

Subject: Purchasing

Resolution Number: 2013-02

Resolution Number: 2021-44

Approved By: City Council

Effective Date: 01/12/2013

Effective Date: 04/14/2021

PURPOSE:

The City of Garnavillo needs to purchase items required to conduct the City's business. It is the intent to buy materials, supplies, and services of high quality at a reasonable cost. All purchasing actions by the City should be fair, impartial, and free from impropriety or the appearance of impropriety. All qualified buyers and sellers shall have access to compete for City business, and no reasonable offer shall be arbitrarily excluded

SCOPE:

Accordinging the Iowa Code, Chapter 73.1, preference will be given to products and provisions grown and produced within the State of Iowa.

Garnavillo based companies will also be given preference for services; products; and provisions delivered, grown, and produced within Garnavillo.

POLICY:

1. All purchases of, and contracts for, supplies and contractual services, for an estimated cost of \$10,000 or more, except as specifically provided herein, shall be based whenever possible on competitive bids. Utilization of any State or Federal bid contracts satisfies the competitive bidding requirements. The City may consider life cycle costing analysis, and may give weight to the value of standard facilities and equipment, in selecting a vendor.

Exceptions to the competitive sealed bidding requirements include: items valued under \$10,000, professional services, and emergency purchases. Professional services shall be those services provided by a person with an advanced/specialized degree, such as a CPA, lawyer, architect, engineer, actuary, or in some cases a highly specialized consultant.

Any project or purchase that is above the competitive bid or quote thresholds as set by the State of Iowa shall follow all applicable laws.

2. Under Iowa Law, the City of Garnavillo is exempt from tax in the case of sales of articles purchased for the City's exclusive use. The City is not exempt from hotel/motel taxes.
3. A W-9 is required from any non-incorporated vendor.

4. Role of the City Council:

The City Council sets the annual budget for all City of Garnavillo operations.

The City Council gives formal approval to any City policy.

The City Council gives pay authorization by approving the monthly claims list.

The City Council must authorize the City of Garnavillo to enter into any contract. This could be a contract to purchase goods or services. If a contract is approved, any expenses under the contract provisions do not require purchase orders.

The City Council must approve any purchase or project that is above the competitive bid or quote thresholds as set by the State of Iowa.

5. Role of the Library Board of Trustees:

Although the City Council sets the total budget amount for the Garnavillo Public Library, the Library Board of Trustees has the right to determine how to spend that budget amount.

The Library Board must approve all library expenditures. Those approved expenditures are then placed on the City Council's claims list for publication. The City Council does not have the legal right to disapprove payment for an expense the Library Board of Trustees has approved, unless it is found to exceed the library's budget or violate any law.

6. Role of the Mayor:

The Mayor has the ability to make needed purchases for budgetary purposes, following all City of Garnavillo policies.

The Mayor is the supervisor for all employees. As such, the mayor has the ability to authorize employees to make needed purchases for budgetary purposes, following all City of Garnavillo policies.

7. Role of Department Heads:

The City Administrator Clerk/Treasurer, the Fire Chief, the Library Director, and the Public Works Superintendent are all considered department heads for the City of Garnavillo.

The department head may authorize or make purchases under \$1,000.00 after determining need, verifying available budget and cash, and determining which general ledger line will be charged. All supporting paperwork available from the purchase shall be turned into Garnavillo City Hall and marked with information so the staff can process payment.

The department must approve personal funds Reimbursement Forms from their employees.

The department head completes and submits Purchase Orders as outlined in this policy.

8. Purchase Orders:

The following is a chart to show what is required at each level of total costs. Total cost includes shipping/handling fees and transportation surcharges.

\$2,000 – \$3,499	Three verbal quotes submitted with a PO before purchase
\$3,500 - \$9,999	Three written quotes submitted with a PO before purchase
\$10,000+	Competitive bids approved by City Council before purchase

The department head prepares a Garnavillo Purchase Order for purchases over \$2,000.00. The purchase order shall identify the vendor, item, estimated cost, shipping address, the department's line-item account which will be used to pay for the item, and any other needed information. Any supporting paperwork, such as bids, shall be submitted to the City Administrator Clerk/Treasurer along with the purchase order.

The City Administrator Clerk/Treasurer will give the PO a unique number, verify the general ledger line for payment, budget availability, available cash, and if a PO is required for this purchase.

The City Administrator Clerk/Treasurer will then submit the PO to the Mayor or President of the Library Board of Trustees for approval or denial and signature.

After action, a copy of the PO shall be forwarded back to the department head.

The following items do not require a PO regardless of dollar amount:

- Insurable accident losses that have been reported to the City's insurance company
- Equipment repairs that are unscheduled (ie: sudden powertrain failure). Staff should use known City vendors that routinely handle similar repairs.
- Annually bid items for which the price is honored for the remainder of the year. A PO is not required for each subsequent purchase but the date of original bid and/or approval should be noted on subsequent invoices.
- Contractual costs that have already been approved by the City Council.
- Monthly expenses for the City of Garnavillo utilities.

9. If an employee makes a purchase with their personal funds, they may complete a Reimbursement Form to request financial reimbursement. The department head must approve the reimbursement form. The date, vendor, reason for purchase, amount, and general ledger line item should be noted on a signed Reimbursement Form before turning it in to Garnavillo City Hall.

10. This policy may be circumvented if a situation arises that meets any of the following emergency procurement conditions:
- a. The situation threatens public health, welfare, or safety.
 - b. The department must act to preserve critical services or programs.
 - c. The need is a result of events or circumstances not reasonably foreseeable.

In the event that any of these situations occur, purchases of emergency need items can be made without approvals required by this policy. At the conclusion of the situations, formal documentation will be required by staff participating in the event to outline the occurrence and justify the expenditures made under the emergency exemption. The documentation will be presented to City Council for review and approval after the fact.

Chad Schmelzer, Mayor

Attest:

Melissa Atkinson, City Administrator/Clerk