

RESOLUTION NO. R18-26

**A RESOLUTION OF THE CITY COUNCIL AMENDING THE
PURCHASE AND PROCUREMENT POLICY FOR THE CITY OF LAUREL.**

WHEREAS, the City adopted its Purchase and Procurement Policy through Resolution R05-114 on December 6, 2005 and revised the Policy on December 6, 2008 through Resolution No. R08-128 and revised the Policy again on November 15, 2011 through Resolution No. R11-115; and

WHEREAS, the Mayor and Staff reviewed the existing Purchase and Procurement Policy (Policy) and determined further amendments are necessary to remain current with changes in Montana law and to clarify and streamline the process for the entire Staff; and

WHEREAS, Staff prepared the proposed Policy for the City Council's consideration and the attached Policy contains all of the recommended amendments to the existing Policy;

WHEREAS, the proposed amendments have been reviewed and approved by the City Attorney as in compliance and not contrary with existing City Ordinance and Montana law.

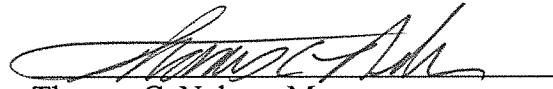
NOW THEREFORE BE IT RESOLVED by the City Council of the City of Laurel, Montana, that the attached amended and proposed Purchase and Procurement Policy is hereby adopted by the City Council.

Introduced at a regular meeting of the City Council on June 5, 2018, by Council Member Eaton.

PASSED and ADOPTED by the City Council of the City of Laurel, Montana, this 5th day of June, 2018.

APPROVED by the Mayor this 5th day of June, 2018.

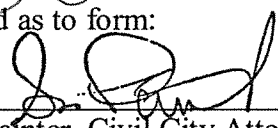
CITY OF LAUREL


Thomas C. Nelson, Mayor

ATTEST:


Bethany Langve, City Clerk/Treasurer

Approved as to form:


Sam S. Painter, Civil City Attorney

CITY OF LAUREL PURCHASE AND PROCUREMENT POLICY

The City of Laurel is empowered to enter into, execute and effectuate contracts in accordance with §7-5-4301, MCA.

The City of Laurel is entrusted with public monies and is dedicated to the stewardship of expending the public's funds in a lawful, reasonable and prudent manner. The City shall consider the lowest possible cost of the goods or service needed, the timeliness of delivery, and the quality of the product when making the purchase. Whenever possible, goods shall be inspected prior to payment being made. To standardize the purchasing process, the City of Laurel hereby adopts the following "Purchase and Procurement Policy" in order to effectuate Title 3, Chapter 3.08 of the Laurel Municipal Code in order to provide a lawful, equitable and defensible guideline for purchases and procurement by the City to ensure they are in the best interest of the City of Laurel.

Policy: No purchase of the same supplies and/or products shall be made on separate purchase orders or separate requisitions for the purpose of circumventing the review/approval procedure required by this policy. Furthermore, no projects shall be split for the purpose of circumventing the procedures provided herein. Violations of this Policy may result in employee discipline and/or rejection of the purchase or project.

Contracts and products over \$80,000

1. The City shall utilize **competitive and advertised bidding** for any proposed purchase or project (Project) that constitutes a:
 - a. Purchase of automobiles, equipment, appliances, materials or supplies that will cost over \$80,000.
 - b. Construction, repair or maintenance projects that will cost in excess of \$80,000.
 - c. It is illegal to circumvent the competitive bidding process by dividing a contract into smaller segments to avoid the bidding process.
 - d. For projects \$80,000 or over, the department head will consult with the CAO /Mayor with a plan and a cost estimate.
 - e. The department head or city staff will prepare an advertisement with the assistance of the engineer or professional, if applicable. The CAO will approve the advertisement. The Council Secretary or Clerk/Treasurer will submit the advertisement for publication. If some other entity, approved by the City, submits the advertisement to the media or posts the ad, then a copy will be forwarded to the Council Secretary and Clerk/Treasurer.
2. The **Bid Advertisement** will be placed twice in a local newspaper or other publication, with the second publication not less than 5 days prior to the City's bid opening.
 - At a minimum, the City's advertisement shall contain the date the bid closes, the time and place of the bid opening, and an address and telephone number of the City representative who may be contacted for further information on the process.
3. At the **conclusion of Bid Opening**, Staff shall present its recommendations and the lowest responsible bid to the City Council.
 - Council shall award the contract to the lowest responsible bidder, if it is in the best interest of the City.
 - The City retains the right to **reject or re-advertise** for any bid advertised.
 - Projects will not commence until a contract is approved by the City Council.

