

CITY OF CAPE GIRARDEAU  
CAPE GIRARDEAU, MISSOURI

DEPARTMENT OF FINANCE  
DIVISION OF PURCHASING  
POLICIES AND PROCEDURES  
MANUAL

REVISED

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## PURCHASING POLICIES

### I. AUTHORITY

The Purchasing Division shall be responsible for purchasing all supplies, materials and equipment required for the operation and maintenance of offices, departments and all entities of the City, as authorized and appropriated for by the City Council in the adoption of the budget for the fiscal year. All purchases other than expenditures of monies previously budgeted shall be executed only upon authorization by the Director of Finance and/or the City Manager.

### II. DUTIES AND RESPONSIBILITIES

The Purchasing Division shall:

- A. Enforce all policies and procedures.
- B. Process requisition on the basis of funds budgeted.
- C. Maintain bidders list.
- D. Establish bid specifications with the assistance of the department directors.
- E. Request formal or informal bids as required.
- F. Evaluate bids with the assistance of department directors.
- G. Initiate and distribute purchase orders in accordance with procedures
- H. Maintain documentation of all purchasing activities as required.

### III. CENTRALIZATION

Procurement of all City materials, supplies and equipment is centralized in the Purchasing Division to provide the advantage of mass procurement, standardization of specifications and professionalism in buying. Purchasing personnel will strive to

understand the problems of the requisitioning department and will cooperate with them to maintain service levels beneficial to the departments and the City.

Centralized procurement is the policy of the City of Cape Girardeau. Department administrators shall assist in the enforcement of this policy. It is the responsibility of the Purchasing Division to provide the department administrators and staff with the information needed to follow the policies and procedures set forth in the manual.

IV. OBJECTIVE

The primary objective of the Purchasing Division is to procure all materials, supplies, equipment and services for City use in such a manner that the maximum value will be obtained for the money expended. All contracts and/or purchase orders shall be let only after an opportunity for public bid or request for proposal, except as otherwise provided for by procedures set forth in the manual. In order to achieve this objective, the following are accepted as responsibilities of the Purchasing Division:

- A. Coordinate purchasing procedures throughout the City.
- B. Provide maximum service to all departments in the areas of contracts, placement of orders, expediting delivery, follow-up on orders and keeping departments informed of product changes in quality, availability and value.
- C. Execute purchase orders, contracts and leases with vendors in the best interest of the City.
- D. Consolidate purchases of like or common items to obtain maximum economical benefits.
- E. Utilize all known contacts and sources to expedite deliveries of needed supplies and equipment.
- F. Analyze prices of materials, equipment and services.
- G. Provide the departments with current status of their requisitions.
- H. Cooperate with all departments and agencies of the city to promote better community and vendor relations.
- I. Develop and maintain a current list of qualified vendors whose reputation, financial position and price structures are adequate for the consideration as logical sources of supply. Lists of potential bidders for the various types of materials,

equipment, supplies and services will be kept up-to-date and available. This list will be used in the development of a bidder's mailing list for distribution of requests for quotations and proposals. All responsible vendors may be included on the list upon request.

- J. Maintain vendor and product performance records.

#### V. VENDOR RELATIONS

Approved sales representatives may be interviewed and demonstrate their products in the departments. The department shall provide information derived from these interviews to the Purchasing Division including copies of all literature and price quotations.

- A. An approved sales representative is one whose firm has been registered and established as a qualified vendor for the City.
- B. All correspondence with vendors shall be initiated by the Purchasing Division except in special cases where the technical details involved make it advisable to delegate authority to others. In such cases, Purchasing must receive copies of all correspondence related to purchasing activities.
- C. The Purchasing Coordinator may declare as irresponsible bidders those vendors who default on the quotations, and disqualify them from receiving any business from the City for a stated period of time.
- D. Personnel having direct contact with vendors and/or vendors' representative shall not accept gifts or monies offered by any vendor.
- E. Departments shall inform the Purchasing Division of all vendor-related matters.

