

CITY OF SALINA, KANSAS
PURCHASING POLICY
(Approved by Resolution No. 23-8171, December 11, 2023)

1.0 PURPOSE

The purpose of this policy is to establish the general policy of the City of Salina related to the purchase of goods or professional services by the City for use in conducting the necessary official business of the City. The policy is intended to maintain public confidence regarding purchasing, achieve the best value for the City, establish appropriate purchasing controls, and foster broad-based competition.

The City Manager and department heads are empowered to make purchases of goods or professional services, within budgetary limitations and the limitations set forth in this policy, in order to conduct the necessary official business of the City.

2.0 POLICY

2.1 The City Manager will have overall responsibility for development and administration of the purchasing policy.

2.2 The Purchasing Procedures Manual details the implementation of this policy. City employees shall consult the manual for further guidance regarding this policy.

2.3 City employees shall seek the best value when purchasing on behalf of the City. In order to ensure the best value, employees shall obtain and engage in as much competition as possible in the solicitation of bids, pricing and procurement. Staff is encouraged to obtain informal quotes when purchases are made under the threshold requiring formal bidding.

2.4 It is the responsibility of every employee to ensure that purchases are in the interest of and for the betterment of the City, and are for legal and appropriate City business.

2.5 Employees are expected to exercise reasonable judgment to minimize costs by exercising the same care in incurring expenses that a prudent person would exercise in conducting personal business.

2.6 Vendors can expect fair and equitable treatment from the City.

3.0 DELEGATION OF AUTHORITY

The City Manager is authorized to (a) establish and administer specific procurement policies and procedures for all City purchases within the limitations set forth in this policy and (b) to authorize payment of obligations for purchases within the parameters of the approved budget.

4.0 PURCHASING THRESHOLDS

The following sets forth the purchasing authority for various thresholds of purchases for the City of Salina.

All purchases greater than \$2,500 require a purchase order. If an item or service selected is not the lowest priced, an explanation must be provided as part of the requisition.

Purchases of \$0-\$10,000.

Employees are to follow general purchasing expectations to seek the best value when purchasing on behalf of the City. Informal quotes are encouraged. If taken, a tabulation of quotes should be documented. Department Heads have the discretion of authorizing purchasers within individual departments.

Purchases of \$10,001-\$20,000.

Purchases must be reviewed and approved by the Finance Director. The requesting department will obtain at least three (3) competitive bids/quotes, if feasible.

Purchases of \$20,001-\$50,000 (City Manager's Purchasing Authority).

Purchases must be reviewed and approved by the City Manager. The requesting department will obtain at least three (3) competitive bids/quotes, if feasible.

Purchases of \$50,001- and up.

Purchases exceeding \$50,000 shall be approved by the City Commission. The requesting department will obtain at least three (3) competitive bids/quotes, if feasible. Purchases exceeding \$50,000 will be awarded by advertisement of formal competitive sealed bids.

5.0 SPLIT PURCHASING OR ORDER SPLITTING PROHIBITED

The deliberate practice of splitting a transaction, order or project into two or more smaller parts to keep the purchase beneath the purchasers approved purchasing threshold is expressly prohibited. If a purchase would exceed a purchaser's authority, the purchase must be accomplished following the guidelines in Section 4.0. Employees who violate this provision will be subject to discipline as outlined in the City of Salina Personnel Manual.

6.0 LOCAL PREFERENCE

No provision is made in this policy for dollar percentage or other types of preferential considerations for local vendors or contractors. It is the policy, however, to solicit bids from local suppliers whenever competitive local sources exist, and where no sacrifice or loss in price or quality would result. In the event of a tie between a local vendor and an out-of-town vendor, award will be made to the local vendor, if all factors including price, quality, terms, and method and cost of delivery are equal.

7.0 CONTRACTING FOR PROFESSIONAL SERVICES

The City of Salina may issue a Request for Qualifications (RFQ) or a Request for Proposals (RFP) as a step for acquiring professional services. In the event that projected cost for services, or a combination of the services and any follow-on project, exceed the City Manager's purchasing authority, an RFQ/RFP and City Commission approval shall be required. The selection of a vendor to perform these professional services should be based on qualifications of the best proposal for the project.

8.0 COOPERATIVE PURCHASING AND STATE/FEDERAL BID AWARDS

The City may participate in, sponsor, conduct, or administer a competitive price based cooperative purchasing agreement for the purchase of any supplies, services, or construction with one or more units of government. If the cooperative purchasing program uses a qualification based competitive process, employees will attain prices from all qualified vendors and select the vendor that provides the best value.

9.0 SOLE SOURCE PURCHASES

A contract may be awarded or a purchase made without competition when, after conducting a good faith review of available sources, it is determined that there is only one source for the required product. The requesting department may then conduct negotiations, as appropriate, as to price, delivery, and terms.

