

RESOLUTION NO. 2016-07

A RESOLUTION OF THE CITY OF PAYETTE, IDAHO,  
APPROVING AND ADOPTING A NEW PURCHASING POLICY MANUAL  
FOR THE CITY OF PAYETTE AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Payette, Idaho is responsible for the legal and prudent handling of public monies; and,

WHEREAS, there are numerous sections of Idaho Code that provide requirements regarding municipal purchasing; and,

WHEREAS, state and federal rules and regulations set forth certain provisions regarding municipal purchasing for the purpose of receiving federal funds; and,

WHEREAS, the Government Accounting Standards Board (GASB) recommends that cities adopt financial policies to clearly define the requirements for the handling of public monies; and,

WHEREAS, State law requires the City to conduct an annual audit and the results of that audit are dependent upon methods of purchasing that conform to state and federal laws and Generally Accepted Accounting Principles (GAAP) as set by GASB; and,

WHEREAS, the City's audit is used as the basis for the City's bond rating; and,

WHEREAS, a written policy defines the expectations of the Mayor and the City Council regarding municipal purchasing and provides clear direction and legal and responsible purchasing decisions on the part of the City Staff.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Payette, that the attached Purchasing Policy Manual is hereby approved and adopted as the Purchasing Policy Manual for the City of Payette, Idaho, effective April 18<sup>th</sup>, 2016.

PASSED by the City Council and approved by the Mayor this 25 day of April, 2016.

  
\_\_\_\_\_  
Jeffrey T. Williams, Mayor

ATTEST

  
\_\_\_\_\_  
City Clerk

# PURCHASING POLICY



2016

CITY OF PAYETTE

RESPONSIBLE STEWARDS OF THE PUBLIC'S DOLLAR

# Purchasing Policy

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## INTRODUCTION

### General Statement of Policy

The purpose of this document is to establish policies and clarify the procedures for purchasing supplies, materials and services by City of Payette employees. It is the policy of the City of Payette that all purchasing shall be conducted strictly on the basis of economic and business merit to best promote the interest of the citizens of Payette, Idaho. The City of Payette encourages free and unrestricted competition on all bid requests and purchases, ensuring the taxpayers the best possible return on each dollar.

This document does not create any enforceable rights or causes of actions in third parties. The provisions of this document are subordinate to the purchasing requirements of any grant requirements or federal, state or city laws governing purchasing. City employees involved in the purchasing process should be familiar with, and adhere to, the guidelines set forth in this manual. A certification of receipt of the Purchasing Policy shall be placed in the employee's personnel file. City staff is at risk of disciplinary action for unauthorized departure from these guidelines.

The cooperation of all employees is essential if the City is to obtain the maximum value for each tax and utility dollar spent. While the manual does not answer all questions related to purchasing, it does provide the foundation for a sound purchasing system.

The material in the manual is subject to revision to meet rapidly changing developments encountered in the field of purchasing and in the economy. Within these limits, it is hoped that this manual will prove beneficial to the City and to all City employees.

This manual is effective immediately upon issuance and receipt, and supersedes all previous purchasing instructions or directives. Contact the City Clerk's Office for further information regarding topics in this manual or other purchasing-related questions.

### Policy Goals

The City's purchasing, contracting and property disposal goals are to:

- 1) Guarantee purchases of the City comply with State and Federal law.
- 2) Clarify purchasing procedures and ensure requirements are consistently followed by all City departments and employees.
- 3) Save money by encouraging competition for good value.
- 4) Enhance public confidence and prevent fraud and theft through internal controls and inventory tracking.
- 5) Promote the local business climate by providing equal opportunities to compete for businesses located within the City.
- 6) Dispose of surplus property in accordance with state law and adopted retention schedule.
- 7) Ensure purchasing decisions set high ethical standards, guard against favoritism and promote the fair and equitable treatment of all persons who deal with the City's purchasing system.