City of Laurel Purchase and Procurement Policy

Adopted 12/06/2005 – Resolution No. R05-114; Revised & Adopted 12/06/2008 – Resolution No. R08-128;

Revised & Adopted 11/15/2011 – Resolution No. R11-115; Revised & Adopted 08/20/2013 – Resolution No. R13-55;

Revised & Adopted 06/05/2018 – Resolution No. R18-26

4. Contracts for professional, technical, engineering, and legal services are exempt; however, all such contracts must be approved by Resolution of the City Council and executed by the Mayor/CAO.
5. The City Council hereby delegates its authority to the Mayor/CAO to approve and execute any written necessary alteration, modification or change order so long as the cost of the changes does not exceed the contingency budget approved by the City Council for the Project. The changes will be reported to the City Council.
6. The City shall not pay a contractor for extra work caused by an alteration, modification or change order unless the Mayor's/CAO's approval is obtained, or if necessary, a City Council Resolution is passed and an agreement signed (5).

Contracts and Products Valued at \$5,000 and under \$80,000

1. All purchases must be budgeted for prior to the expenditure. In cases of emergency, the department head will contact the Mayor/CAO for emergent purchases.
2. All purchases must be reviewed and approved by the Budget/Finance Committee prior to ordering. The requested purchase will be submitted on a purchase requisition form. After review by the Committee, the Clerk/Treasurer will inform the department head to proceed.
 - If a purchase or service is \$5,000 or over and less than \$80,000, at least 2 quotes must be attached to the requisition with a note from the department head as to why they prefer the chosen product or service. This section does not apply to essential recurring operational supplies and services.
 - Staff will choose the best alternative for the City.
 - Should this requisition be for a small service contract, the department head will consult the CAO/Mayor and with their approval consult with the City Attorney for a Small Service Contract that will be presented to the Council for approval.
 - All purchases in this category will have the department head, CAO and Budget/Finance signatures on the purchase requisition.

No purchase will be approved or paid if the order shows the invoice was made prior to the date the purchase order, requisition or request was prepared.

Purchases of \$1,000 to \$4,999

1. Purchases of \$1,000 to \$4,999 require the purchasing employee's name and signatures on the purchase order prior to the actual purchase.
 - Signature of the Department Head and CAO and/or Mayor; or
 - Signature of the CAO or Mayor if the Department Head is unavailable.

No purchase will be approved or paid if the invoice shows the purchase was made prior to the date the purchase request was prepared.

Purchases under \$1,000

1. All purchases under \$1,000 require the purchasing employee's name and the following on the purchase order or invoice.

- Signatures of Employee making purchase and his/her immediate Supervisor for purchases that do not exceed \$250.00.
- Signatures of Employee making purchase and his/her Department Head for purchases that exceed \$250.00 but less than \$1000.00.

No purchase will be approved or paid if the invoice shows the purchase was made prior to the date the purchase order was prepared.

Purchases for water, sewer, solid waste and street departments

The Public Works Director, Public Works Superintendent, and Utility Plants Superintendent are authorized to make purchases for the water, sewer, solid waste and street departments so long as the purchase is from funds budgeted within the appropriate department.

Exemptions from Bidding or Advertising for Emergency Contracts

1. The provisions requiring advertisement for bids shall not apply upon the happening of any emergency natural or manmade emergency.
2. An emergency must be declared by the City Council/Mayor or CAO for this to apply.

Employees shall, at all times, keep the best interest of the City in mind and make every attempt to get the best quality with the best price when purchasing for the City.