Circumstances that require sole source purchase may include, but are not limited to:

- availability from only one vendor,
- the purchase of a component or replacement part for which there is no commercially available product, and which can be obtained from only one manufacturer,
- the purchase of an item where compatibility, or to match materials already in use to produce visual harmony,
- a continuation of an existing project or continuity of similar services in which past performance is considered acceptable and knowledge of the specific work has been demonstrated,
- the purchase of a used item, and
- the purchase of a product for trial or testing.

Sole source purchases shall follow the purchasing threshold guidelines outlined in Section 4.0 of this policy.

10.0 EMERGENCY PURCHASES

An emergency condition exists when there is a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failure, etc. The condition must create an immediate and serious need for supplies, equipment, materials, and/or services that cannot be met through normal procurement methods and the lack of which would threaten the function of City government or its programs.

Purchases shall be limited to only the quantity necessary to meet the emergency, and in no event shall the contract price exceed commercially reasonable prices. When an emergency expenditure exceeds the City Manager's purchasing authority, a full report of the circumstances necessitating the emergency purchase shall be presented to the governing body.

11.0 ROUTINE MAINTENANCE, REPAIR OR OPERATIONAL PURCHASES

Purchases of the goods and/or services that are related to the routine maintenance, repair or operation of essential municipal services in excess of \$50,000 may be approved by the City Manager. Examples include key commodities and supplies such as the purchase of bulk lime, chlorine, and other chemicals or key parts for the water and wastewater treatment plants; public works items such as road salt, bulk concrete or asphalt; parks items such as mulch, landscaping material and chemicals; annual street maintenance projects; annual utility maintenance projects; utility bills for electricity, gas, telephone and internet service; advertising for employment, public notices and hearings, and legal notices; payments made in connection with a workers compensation, legal or risk management claims; health and dental insurance premiums; vehicle lease payments; as well as items such as periodic licensing agreements of computer technology hardware and software. The requesting department will obtain at least three (3) competitive quotes, if feasible. To determine whether a purchase is related to the routine maintenance, repair or operation of essential municipal services, the City Manager's determination shall include, but is not limited to, the following factors:

- Whether such purchase is a regularly recurring expense;
- Whether such purchase is essential to the ongoing operation of the City;
- Whether such purchase is typically from a single-source vendor;
- Whether such purchase ensures the continued delivery of essential municipal services for which a delay could cause an unnecessary disruption of services; or,
- Any other factor relevant to the circumstances.

12.0 PROJECT AUTHORIZATION WHEN THE CITY ACTS AS PROJECT MANAGER

In the instance where a City employee fulfills the role of project manager for a project exceeding the City Manager's purchasing authority, the project will be approved by the City Commission. Staff will present the details of the project with an estimated budget to include contingency. Once the project has been authorized by the City Commission the employee serving as project manager shall be authorized to complete the project using competitive processes as outlined in section 4.0 of this policy for each individual aspect of the project. Additional approval from the City Commission shall be not required even if the individual aspect of the project exceeds the City Manager's purchasing authority as long as the total project remains under the approved budget amount.

13.0 DAMAGE OR LOSS TO CITY PROPERTY

The City Manager shall have authority to approve the purchase of goods or services if they are the result of damage to, or loss of, City property and:

- The purchase of such goods or services does not exceed \$100,000; and,
- The purchase will not exceed authority provided as part of the approved annual budget; and
- At least 75% of the cost of such purchase will be reimbursed by proceeds from insurance carried by the City.

14.0 DISPOSAL OF PROPERTY

Surplus and obsolete property may be transferred, sold, offered as a trade-in, or destroyed. Abandoned and confiscated property shall be sold or destroyed. Any property disposed of will be stripped of all identification as City property. Disposal shall not result in personal gain without fair market compensation to the City. The disposal of City property shall be authorized by the City Manager. In the case of property valued at more than \$50,000, City Commission approval shall be required.

15.0 ETHICS IN CITY PURCHASING

General Ethical Standards for Employees: The City of Salina will not tolerate any attempt to realize personal gain through City employment by conduct inconsistent with the proper discharge of the employee's duties. In order to fulfill this general prescribed standard, employees must follow the ethical requirements set forth in the City's adopted purchasing procedures.

General Ethical Standards for Non-Employees: Any efforts to influence any City employees to breach the standards of ethical conduct set forth in this policy or the City's adopted purchasing procedures is also a breach of ethical standards.

16.0 ENFORCEMENT

The City Manager will have overall responsibility for administering this purchasing policy. The Finance Department will have responsibility for developing procedures and providing oversight regarding adherence to this policy and the purchasing procedures. Department Heads will be entrusted with the responsibility of implementing and enforcing the policy within their departments.

The Finance Department may conduct periodic purchasing audits to determine if purchasing procedures are being properly followed. Such audits will check for:

- are unauthorized items being purchased,
- are purchases being split up into small increments in order to bypass procedures for larger purchases,
- to verify invoice prices and extensions are correct
- to verify the items were actually received and used by the Department,
- to verify whether adequate departmental control records are being kept.

Departmental delegated purchasing authority may be revoked for an employee if abuse or irresponsible purchasing is discovered. Employees may also be subject to discipline as outlined in the City of Salina Personnel Manual.