RICE COUNTY, KANSAS

The City of Lyons

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From: City Administrator
To: Distribution List

Subject: City of Lyons Procurement Policy Manual

Ref: (a) City Code
(b) Resolution No. 327 dated 5 May 2003, Resolution Adopting a Procurement Policy, which applies to the procurement of all supplies, equipment, construction and services of the City of Lyons, Kansas related to the implementation and administration of the Community Development Block Grant Program
(c) Procedures for City Of Lyons Employee Travel Expense Reimbursement, 7 Nov 2011
(d) City of Lyons Personnel Policies and Guidelines dated 5 Dec 11 by Resolution No. 542
(e) City of Lyons Regularly Scheduled Meeting 7 October 2013

1. Purpose: The purpose of the City of Lyons Procurement Policy Manual to provide a complete source of purchasing information and detailed procedures for the centralized purchasing of all commodities, contractual services and equipment, in accordance with the references and as approved by the City Council, The manual serves as a guide to those who are granted purchasing privileges on behalf of the City of Lyons. City of Lyons employees/elected officials will follow established ethical and conflict of interest polices as set forth in the City Code (reference a)

2. Application:

a. The following positions are authorized to make purchases for the city up to $800. Any purchase exceeding $500 or for professional services and fixed assets must be approved either by the City Administrator or City Council prior to making the purchase. Quotes received for purchases $500 and under can be accomplished via phone, in person, in writing or via fax, but need to be recorded on the purchase order. When practical, Department Heads should obtain three quotes prior to making purchases.

City Clerk
Police Chief
Fire Chief
Utility Department Superintendent
Streets & Flood Control Superintendent
Parks & Ground Superintendent
Cemetery Sexton

b. The City Administrator is authorized to make purchases for the City of Lyons up to $7,000. Any purchase exceeding $7,000 must be approved by the city council prior to making the purchase. Bids and the purchases of fixed equipment $5,000 or more, not included in the budget, require City Council approval. The City Administrator will report all purchases approved in excess of $3,000 to the limit of $7,000 to the City Council on a quarterly basis.

c. The City of Lyons utilizes a formal purchase order system. Once an item is received, the Department Head that purchased the item verifies that the city is being invoiced for the correct item. The Department Head reviews the purchase order, initials it and codes it for payment. Purchases made by the Administration Department and office staff are reviewed, initialed and coded by the City Clerk. The Administration Department enters the invoices for payment into the system. Once the warrant register is printed, the City Clerk and City Administrator review them. The warrant register is taken to the City Council for approval.

d. The Mayor or the President of the City Council and the City Clerk or Deputy City Clerk must sign each warrant register approval report. The checks are printed and mailed the following day. The Mayor or the President of the City Council, City Treasurer or the Deputy City Treasurer, and the City Clerk or the Deputy City Clerk must sign the checks. One of the three signatures may be a stamped signature – two must be original.

3. Procurement Procedures:

a. Small Purchases – This method is used when goods or services do not cost in the aggregate more than $10,000.

(1) Price or rate quotes are obtained from an adequate number of qualified sources (generally three). Written specifications are provided to assure all responders are bidding on the same product or service, normally 30 days. Bid requests will be published as a minimum in the City of Lyons Official Newspaper as a minimum 30 days prior to bid date except with approval of the City Council. All bids shall be opened publicly at the time and place stated in the invitation for bids.

(2) Documentation regarding the businesses contacted and the prices submitted are maintained.

(3) Written documentation regarding basis for selection and cost are maintained.

(4) Preparation and signing of a contract formalizing a scope of work and the terms of compensation is required for all contracts over $2,000.

(5) Any and all bids may be rejected when there are sound documented business reasons in the best interest of the City of Lyons. All unsuccessful bidders must be notified in writing.

b. Competitive Sealed bids – Competitive sealed bids are initiated by publishing an Invitation for bids (IFB) when the cost is estimated to be over $25,000. Invitation to bid notices will be published once as a minimum in the City of Lyons Official Newspaper and the publications as a minimum 30 days prior to bid date except with approval of the City Council. The City Council is the approving authority for all competitive sealed bids. All bids shall be opened publicly at the time and place stated in the invitation for bids.

(1) Detailed specifications for the goods or services to be procured are prepared. The primary basis for award is cost.

(2) All bids received are tabulated and reviewed according to the written criteria given to prospective bidders.

