Department. City Manager approval shall be noted in the body of the e-requisition.
- c. Central Purchasing receives the approved e-requisition, audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.
- d. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

3. \$25,001 and Over

- a. Competitive bids shall be required, except in the event of emergency where immediate procurement of materials or service is necessary to preserve City property, or to preserve or protect the life, health, or safety of the citizens of Guthrie.
- b. Department representative identifies equipment, materials or services required, determines that cost will be \$25,001 or above. During regular business hours department representative shall contact the City Manager for approval, notify the Purchasing Agent of approval, and place the order. After hours department representative shall make the required purchase, notify the City Manager, within twelve (12) hours for approval, and then notify the Purchasing Agent of approval. Department representative shall provide a memo of justification and complete a purchase e-requisition within twenty-four (24) hours and transfer it to Central Purchasing. City Manager approval shall be noted in the body of the e-requisition. The department representative will then prepare an agenda item to present to the City Council for approval of the emergency purchase at the next available City Council meeting (copy should be forwarded to Central Purchasing).

- c. Central Purchasing receives the approved e-requisition. Central Purchasing audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.
- d. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

E. Step-By-Step Procedure for Sole Source Purchases

1. Up to \$1,500

- a. Department representative identifies equipment, supplies or services required, determines that cost will not exceed \$1,500.
- b. Department representative issues a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing.
- c. Central Purchasing receives the approved e-requisition and audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.
- d. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

2. \$1,501 to \$25,000

- a. In the rare circumstance where there is only one supplier for supplies or service due to proprietary rights or other limitations, a purchase may be made to that vendor without competitive bidding. Sole source purchases of \$1,501 to \$25,000 shall require a memo of justification and approval by the City Manager.
- b. Department representative identifies equipment, supplies or services required, determines that the cost will be between \$1,501 to \$25,000. Department representative issues a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing along with sole source justification memo, and any supporting documentation. Note: Purchase orders will not be processed until Central Purchasing has received the required justification with City Manager's approval.
- c. Central Purchasing receives the approved e-requisition and audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.
- d. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's

copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

3. \$25,001 and Over

- a. In the rare circumstance where there is only one supplier for supplies or service due to proprietary rights or other limitations, a purchase may be made to that vendor without competitive bidding. Sole source purchases of \$25,001 and above shall require City Council approval.
- b. Department representative identifies equipment, supplies or services required, determines that cost will be \$25,001 or above. The department representative will then prepare an agenda item to present to the City Council for approval of the sole source purchase at the next available City Council meeting (copy should be forwarded to Central Purchasing), along with any supporting documentation.
- c. Upon City Council approval, department representative issues a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing along with sole source justification memo, and any supporting documentation. Note: Council approval and date should be noted in the body of the e-requisition.
- d. Central Purchasing receives the approved e-requisition and audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.
- e. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

F. Request for Proposal/Request for Qualification Procedure

1. Department representative identifies equipment, supplies or services required, determines that a RFP or RFQ should be issued based on the cost and/or type of the requirement (i.e. project with multiple components, the inability to obtain firm price for product or service, or for professional services based on vendor qualification).
2. Department representative defines the scope of work and prepares specifications for the requirement, ensuring that the specification is understandable and effectively communicates the City's needs. Submission instructions and evaluation criteria should be included. All RFP/RFQ responses shall be submitted to Central Purchasing.
3. Department representative forwards specifications and list of proposed vendors that may not be in Central Purchasing's vendor database to Central Purchasing via E-mail.
4. Central Purchasing receives the specifications and reviews for compliance and completeness, and then makes recommendations to department representative, if required. RFP/RFQ number is assigned and schedule is determined, normally closing twenty-one (21) days from issue date, and awarded at the next available City Council

meeting. Specifications are then incorporated into the appropriate boiler plate packet by Central Purchasing. Central Purchasing will send the information to qualified vendors, place the packet on the website and advertise appropriately. Department Head may e-mail the web link to RFQ/RFP information to interested vendors.

