

**CITY OF GARDINER
PURCHASING PROCEDURE
December 13, 2006/January 24, 2007**

For the purpose of this procedure, refer to the Gardiner City Charter, Article VI, ss 6 (1) Powers and Duties of the City Manager and Article VII, ss 14. Purchasing of Supplies and Order 82-18, An Order Establishing a Policy Regarding Purchasing.

1. WHEN FORMAL BID PROCESS IS NOT REQUIRED:

1a. Routine Expenditures of Less than \$1,000.

Routine expenditures totaling less than \$1,000 on any one bill and Purchase Order (PO) which include items pre-approved in an adopted and current budget may be submitted by an authorized City Department Head directly to the Finance Administrator for payment.

1b. Non-Emergency Expenditures for Items or Service Above \$1,000

Expenditures totaling more than \$1,000 must receive approval from the Department Head and the City Manager before the commitment to expend funds occurs.

1c. After-the Fact Approvals for “Emergency: Expenditures for Items Costing more than \$1,000.

An ‘emergency’ expenditure is one which must occur as soon as possible in order to allow City personnel to resolve a significant matter in process for which it is impractical to receive prior approval (i.e. repair of snow removal equipment in the midst of a snow storm; repair of an ambulance when a breakdown and shortage of response equipment occurs when the City Manager is unavailable; repair of equipment necessary to ensure compliance of the waste water treatment plant when the City Manager is unavailable; obtaining equipment or materials not already on hand to resolve a sewer back-up problem when the City Manager is unavailable; etc.)

If funds for the expenditure *are not* included in the budget, funding must be properly appropriated. If funds are included in the budget for the type of expenditure being made, the emergency expenditure exceeds \$1,000, and it is impractical to obtain City Manager approval, an emergency purchase may be made by the authorized Department Head after a process that assures the best possible value for the emergency expenditure. The City Manager must be notified of the expenditure as soon as possible, and the bill and the after-the-fact PO must be approved by the

Department Head and City Manager prior to submission to the Finance Administrator for payment. *After the fact POs may not include purchases of non-emergency items.*

1d. Making Expenditures from an Account Outside a Department Head's Authority.

If a Department Head desires to expend funds from an account other than a budgetary account directly under his/her departmental control, he/she *either* must obtain prior approval from the Department Head or person responsible for the account to which the expenditure will be applied or the PO should be completed by the Department Head who does have the authority to expend funds from that particular account. The PO must continue through the normal process after Department Head approval.

II. WHEN A COMPETITIVE PROCESS IS REQUIRED:

(This language is taken from Order 82-18, An Order Establishing a Policy Regarding Purchasing)

IIa. Process Required

All contracts and/or agreements for supplies, services, construction and/or equipment involving a total estimated cost of three thousand dollars (\$3000) or more shall be purchased by a competitive process. A determination will be made whether an open competitive or a limited competitive process will be employed. Factors considered when determining which process is appropriate will be

- the projected overall cost.
- the general availability of the product or service.
- the likely savings differential as weighed against the additional costs as required by the process.
- the emergency or routine nature of the need.

If a limited competitive process is utilized, no less three quotes will be solicited. If three quotes are not available, all possible quotes will be obtained. The quote representing the best possible value will be accepted.

If an open competitive process is warranted proper public notice of the opportunity will be made.

IIb. Specifications

When an open competitive process is warranted the City Manager in conjunction with City Department Heads, will prepare and furnish prospective bidders with instructions for bidding and proper specifications in a timely manner.

IIc. Award of Bids

Bids for goods and services that have been previously authorized or budgeted will be awarded by the City Manager. In cases where only one bid is received or an award is made to other than the lowest apparent bidder, the City Manager shall report the circumstances to the City Council. Awards for goods and services not previously authorized or budgeted shall be made by the City Council.

IId. Local Preference

Businesses having a place of business in the City of Gardiner will be considered to be the low bidder if the bid submitted does not exceed more than five percent (5%) up to a maximum of five hundred dollars (\$500), of the low bid of a bidder not having a place of business in the City of Gardiner. In the event that more than one bidder having a place of business in the City of Gardiner submits a bid not exceeding the low bid of a bidder not having a place of business in the City of Gardiner by more than five percent (5%), up to a maximum of five hundred dollars (\$500), the bid will be awarded to the lowest bidder having a place of business in the City of Gardiner, unless otherwise approved by the City Council.

11e. Right to Reject

The City of Gardiner reserves the right to accept or reject any bid for any reason whatsoever and to accept alternatives to the above specification for bidding whenever the municipal officers in their sole and absolute discretion deem it in the best interests of the City to do so.