(3) The contract awarded must be a firm, fixed-price contract.

(4) Preparation and signing of a contract formalizing a scope of work and the terms of compensation is required (after confirming the contractor is not on the Federal debarred list).

(5) Any and all bids may be rejected when there are sound documented business reasons in the best interest of the City of Lyons. All unsuccessful bidders must be notified in writing.

(6) A bid guarantee equal to at least five percent (5%) of the proposed contract amount and should be secured through a bid loan or a certified check. A 100 percent "performance bond" on the part of the contractor to secure fulfillment of all the contractor's obligations under the contract; and a 100 percent "payment bond on the part of the contractor to assure payment, as required by law, of all persons supplying labor and materials as part of work provided under the contract.

(7) Bonds shall be from a surety company registered and licensed to do business in Kansas and countersigned by a Kansas agent.

c. Competitive Negotiations – initiated by publishing a Request for Proposals (RFP) or Request for Qualifications (RFQ). At a minimum, all qualified firms should be notified. The RFP is used when price is a factor in selection; the RFQ is used when price is considered after selection (this is usually applicable only for architectural and engineering services). Adequate time is allowed for preparation of RFP or RFQ for at least 30 days.

(1) In both the RFP and RFQ, the services to be procured are clearly defined, as are the factors to be used in evaluation and selection. A written basis of selection must be prepared.

(2) All proposals received are to be reviewed according to the written criteria given to prospective bidders and the review should be in writing, basis of selection must be documented.

(3) For RFQ's, an invitation is made to one or more respondents to negotiate a price or fee.

(4) Preparation and signing of a contract formalizing a scope of work and the terms of compensation is required.

(5) All unsuccessful bidders must be notified in writing.

d. Non-Competitive Negotiations – Non-competitive negotiations are used only when (1) the use of competitive negotiations is not feasible, such as only one supplier, (2) there is some public emergency, or (3) the results of the competitive negotiations are inadequate.

(1) Negotiations are conducted with the selected company regarding a scope of work and price.

(2) Preparation and signing of a contract formalizing a scope of work and the terms of compensation is required.

(3) Sole source purchases must be approved by the City Administrator or City Council.

4. Emergency Situations

a. It is recognized that emergency situations occasionally arise in City operations. In emergency situations it is up to the judgment of the City Administrator or Department Head to make a responsible decision regarding obtaining required goods and services.

b. These emergency situations arise when an immediate decision may preclude excessive costs at a later date and in some situations even save individual lives or injuries. The City Administrator and all Department Heads are charged with the responsibility to determine if an emergency situation exists and to make necessary decisions if higher authority is unavailable.

5. Contracts

a. Contracts must include the following:

(1) Effective date of contract

(2) Name and addresses of the locality and firm

(3) Names of representatives of locality and firm who will act as liaison for administration of the contract.

(4) Citation of the authority of the city/county under which the contract is entered into and source of funds.

(5) Conditions and terms under which contract may be terminated by either party, both termination for cause and termination for convenience, and remedies for violation/breach of contract.

6. Miscellaneous Financial Issues

a. Procedures for claiming of travel related expenditures are identified in references (c) and (d).

b. All telephone equipment and installations shall be requested to the City Administrator for approval.

c. The City Staff shall make every reasonable effort to purchase goods and services from suppliers located within the City of Lyons if the goods or services needed by the City are available from such suppliers at a competitive price, and if the goods and services are of the level of quality expected by the City.

d. All procurements will be reviewed to avoid unnecessary and duplicate purchases and to ensure costs are “reasonable.”

e. The City of Lyons will make every effort to ensure small, minority and/or female-owned businesses are included in the bid process.

f. The City of Lyons will incorporate this procurement policy with reference (b) when doing Community Development Block Grants.

g. Invitation for bids or requests for proposals must be clearly written and describe the technical requirements of the equipment or services.

h. Formal bids will contain the following language: The Governing Body of the City of Lyons reserves the right to waive irregularities in bids, to reject any and all bids with or without causes and to award the bid that it determines to be in the best interest of the City of Lyons. The City of Lyons does not discriminate on the bases of race, color, national origin, sex, religion, age, or handicapped status in employment or provision of service.

7. This policy is effective immediately (reference e). The City of Lyons Procurement Policy Manual dated 7 November 2011 is cancelled.

John Sweet
City Administrator

Distribution List:
Mayor/City Council Members
City Attorney
Department Heads
City Auditor