5. Responses will be forwarded to the requesting department after the time and date for submission has elapsed. The proposals shall be evaluated and, if applicable, a contract negotiated. Note: All contracts must have City Attorney approval before they go before the City Council.
6. A recommendation along with contract shall be submitted to Central Purchasing along with the budget account to be charged. Four (4) originals of the applicable contract shall be provided to the City Clerk's office for the purpose of obtaining the required signatures. Distribution of executed contract shall be one (1) for City Clerk's file, one (1) for requesting department, one (1) for vendor and one (1) for Central Purchasing.
7. The department representative will prepare an agenda item to present to the City Council for approval, if applicable, (copy should be forwarded to Central Purchasing). Upon Council approval, and/or execution of applicable contract, the requesting department representative issues a purchase e-requisition. Department head or authorized representative approves e-requisition and transfers it to the Central Purchasing along with any supporting documentation. Note: Council approval and date should be noted in the body of the e-requisition.
8. Central Purchasing receives the approved e-requisition and audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.
9. The completed purchase order is then returned to the requesting department for distribution. Each department is responsible for mailing or faxing the vendor's copy of the purchase order to the vendor, unless prior arrangements have been made with Central Purchasing.

G. Step-by-Step Procedure for Blanket Purchase Orders

1. Up to \$1,500
 - a. Department representative identifies recurring supplies or services.
 - b. Department representative issues a purchase e-requisition not to exceed \$1,500 and the words *Blanket Purchase Order* is noted in the body of the e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing.
 - c. Central Purchasing receives the approved e-requisition. Central Purchasing audits the e-requisition for accuracy, appropriate budget, and dollar amount, upon approval a purchase order is printed.
 - d. The completed purchase order is then returned to the requesting department. It is the department's responsibility to track all orders placed against a blanket purchase order. Purchases against a blanket purchase order should not exceed the

encumbered amount, if funds have been depleted a new purchase order should be processed.

2. \$1,501 to \$3,000

- a. Department representative identifies recurring supplies or services required, determines that cost will be between \$1,501 and \$3,000.
- b. Department representative obtains a minimum of three (3) price quotes for the requirement. Representative shall contact prospective vendors by mail, phone or fax, (written is preferred) and shall document all quotes received, as well as “no quote” responses. If three (3) quotes cannot be obtained, a memo of justification shall be submitted in lieu of the three (3) quote minimum.
- c. Department representative determines which vendor has the lowest and best quote based on their requirements, then fills out a purchase e-requisition with an amount not to exceed \$3,000. Blanket Purchase Order is noted in the body of the e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing.
- d. Quotes are then forwarded to Central Purchasing, along with memo of justification if not accepting the lowest quote. Note: Purchase orders will not be processed until the Purchasing Department has received the required quotes and/or justification.
- e. Central Purchasing receives the approved e-requisition. Central Purchasing audits the e-requisition for accuracy, appropriate budget, and dollar amount. Upon approval a purchase order is printed. Quotes shall be filed with the Central Purchasing copy of the purchase order.
- f. The completed purchase order is then returned to the requesting department. It is the department’s responsibility to track all orders placed against a blanket purchase order. Purchases against a blanket purchase order should not exceed the encumbered amount, if funds have been depleted a new purchase order should be processed.

3. \$3,001.00 to \$25,000

- a. Department representative identifies recurring supplies or services required, determines that cost will be between \$3,001 and \$25,000.
- b. Department representative obtains a minimum of three (3) written price quotes for the requirement. Representative shall contact prospective vendors by mail, phone or fax, and all quotes shall be received on the quoting vendor’s letter head with a signature, or in an e-mail. If a quote is not received from a requested vendor it shall be documented as a “no quote” responses. If three (3) written quotes cannot be obtained, a memo of justification shall be submitted in lieu of the three (3) quote minimum.
- c. Department representative determines which vendor has the lowest and best quote based on their requirements, then fills out a purchase e-requisition with an amount

not to exceed \$25,000. Blanket Purchase Order is noted in the body of the e-requisition. Department head or authorized representative approves e-requisition and transfers it to Central Purchasing.