## Purchasing Ethics

A. All City of Payette employees and elected officials responsible for purchasing goods or services shall:

- 1) Follow the rules and regulations of the City of Payette and the laws of the State of Idaho.
- 2) Avoid activities that would compromise or give the perception of compromising the best interest of the City.
- 3) Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition.
- 4) Act as good custodians of public money by obtaining maximum benefit for funds spent.
- 5) Never solicit or accept money, loans, credits or prejudicial discounts, gifts or entertainment, favors, or services from your present or potential suppliers which might influence or appear to influence purchasing decisions. This does not apply to trivial benefits not to exceed a value of \$50.00 incidental to personal, professional or business contacts and involving no substantial risk of undermining official impartiality.

B. All City of Payette elected officials and employees responsible for obtaining goods or services are reminded of the following state laws regarding ethics in purchasing:

- 1) No officer or employee shall influence or attempt to influence the award of a contract to a particular vendor, or to deprive or attempt to deprive any vendor of an acquisition contract. This includes attempting to circumvent the competitive process by splitting purchases, creating false emergencies, etc. (Idaho Code 67-5726(2))
- 2) No officer or employee shall conspire with a vendor or its agent, and no vendor or its agent shall conspire with an officer or employee, to influence or attempt to influence the award of a contract. (Idaho Code 67-5726(3))
- 3) No public servant having any discretionary function to perform in connection with contracts, purchases, payments, claim or other pecuniary transactions of the government shall solicit, accept or agree to accept any pecuniary benefit from any person known to be interested in or likely to become interested in any such contract, purchase, payment, claim or transaction. (Idaho Code 18-1356(2))
- 4) A public servant commits a misdemeanor if he solicits, accepts or agrees to accept compensation for advice or other assistance in preparing or promoting a bill, contract, claim, or other transaction or proposal as to which he knows that he has or is likely to have an official discretion to exercise. (Idaho Code 18-1357(1))
- 5) No public servant shall use public funds or property to obtain a pecuniary benefit for himself. (Idaho Code 18-1359(a))
- 6) City Officers must not be interested in any contract made by them in their official capacity, or by anybody or board of which they are a member. (Idaho Code 59-201)
- 7) City Officers must not be purchasers at any sale nor vendors at any purchase made by them in their official capacity. (Idaho Code 59-202)

C. All boards, committees, or other recognized entities of the City of Payette wherein a City employee is the authorized approver of the board's purchases must comply with this purchasing policy. Any board or committee given independent purchasing authority by law or by the City Council, including the Library Board of Trustees, and Urban Renewal Agencies should comply with the requirements of this policy.

## **PURCHASE MANAGEMENT**

### **Finance Department Responsibilities**

The Finance Department along with the City Clerk's office shall be responsible for the following activities:

- 1) Legal advertising, invitations to bid, bid openings and assisting the departments in presentation of bids to the City Council for all materials, supplies and construction contracts should it be necessary.
- 2) Encourage competition between vendors through negotiations, competitive bidding and bulk buying by continuously monitoring requisitions by all departments to facilitate the consolidation of purchases where possible.
- 3) To solicit discussion, evaluation and recommendation from user departments on bids received from suppliers.
- 4) To encourage, promote and explore the use of Cooperative Purchasing Programs with the State of Idaho and other local governments.
- 5) To ensure compliance with state and federal laws and this policy and to ensure that purchasing is practiced in a fully open, transparent, competitive, and ethical environment.

### **Responsibilities of Department Heads**

In accordance with this document, the Department Head shall:

- 1) Make no attempt to split projects or equipment purchases in order to avoid the formal or informal bid requirements. This is a violation of State Law subject to a fine up to \$5,000.
- 2) Provide accurate and complete information on items requested and prepare and submit purchase orders, requisitions and invoices to the Finance Department in a timely manner.
- 3) Manage expenditures and monitor revenues in order to prevent a negative fund balance in their department(s).
- 4) Guarantee that all expenditures above \$25,000 comply with Idaho Code Chapter 28, Section 67-2801, et seq.
- 5) Plan project and equipment purchases of over \$2,500 in order to allow approval by the Mayor, (or Board of Trustees for the Library), sufficient time to obtain quotations or bids, determine best vendor, and issue orders or contracts with reasonable lead time for delivery and payment and to eliminate avoidable emergencies.
- 6) Furnish the Treasurer with complete information regarding the full cost of vehicles, equipment and projects over \$5,000, including architectural or engineering costs required.
- 7) Recommend to the Council for their approval, (for the Public Library, recommend to the Board of Trustees for their approval), any gift of equipment with a value of more than \$500 and furnish the Treasurer with details for inventory purposes.
- 8) Recommend to the Council for their approval any gift of land and furnish the Treasurer with details for asset management purposes.
- 9) Recommend to the Council for their approval any disposal of land or equipment with value of more than \$500 and furnish the Treasurer with details regarding that disposal.
- 10) Notify the Treasurer of purchases of \$5,000 or more for renewals or parts replacement of equipment when it equals 33% or more of the original cost of the equipment.