#### VI. VENDOR PREFERENCE

- A. The City of Cape Girardeau encourages the purchase and use of products manufactured, assembled or produced in the United States if the quality and price are comparable with other goods.
- B. The City of Cape Girardeau encourages the purchase and use of products marketed by local vendors if the quality and price are comparable with other goods and the price differential is 5 % or less.

#### VII. RECORDS

Records of all purchasing activities will be carefully compiled, readily available and maintained as required by established procedures.

**CITY OF CAPE GIRARDEAU**  
**PURCHASING PROCEDURES**

The following procedures shall be followed for obtaining supplies, materials, equipment, or service, by all departments/divisions within the City of Cape Girardeau.

**I. REQUISITIONS**

Departments will initiate a requisition for all requirements needed to successfully perform their respective functions and operations. Discretion shall be used by all departments to ensure that all requested items are necessary for proper utilization of budget appropriations and approved by the City Council.

The requisition must be initiated as the first step in the purchasing process. It is used by each department to inform the Purchasing Division of the need for materials, supplies, equipment or services and to request purchase of these items. Departments should allow sufficient lead-time on all routine requisitions. This lead-time is necessary to allow logical review of all data and solicitation of true competitive pricing when applicable. The rate of consumption should be carefully considered in determining the quantity request. *Always plan and requisition in advance of need.*

Requisitions are also used to request payment for invoices received for magazine subscriptions, membership dues, travel reimbursements, etc.

**A. PREPARATION OF REQUISITIONS:**

Requisitions are entered on-line utilizing financial software as purchased by the City. (See instructions attached to these procedures for current software on-line requisition entry).

**B. ROUTING OF REQUISITIONS:**

Requisitions will be routed electronically for approval by those designated to approve departments' requisitions.

**C. REQUISITION STATUS:**

All questions regarding the status of requisitions (when information cannot be found utilizing on-line software) should be directed to the Purchasing Coordinator and/or Accounts Payable Coordinator. To facilitate response to your status request you should supply the requisition number, requesting department, and date entered on-line.

## II. COOPERATIVE PROCUREMENT:

Cooperative Procurement is a proven, effective model for saving taxpayer dollars and viable alternative to conventional independence procurement processes. There are several Cooperative Procurement models available. The different models of Cooperative Procurement Contracts should be reviewed and prices compared to insure that the City is getting the best price available when using Cooperative Procurement Contracts. These contracts generally provide lower prices as they leverage value-added pricing, vender service levels and advantageous contract terms.

### **A. STATE CONTRACTS:**

The City participates in the State Cooperative Procurement Program for selected commodities and services, such as calculators, light bulbs, janitorial supplies, etc. Requisition is submitted for specific items and quantities. The web site for current state contracts can be found on-line at <http://oa.mo.gov/purch/contracts/index.htm> . When ordering from a state contract please note on requisition the state contract number.

### **B. PIGGYBACK CONTRACTS:**

One or more public entities solicit their requirements and include the option for other public entities to access or “piggyback” the contract as awarded. This method may include a state or national cooperative affiliate.

### **C. THIRD PARTY AGGREGATOR CONTRACTS:**

An external organization establishes a cooperative program, working with one or more public entities to establish one or more contracts designed to appeal to a broader base of potential user agencies and provides a portal (usually a web site) through which the contracts will be accessed. (e.g. U. S. Communities)

## III. P-CARD PURCHASES

All daily operation purchases under \$500.00 may be paid for with a P-Card issued to department personnel by the Finance Department. Purchases over \$500.00 must be made in accordance with the City’s Purchasing Procedures. (Copy of P-Card Procedures attached )

## IV. BLANKET PURCHASE ORDERS

Blanket purchase orders are issued for materials, supplies and services that exceed the P-Card limit of \$500.00 per purchase or when vendors do not accept the P-Card as payment for purchases used on a recurring basis. (e.g. cement, rock, electrical maintenance, etc.) Departments shall requisition these materials and supplies by estimating the usage for the period

the supplies or services are needed. The requisition term shall not exceed one (1) year and should be issued to expire at the end of the current fiscal year.