- d. Quotes are then forwarded to Central Purchasing, along with memo of justification if not accepting the lowest quote. Note: Purchase orders will not be processed until Central Purchasing has received the required quotes and/or justification.
 - e. Central Purchasing receives the approved e-requisition. Central Purchasing audits the e-requisition for accuracy, appropriate budget, and dollar amount. Upon approval a purchase order is printed. Quotes shall be filed with the Central Purchasing copy of the purchase order.
 - f. The completed purchase order is then returned to the requesting department. It is the department's responsibility to track all orders placed against a blanket purchase order. Purchases against a blanket purchase order should not exceed the encumbered amount, if funds have been depleted a new purchase order should be processed.
4. \$25,001.00 and Over (Sealed Bid Procedure)
- a. Department representative identifies equipment, recurring supplies or services required, determines that cost will be \$25,001.00 or above and that a bid must be issued based on the cost of the requirement. For capital outlay purchases prior City Council approval is required.
 - b. Department representative defines the scope of work and prepares specifications, and proposed bidders list for the requirement, ensuring that the specification is understandable and effectively communicates the City's needs, without being restrictive.
 - c. Department representative forwards specifications to Central Purchasing via E-mail.
 - d. Central Purchasing receives the specifications and reviews for compliance and completeness then makes any suggestions or correction recommendations to department representative, if required. Bid number is assigned and schedule is determined, normally closing twenty-one (21) days from issue date, and awarded at the next available City Council meeting.
 - e. Central Purchasing then incorporates completed specification into the appropriate Solicitation to Bid boiler plate. Solicitation to Bid notice is placed in the newspaper if necessary and the solicitation to bid package is placed on the City's website.
 - f. All bids will be received by Central Purchasing and publicly opened at the closing time and place stated in the bid document.
 - g. Bid tabulation and copies of the bids will be forwarded to the requesting department representative for evaluation and recommendation of award. Recommendation shall be submitted, in writing, to Central Purchasing along with

the budget account to be charged and a memo of justification if awarding to other than low bidder.

- h. The requesting department will prepare an agenda item to present to the City Council, if applicable, for approval. Upon approval, the requesting department shall prepare a purchase e-requisition with a not to exceed dollar amount. Blanket Purchase Order is noted in the body of the e-requisition, and the purchase order is printed.
- i. The completed purchase order is then returned to the requesting department. It is the department's responsibility to track all orders placed against a blanket purchase order. Purchases against a blanket purchase order should not exceed the encumbered amount, if funds have been depleted a new purchase order should be processed.

SECTION 4: DISPOSAL OF SURPLUS AND/OR OBSOLETE PROPERTY

A. General

All property owned by the City/GPWA which is surplus or has become obsolete shall be reported to Central Purchasing prior to disposal, and must be declared surplus by the City Council/Trustees. All vehicles, rolling stock, and machinery type equipment determined as surplus must be processed through the Fleet Maintenance Department where a minimum value is determined and recommended prior to disposal. Disposal must be accomplished by public auction, internet auction, obtaining quotes from a minimum of three (3) vendors or by sealed bid.

B. Step-by-Step Procedure for Disposal of City Property

1. Value under \$1,000

- a. Department representative identifies equipment or supplies that are surplus or obsolete and determines that value is under \$1,000. The department representative will prepare an agenda item to present to the City Council to declare the item as surplus and for approval to sell surplus/obsolete property.
- b. Upon Council approval, the department representative will hold a "surplus sale"; these sales will be ONLY for items valued at less than \$1,000. We will hold such items until there are enough to warrant a surplus sale.

2. Value over \$1,001 - \$5,000.00

- a. Department representative identifies equipment or supplies that are surplus or obsolete and determines that value is under \$5,000.00. The department representative will prepare an agenda item to present to the City Council to declare the item as surplus and for approval to sell surplus/obsolete property.
- b. Upon Council approval, the department representative will obtain a minimum of three (3) quotes with award being made to the highest and best bid.