- 11) Inspect or supervise the inspection of delivered supplies, services, equipment and construction, determining the acceptableness of their quality, quantity and conformance with specifications.

## **Vendor Relationships**

Developing and maintaining good relationships with our suppliers is important. To the highest extent possible, business ethics, professional courtesy, timeliness, and competence should be practiced in all transactions. Adhere to and protect the supplier's business and legal rights to confidentiality for trade secrets, purchase quotes and bids, and other proprietary information.

## **Tax Exempt Status**

The City of Payette is exempt from Federal, State and Local taxes. An exemption statement is available from the City Treasurer and can be furnished to any of the City's suppliers upon request submitted to the Treasurer.

## **Budget Requirements**

Any purchase or expenditure must be included within the current year's budget and appropriation ordinance, except for emergency expenses authorized by Idaho Code and approved by the Mayor and Council.

## **Purchase Orders**

A Purchase Order is required for all purchases except the following:

- Purchases with Petty Cash
- Credit card/Fuel Card
- Utilities
- Telephone Service

Purchase Orders shall be completed at the time of purchase, and include the following information:

- Vendor: Selected vendor's name, and address if a new vendor is used.
- Accounting Codes: List Fund (Department), and Object Code. Please refer to the chart of accounts.
- Quantity: The quantity requested should be clearly identified.
- Description: Information should be provided so no guesswork is needed
- Unit Cost: Include a total cost, including shipping if known at time of purchase.

## **Purchasing Deadlines**

All payments of warrants are typically approved by the City Council at regularly scheduled meetings on the first and third Mondays of every month (except when a Monday is a recognized holiday, then the City Council meeting will be on the following Tuesday). Department Heads or their designees must provide final invoices and receipts to Accounts Payable by the Wednesday prior to the Council meeting where payment is approved. To promote timely payment of vendors, Department Heads or their designees should process bills for payment as quickly as possible. Ideally, and to streamline the process, receipts should be turned into Accounts Payable on a daily basis as they are received, not held and turned in all at once.

## Review of Purchases

To assure adequate cross-check and internal control, the Treasurer shall review each invoice and receipt as they are processed to verify compliance with state statutes, city policies and the City's annual appropriation ordinance.

Whenever possible, local vendors are to be used for services and supplies. When quality, cost and service are comparable, Department Supervisors should strive to rotate business between local vendors. Only City employees are permitted to charge on vendor accounts in the name of the City of Payette. Contractors of the City are not allowed to charge purchases on City accounts. After a purchase is made, employees shall immediately provide the receipt and/or invoice to their supervisor.

The Department Supervisor should be familiar with the purchases made by their employees before they are made. The Department Supervisor should closely review invoices prior to signing and approving the expenditure. If a Department Head questions an employee's expenditure, steps should be taken to immediately resolve the problem to the supervisor's satisfaction because primary responsibility for the correctness of the expenditure rests with the Department Supervisor who signs the invoice. Department Supervisors are not to "rubber stamp" invoices without knowledge and authorization of the purchase.

## Petty Cash

Any department with a Petty Cash fund, shall be in a minimal amount of \$50.00, per auditor recommendations. This fund is for small emergency purchases and postage only. It is not to be used for meals, travel, or circumstances where a credit account could be used. (For instance, Albertson's is a credit account with availability to purchase). Detailed receipts for use of petty cash are required to be submitted to Accounts Payable for replenishment of a department's petty cash funds. Petty Cash funds may be audited randomly by the City Treasurer. The exception to these provisions is the petty cash fund of the Drug Enforcement Fund, Special Investigations Unit which will be used as directed by the Chief of Police. Any petty cash fund shall be closed out and all receipts provided to Accounts Payable prior to the close of each fiscal year.