V. IMMEDIATE ACTION (EMERGENCY) PURCHASES:

A. **EMERGENCY PURCHASE ORDER:**

Department/Division may contact the purchasing department by phone permission to proceed with purchase for repairs and parts needed to maintain City operations. Once permission is granted proceed with requisition on-line entry and enter header information and give the vendor the requisition number proceeded by REQ- (e.g. REQ1349) to identify vendors invoice as an invoice for emergency purchase. After pricing information received complete requisition on-line entry. (IT IS IMPORTANT TO COMPLETE THESE REQUISITIONS ASAP).

VI. THE BIDDING PROCESS

A. **FORMAL ADVERTISED BID:**

Used when the cost of goods or services is estimated to exceed \$5000.00. These bids are advertised in at least one City newspaper for a period of one day and on the City web site from time of issue until closing date. Bid requests are mailed, faxed or e-mailed to potential vendors. After bids are opened by the Buyer at a public opening and recorded on the bid tabulation form (figure #2), they are evaluated by the Purchasing Division and the requesting department and division. When the overall lowest and best responsive bid has been determined and approved by the Director of Finance, the Purchasing Division will issue the purchase order. Permanent files will be maintained on all formal bids.

B. **REQUESTS FOR PROPOSALS (RFP):**

These requests are handled in the same manner as the Formal Advertised Bids, except the opening of Proposals may or may not be a public opening depending on the proprietary information requested. This method may be used when supplies, materials, equipment or services are of a kind or nature such that their acquisition may be made easier and the offering better evaluated than through the formal bid process.

Competitive sealed proposals differ from competitive sealed bids in that the sealed proposal permits discussion after the proposal has been opened to allow clarification and changes in proposals, provided that adequate precautions are taken to treat each proposal fairly and to insure that information taken from competing proposals is not disclosed to the other vendors until negotiations are completed and the contract has been awarded. The RFP shall state the relative importance of price and other evaluation factors, and the evaluation must be consistent with what is stated in the RFP. Permanent files will be maintained on all RFPs.

**C. INFORMAL (WRITTEN) BIDS:**

Used for goods or services when the total estimated value exceeds \$2000.00 and is less than \$5000.00. Advertising is not required. This bid may be issued by the using department or by the Purchasing Coordinator depending on the complexity of the bid. These bids must be scanned in and attached to the on-line requisition.

**D. INFORMAL (TELEPHONE) BIDS:**

Used when the estimated cost of goods or services is more than \$500.00 and less than \$2000.00 or sufficient reason exists for the requirement to be expedited. Requesting department must submit written justification with telephone quotes on purchases in excess of \$2000.00 or when purchased from a vendor designated as sole source. Bids and/or written justifications must be scanned in and attached to the on-line requisition.

**E. SOLE SOURCE:**

A vendor is considered a sole source when the goods or services provided by the vendor cannot be obtained from another vendor because the goods or service is proprietary. A vendor may be considered sole source when the vendor has protected territory and vendors outside the territory are not allowed to sell to customers in the protected territory. A vendor may be considered a sole local source when going outside the city to obtain work will increase the cost and/or prevent the work from being completed in a timely manner.

**VI. EVALUTATION PROCESS**

The buyer initiates the bid evaluation form and routes this form to the correct department/division for their evaluation of the bid. The form is then returned to the Purchasing Division. The Purchasing Coordinator reviews the department/division evaluation and completes his/her evaluation. The form is then routed to the Director of Finance for final approval to purchase.

The Purchasing Division, Director of Finance and/or the City Manager will confirm the final decision on all bid evaluations.

**A. PREPARATION OF BID ANALYSIS REPORT FORM: (figure #4 & 4a)**

The Bid Analysis Report form shall be utilized to assist in the bid award decision. This form shall become part of the permanent bid file record.