3. Value over \$5,001.00

- a. Department representative identifies equipment or supplies that are surplus or obsolete and determines that value exceeds \$5,000.00. The department representative will prepare an agenda item to present to the City Council to declare the item as surplus and for approval to sell surplus/obsolete property.
- b. Upon Council approval, the department representative shall notify the Central Purchasing and, dependent on item, a public auction or internet auction shall be scheduled with award being made to the highest and best bid.

SECTION 5: E-REQUISITION AND PURCHASE ORDERS

A. General:

The use of e-requisitions is timesaving to all parties involved if properly utilized. The e-requisition/purchase order process shall be used for all purchases with the exception of emergency purchases that meet the emergency purchase criteria – see page 5.

B. Step-by-Step Procedure for Processing E-Requisition

1. The e-requisition is sent to the Central Purchasing of the Finance Department. Information required on the e-requisition is as follows:
 - A. Department Name
 - B. Account Number
 - C. Date
 - D. Vendor Name and Vendor Number
 1. If new vendor, provide complete name, address, phone/fax number, email address, and TIN number
 - E. Quantity
 - F. Description of goods or services
 - G. Price
 - H. Three (3) documented verbal price quotes, when applicable; or
 - I. Three (3) written price quotes, supplied by vendors, when applicable
 - J. Authorizing Signature
2. Two individuals in the Finance Department are capable of issuing purchase orders. The person receiving the e-requisition will print out a plain white cover copy which is maintained with the purchase order in the pending file in the Purchasing Department.
3. The person issuing the PO will enter the PO number in the appropriate space and enter their name or initials and date of the e-requisition's encumbrance space and return it to the using department via e-mail.

4. Upon receipt of goods or services, the using department will print out the e-requisition on yellow paper. The Department head or designated representative will sign and date the receiving verification at the bottom of the e-requisition and forward the yellow copy with the invoice and all signed packing slips, tickets or back-up documents to Central Purchasing for payment processing. Any changes should be reflected on the yellow copy for the accounting department. The using department maintains copies for their files, either by hard copy or computer. (Some departments elect to use pink paper for their files.)
5. When using blanket purchase orders you follow the same process only sending a white copy of the e-requisition with supporting documents for payment. Only at the completion of the purchase order will you send the yellow copy.
6. When claims have been processed and checks issued, the check number and the City Council pay date are written on the purchase order. The purchase order with all its supporting documents are then maintained in a file in the purchasing office. All purchasing records are maintained for a period of five (5) fiscal years.

DEFINITIONS

Addendum: an addition or supplement for items or information added to a procurement document.

Advantageous: in the jurisdiction's best interest.

Advertise: to make public announcement, or legal notice, of forthcoming solicitation with the aim of increasing response and enlarging competition; often required by law.

Approval: official permission, consent.

Award: the presentation, after careful consideration, of a purchase agreement or contract to the selected bidder.

Bid: offer submitted by a prospective vendor in response to a solicitation to bid issued by a purchasing authority; becomes a contract upon acceptance by the buyer.

Bid Deposit: a sum of money or bond issued by a surety and deposited with a procurement activity guaranteeing the bidder will not withdraw the bid for a specified period of time, will furnish bonds as required, and will accept a contract, if awarded, or forfeit the deposit.

Bidder: one who submits a response to a solicitation to bid.

Bid Opening: the formal process in which sealed bids are opened, usually in the presence of one or more witnesses, at the time and place specified in the solicitation to bid. The amount of each bid is recorded and bids are made available for public inspection.

Bid Tabulation: a public document listing all vendors responding to a solicitation to bid, with a list of all items in the solicitation, and showing prices for each item for each bidder.

Boilerplate: a colloquialism, used in purchasing to identify standard terms and conditions incorporated in solicitations, contracts or purchase orders.

Budget: the authorization by the City Council to allocate funds for specified capital equipment, materials, supplies and services for City operation and projects during a specific fiscal year.