## Retirement Event and Gift Requirements

Upon the retirement of a City employee the total cost of all purchases, including a gift, for a retirement party shall not exceed the amount of \$500.00, except in the case of a retiring Police Officer who shall also receive his duty weapon upon the approval of the Chief of Police and the Mayor, which amount shall not be included as part of the \$500.00 limit.

It is the Department Head's responsibility to review their qualified personnel annually to determine if they may have an employee retiring and if their budget will require the addition of a special events fund to be added to their budget and appropriated by the City Council during the regularly schedule budget meetings.

It is the Department Head's responsibility to review the requested purchasing amounts for the retirement party and retirement gift in a timely manner to stay within the allowed amounts.

There should be no solicitation of gifts or entertainments, favors, or services from any present or potential suppliers which might influence or appear to influence purchasing decisions. This does not apply to trivial benefits not to exceed a value of \$50.00 to professional or business contacts which would involve no substantial risk or cause undermining official impartiality. In addition, avoid activities that would compromise or give the perception of compromising the best interest of the City.

It is the Department Head's responsibility to ensure purchasing decisions set high ethical standards, guard against favoritism and promote the fair and equitable treatment of all retiring persons.

### **Voluntary Resignation**

If an employee is not retiring, but has voluntarily resigned from their position with the City, it shall be the Department Head's responsibility to ensure discretionary spending in an amount not to exceed \$150.00 for any resigning employees "going away party".

It is the Department Head's responsibility to ensure purchasing decisions are set at the high ethical standards that guard against favoritism and promote the fair and equitable treatment of all resigning persons.

## **PURCHASING GUIDELINES**

### **Thresholds for Equipment and Capital Projects**

Each Department Head or designee within the City will have the authority to purchase in accordance with the following guidelines:

#### **Donations**

The Department Head will obtain approval from the Mayor and Council prior to acceptance of all donations of land and any donation of equipment or services that may require any expenditure of City funds for installation, maintenance, etc. For the Public Library, the Board of Trustees will accept or decline gifts of money or personal property, in accordance with library policy, and under such terms as may be a condition of the gift. The City Clerk will provide a copy of the receipt to the donor for tax purposes as all donations to the City are tax deductible.

#### **Negative Fund Balance**

It is the Department Head's responsibility to monitor their department's fund balance on each monthly Treasurer's Report. With the exception of reimbursable grant funds, negative fund balances are to be prevented through management and timing of expenditures. If a fund shows a negative fund balance discretionary spending is limited to those expenditures required to sustain day to day operations. Mayor and Treasurer approval is required prior to overdrawing a budget line and prior to unplanned expenditures for all capital projects, equipment, or unusual maintenance and repairs. For the Public Library, approval of the Board of Trustees is required prior to overdrawing a budget line and a report and explanation of such approval shall be provided to the City Treasurer no later than five business days following the Board meeting approving such.

## **Purchases up to \$2,500**

Purchases up to \$2,500.00 can be made at the discretion of the Department Head if: 1) the expenditure is within the appropriated budget; and, 2) actual revenues are being received as projected; and/or, 3) the fund is not showing a negative fund balance. In September the Department Head must confirm with the City Treasurer availability of funds prior to any equipment or project purchase over \$1,500.00. This approval takes place when the form is issued, before any obligation has been incurred. In other words, employees are not to purchase equipment over \$2,500.00 without the signed approval of the Department Head and Mayor or Treasurer prior to purchase. For the Public Library, signed approval must be made by the Department Head and the Board of Trustees.

## **Purchases between \$2,500 and \$25,000**

For purchases of this amount the City can purchase from any vendor believed to provide the best value, however, the Mayor or Treasurer may request that informal quotes be provided from more than one vendor for the purpose of comparison. This purchase must be accompanied by an Inventory Tracking Form available for the Treasurer. On very rare occasions purchases of a time-sensitive nature may be made by the department head without a formal request to purchase, although the check for payment will still be approved at the next regularly scheduled Council meeting. This purchase must be of immediate necessity, the most cost effective option and in the City's best interest. If these conditions exist, the purchase is allowed only if the funds are available in the department budget, legal requirements are met and contact has been made with the Mayor verbally or via e-mail prior to purchase, and for the Public Library, signed approval must be made by the President of the Board of Trustees.