1. TO DEPART./DIV.: Buyer enters name of requesting department/division.
2. DATE: Buyer enters date form initiated.

3. RETURN BY: Buyer enters date form should be returned to Purchasing.
4. BID NO.: Buyer enters number of bid to be evaluated.
5. DATE OPENED: Buyer enters date bid was opened and read.
6. COMMODITY: Buyer Enters Item(s) bid.

Buyer attached copies of bids and bid tabulation to form and forwards to requesting department.

7. DEPARTMENT RECOMMENDS: Enter vendors name, item(s) and dollar amount of purchase recommended or check bid rejection comment. Any explanation of evaluation should be entered in the comment section or on attached memo.
8. BID EVALUATED BY: Signature of person doing bid evaluation and date evaluation completed.
9. APPROVED BY: Signature of department head or designated representative and date approved.
10. BUYER RECOMMENDATION: Buyer reviews bids, bid tabulations and department recommendations and checks applicable statement. Buyers explanation of his/her decision should be entered in the comment section or on attached memo.
11. BUYER SIGNATURE: Signed by buyer evaluating the bid..
12. AUTHORIZATION TO PURCHASE: Director of Finance and/or City manager shall review Bid Analysis form and attachments and check applicable statement. Any explanation of the decision should be entered in the comment section or on attached memo.
13. APPROVED BY: Signed by person authorized to approve purchase decision.

## VII. PURCHASE ORDERS

Purchase orders are issued by the Purchasing Division after approval of the on-line requisition authorizing vendor to deliver materials or perform services as specified. Purchase orders are prepared by converting the on-line approved requisition to a purchase order utilizing current software as purchased by the City. They are sequentially numbered and accounted for. After the conversion process is completed the purchase orders are available on-line.

A. CHANGE ORDERS:

All changes to existing purchase orders must be approved by the Purchasing Division. This includes any change involving contact with the vendor and all changes effecting encumbered amount.

1. Changes are accomplished by e-mailing the Purchasing Coordinator and requesting the change required. The purchase order number, the line item on the purchase order to be changed, and the quantity or dollar amount to be changed, or an additional line item to be added must be included in the e-mail.
2. After the change is made the purchase order will be routed to Department Supervisor for approval before the change order is approved and made available on-line.

B. EXPEDITING AND FOLLOW-UP:

1. The Purchasing Coordinator shall be notified of any problems relating to a purchase order. The Purchasing Coordinator will make every effort to resolve problem and will keep the using department informed of progress.
2. The Purchasing Coordinator may request a change order from the using department if required to resolve problem.
3. The following information should be provided to the Purchasing Coordinator when contacted for assistance:
  - a. Purchase order number.
  - b. Commodity or service ordered.
  - c. Vendor name and number.
  - d. Delivery date required.
  - e. Action required to expedite order.
4. The Purchasing Division shall cooperate with the using department/division regarding all actions needed to expedite the purchase order.

IX. RECEIVING

A. INSPECTION:

Inspection of commodities and equipment prior to acceptance is a very important responsibility. Once the goods are accepted, litigation is sometimes required to effect adjustment on items found to be of inferior quality. Inspection is the method of determining that the item(s) delivered meet the specifications of the purchase order. If

there is any doubt about the quality and/or meeting of specifications, contact the Purchasing Division. Notify the Purchasing Division within 24 hours of incorrect shipment. Department/Divisions may notify Purchasing via telephone to be followed by a detailed report listing all deviations from purchase order, damages, etc. This report should be attached to copies of pertinent paperwork, i.e. packing slip, freight bill, etc and forwarded to the Purchasing Coordinator.

B. RECEIVING:

Receiving will be done on-line using the current software as purchased by the City.

X. PURCHASING FILES

A. DEPARTMENT FILES:

Requesting department/division shall be responsible for maintaining required files. These files are to be maintained electronically using the scan and attach software and attaching the backup paperwork to the proper on-line forms.

B. PURCHASING DIVISION FILES:

The Purchasing Division shall be responsible for maintaining such files as required by law and these procedures. They may be maintained via hard copy or electronically as required.