Capital Outlay: any item having a cost of \$2,000 or more and a useful life of at least two (2) years. This threshold amount should apply to individual fixed assets rather than to groups of fixed assets. All costs for construction projects of \$2,000 or more should be capitalized regardless of price paid for component parts.

Competitive Sealed Bidding: solicitation of three (3) or more qualified sources by invitation for the same requirement; must be submitted in a sealed envelope and in conformance with a prescribed format to be opened in public at a specified time; preferred method of acquiring

goods, services and construction for public use in which award is made to the lowest responsible bidder, based on the response criteria set forth in the solicitation to bid.

Construction (Public Works/Public Improvements): the process of building, altering, repairing, improving or demolishing any public structure, building, road, or other improvement or addition to real property; does not include routine repair or maintenance.

Contract: a legally binding agreement, enforceable by law, between parties usually exchanging goods or services for money or other consideration.

Decentralized Purchasing: an arrangement in which certain purchasing authority or functions are delegated to smaller units (departments) by a central authority which retains policy direction and responsibility.

Disposal: the act of getting rid of something unwanted by sale, trade-in, donation, transfer or destruction.

Disposal Value: the proceeds from a disposal.

Emergency Purchase: a purchase made to alleviate a situation in which there is a threat to health, welfare, or safety under certain conditions defined as an emergency by the jurisdiction, that does not allow time for normal, competitive purchasing procedures.

Equivalent Items: items that without actually being identical have sufficient in common to be capable of being used for the same purpose.

Evaluation of Bids: the examination of bids after opening to determine the bidder's responsibility, responsiveness to requirements, and other aspects of the bid to determine the successful bidder.

Guarantee: an expressed or implied assurance of the quality of goods offered for sale, or of how long the goods can be expected to give satisfactory use.

Negotiation: a bargaining process between two or more parties, each with its own view points and objectives, seeking to reach a mutually satisfactory agreement.

Non-Collusion Affidavit: a document signed by bidder affirming that the bid is made freely, without collusion or consultation with another vendor.

Obsolete Materials: material, supplies or equipment that are out of date or no longer in use.

Performance Bond: a bond executed subsequent to award by a successful bidder, to protect the buyer from loss due to the bidder's inability to complete the contract as agreed.

Policy: a governing principle of plan which establishes the general parameters for the organization to follow in carrying out its responsibilities.

Procedure: the detailed series of related activities that must be completed, and the order in which they must be done, to accomplish a given task.

Procurement: purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction.

Professional Services: services rendered by members of a recognized profession or possessing a special skill.

Proposal: in competitive negotiations, the document submitted by the offeror in response to the RFP to be used as the basis for negotiations for entering into a contract.

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

Purchasing: the act and the function of the responsibility for the acquisition of equipment, materials, supplies and services.

Purchasing Manual: document which describes the rules, regulations, policies, and procedures to be followed by the purchasing activity and the using agencies.

Quote: informal solicitation method to obtain competitive price quotations for supplies, equipment or services, from a vendor, conveyed orally, by letter, telephone or fax when the estimated cost is less than the authorized limit.

Request for Proposal: all documents utilized for soliciting competitive proposals; a solicitation method used when it is expected that negotiation with bidder may be required with respect to any aspect of the requirements, or other factors will be considered in the selection of the contractor in addition to price.

Requisition: an internal document by which a using agency sends details of supplies, materials, or services required to the purchasing department and authority to commit funds to cover the purchase.

Scrap Material: salvageable material that is damaged, defective, or deteriorated to the extent that it has no value except for its basic material content.

Sole Source Procurement: where only one vendor possesses the unique and singularly available capability to meet a requirement, such as technical qualifications.

Supplies: all property, including but not limited to equipment, and materials.

Surplus Material: material for which there is no known requirement by the custodian or is in excess of the needs of the organization; items no longer having any use to the jurisdiction.

Term and Conditions: language in a contract including applicable standard clauses and special provisions; the rules under which bids must be submitted, and the stipulations, applicable to most contracts.

Vendor: one who sells goods or services.

Warranty: the representation either expressed or implied that certain facts regarding the subject matter of a contract are presently true or will be true.