## **Purchases over \$25,000**

All budgeted purchases in this category require the approval of the Mayor or and/or Treasurer (or the Board of Trustees for the Public Library), and also must comply with Idaho Code Chapter 28, Section 67-2801, et seq. There are various provisions and exceptions regarding purchases of service contracts, equipment and public works construction projects in this category. It is the Department Head's responsibility to review the appropriate code sections prior to requesting a purchase of this amount. This chapter of Idaho Code is available for review on-line at [www.legislature.idaho.gov](http://www.legislature.idaho.gov). Details regarding these purchases shall be provided to the Treasurer for addition to the City's asset management system.

## **Determination of Need to Contract Services**

Competitive bidding is not required for professional services provided to the City. Examples of services would be repair and maintenance services or various types of professional consulting under a certain amount. Even though bidding is not required, purchases of services must be in the Department's budget and included within the annual appropriation ordinance.

- 1) A contract may be established as the result of a bid or a Request for Proposals (RFP). (See Request for Proposals section of this document.) In agreements where a vendor is performing a specific service defined by the City that will exceed \$10,000, a written contract is required.

- 2) The City Attorney must review all contracts for legal adequacy.
- 3) The Mayor/Treasurer must review all contracts prior to placement on the Council agenda.
- 4) All contracts must be placed on the City Council agenda for their review and approval.
- 5) All contracts must be signed by the Mayor with the City Clerk attesting to the Mayor's signature only after receiving approval from the City Council to do so.
- 6) The original signed contract will be retained by the City Clerk, and kept in a central location. Copies of all signed contracts will be available upon request from the City Clerk. The City Clerk will forward a signed copy to accounts payable for payment verification.
- 7) The City Attorney must approve any decision to breach a contract due to failure to perform. After notification of the City Council, the City Attorney will perform the steps necessary to legally terminate the contract.
- 8) On projects for which the professional service contract is expected to exceed \$25,000 for design professionals including architects, engineers, planners, landscape architects, land surveyors, and construction managers, see Idaho Code Section 67-2801, et seq.

### **Risk Management and Insurance Requirements**

The City Clerk serves as the City's Risk Manager for all Departments. Departments must work with the City Clerk to ensure that all insurance requirements are met for their projects and that all equipment or vehicles purchased are added to the insurance policy. This includes Public Works licensing for all Public Works contractors. The City Clerk will maintain necessary documentation at City Hall and have it available for audit upon request.

### **Workers' Compensation**

A Workers Compensation Certificate of Insurance is required when the City expressly or implicitly hires or contracts the service of another. This also includes contractors, sub-contractors, and any business that provides a service for the City that is to be performed on city property. The Certificate must be on file with Accounts Payable before a Purchase Order will be issued.

No waiver for coverage is permitted. No other type of insurance can be used as a substitute for Worker's Compensation Insurance. Idaho Code, Section 72-102(11) and 72-318(2). Certain occupation exemptions from coverage are allowed and listed in Idaho Code, Section 72-212. A statement indicating the exempt occupation category shall be submitted to Accounts Payable to that affect. Each department is responsible for ensuring a copy of the certificate is filed with the contract if appropriate.

### **Liability Insurance and Bonding**

Contractors with the City are required to have liability insurance coverage and may be required to be bonded.

## CREDIT ACCOUNTS

To improve efficiency and offer convenience within a controlled environment, purchasing via an authorized City Credit Account is allowed. These accounts are tax exempt and are to be used for City purchases ONLY. Contractors are not allowed to use a City credit account for materials or other purposes. City employees are not allowed to charge items for their personal use with the intent of reimbursing the City for the purchase, or to open lines of credit or apply for and receive charge cards as individuals, or to ship items to any address other than the designated City address. Such accounts will be canceled and any unauthorized use of City credit accounts will be considered cause for disciplinary action up to and including termination and/or prosecution. Only regular City employees are permitted to use credit accounts, and then only with the authorization of the Department Head. There are three categories of credit accounts:

- 1) **Credit Cards** – The City will maintain a limited number of bank credit cards, which can be checked out by authorized employees from the Clerk’s Office or a Department Head. The use of credit cards is discouraged and should be used during travel or when a store charge account is not available. When using credit cards, itemized receipts showing the detailed nature of the purchase should be immediately turned over to the employees’ supervisor, who will then provide it to Accounts Payable for reconciling of account statements. A department’s charging privileges will be suspended if all itemized receipts are not turned in and the employee may be held responsible for those charges.
- 2) **Fuel Cards** – The City maintains a limited number of fuel credit cards for use with the City’s authorized vendor. Fuel cards should only be used by regular city employees during working hours in vehicles or equipment owned by the City. Permanent City employees will be issued a PIN number for use with their fuel card. Employees should never share their PIN number with any other person, nor should it be recorded in writing and visible by others. Employees will be held responsible for any fuel charges using their PIN number. Using a City fuel card for a personal vehicle is cause for disciplinary action up to and including termination and/or prosecution.
- 3) **Vendor Credit Accounts** – In store charge accounts with vendors are to be set up by the Department Head only, using the following criteria:
  - a. Inquire whether an account already exists for the City of Payette, Idaho. If not:
  - b. Inform the vendor of the City’s tax exempt status. If a form is required by the vendor, contact the City Treasurer and one will be provided by mail or fax.
  - c. Inform vendor that invoices are paid after Council approval of warrants on the 1st and 3<sup>rd</sup> Mondays of each month, (unless the Monday is a recognized holiday, then paid the following business day).
  - d. Absolutely no account should be opened in a department name, with the exception of the Public Library. All vendors should be directed to use ONLY the City Hall address for billing or the Public Library address if applicable. Other than the library, whose billings must be approved by the Board of Trustees prior to approval by the Council, all departments will use “City of Payette” for an account name, rather than an individual department name:
 

City of Payette  
700 Center Avenue  
Payette, ID 83661
  - e. The shipping address may be the department’s address.

## BIDDING PROCESS

### Formal and Informal Bids for Purchases over \$25,000

All purchases in this category require the approval of the Mayor and City Council and also must comply with Idaho Code Title 67, Chapter 28, Section 67-2801, et seq. There are various provisions and exceptions regarding bids for services not otherwise excluded, equipment and public works construction projects in this category. It is the Department Head's responsibility to review the appropriate code sections prior to requesting a purchase of this amount. This chapter of Idaho Code is available for review on-line at [www.legislature.idaho.gov](http://www.legislature.idaho.gov). Details regarding the purchase shall be provided to the Treasurer for addition to the City's asset management system.

### Request for Proposals

The City may on occasion use a Request for Proposals as the preferred method in the acquisition of services or complex purchases. An RFP describes a problem or need in general terms and seeks a written response including pricing information, which describes the solution or means of providing the property requested by the RFP. Price might be one evaluation criteria for proposals, but will not necessarily be the predominant basis for contract award.

The RFP is written so that potential respondents understand the problem they are being asked to address. Any limits or conditions that apply must be included. The RFP must state in general terms all of the evaluation factors and their relative importance, including price.

The evaluation must be based on the evaluation factors as set forth in the RFP. Numerical rating systems are frequently used but are not required. Factors not specified in the Request for Proposal shall not be considered in evaluating offers or determining award of contract.

A written determination shall be made explaining how the award was found to be most advantageous for the agency based on the evaluation criterion set forth in the RFP.

If only one proposal is received in the response to a Request for Proposal, the City, as it deems appropriate, may make an award, reject the proposal, or if time permits, re-solicit for the purpose of obtaining additional proposals.

### Exclusions to Competitive Bidding

Specific exclusions from purchasing requirements established in Idaho Code are described in Code Section 67-2803, 67-2807 and 67-2808, attached. Among those exclusions are:

- 1) A contract for goods or services that has been competitively bid by the State of Idaho. The Division of Purchasing contract information is located at: <http://www2.state.id.us/adm/purchasing/agyinfo.htm> If local businesses cannot meet purchasing needs, City employees are strongly urged to use State of Idaho contracts. State contracts are developed to include price, delivery, reporting capability and other beneficial services. They meet the important competitive bidding criteria and save the time and effort the employee spends shopping around. All contracts must be reviewed by the City Attorney prior to being presented to the City Council for approval.

2) Departments may also “piggy-back” on other City or County bids if the pricing is consistent with the original bid and the bid process followed complies with state statutes. All bid documentation must accompany the request and payment voucher and must be reviewed by the City Attorney prior to being presented to the City Council for approval.

3) Emergency Purchasing - Any sum may be expended by the City in the event of an emergency. The Mayor must designate the emergency as provided in State Code and provide expenditure approval. This circumstance would typically be extraordinary circumstances such as “fire, flood, storm, epidemic or other disaster, if it is necessary to do emergency work to prepare for national or local defense or to safeguard life, health or property.” Such contracts may not be for a period that exceeds one year.

4) Professional or Consultation Services - Professional and consultation service contracts may be entered into without formal bidding, however design professional services must be chosen based on the provisions of Idaho Code Section 67-2320. Professional service contracts require review by the City of Payette attorney for legal adequacy, approval by the City Council and the Mayor’s signature. If over \$10,000 annually these contracts must be published according to Idaho Code 59-514 by the City Clerk. Professional Services is work rendered by an independent contractor who has a professional knowledge of some department of learning or science. This includes but is not limited to legal, accounting and auditing, education and research. Consultation Services may be rendered by either independent individuals or firms who possess specialized knowledge, experience, and expertise including but not limited to such areas as management, personnel, finance, accounting, planning information systems and data processing. Design professional services include engineering, architectural, planning, landscape architecture, construction management and land surveying and must be chosen according to the provisions of Idaho Code Section 67-2320.

5) Use of Correctional Industries - The City can purchase Correctional Industries furniture and other goods or services without competitive bidding. The City may also utilize Idaho Department of Correction labor crews without competitive bidding.

6) Use of State Surplus Equipment – The City can purchase equipment from State Surplus Auctions without competitive bidding.

## **SURPLUS PROPERTY**

### **Guidelines for Disposal**

When the economic or useful life of property owned by the City is less than the cost of maintenance, transportation, storage or other requirements, that property may be deemed “surplus property”. All surplus property, except scrap metal and used, recyclable materials, must be declared surplus by the City Council before disposal.

Surplus property will be disposed of in the manner that maximizes the value received by the City of Payette in accordance with following guidelines:

- 1) All employees of the City, including their spouses, dependents, or any person acting on the employee's behalf, are prohibited from acquiring surplus property from the City unless the property is acquired through a competitive bidding process, such as an auction or sealed bid;
- 2) No elected official of the City, including their spouses, dependents, or any person acting on the official's behalf, can purchase or obtain surplus property from the City, based on Idaho Code Section 59-202.
- 3) When property is of nominal value having a value of zero or less than what it would cost to dispose of or repair the property, the items may be donated to a charitable organization that qualifies under Section 501-C and 501-C(19) of the Internal Revenue Service or to any state or local government pursuant to Idaho Code Section 50-1405 after the proper paperwork and procedures have been followed; or, the item may be disposed of at a local refuse site or be removed by an outside party willing to pay for its removal.
- 4) Property of less than \$1000 in value may be sold or transferred to another state or local government without public advertisement or competitive bid after the proper paperwork and procedures have been followed; or, sold at public auction conducted by a licensed auctioneer; or, sold to the highest bidder in response to notice of public sale advertised for at least one week in a newspaper of general publication.
- 5) Property of greater than \$1000 in value can be sold at public auction conducted by a licensed auctioneer; or, sold to the highest bidder in response to notice of public sale advertised for at least one week in a newspaper of general publication; or, with the approval of the Mayor and City Council, may be donated to 501-C (3) and 501-C (19) charitable organizations, or transferred to a state or local government after the proper paperwork and procedures have been followed.

**This Policy was Approved and Adopted by the City Council on the 18<sup>th</sup> day of April, 2016 to be Effective as of April 18<sup>th</sup>, 2016.**