

PROCUREMENT POLICY – CITY OF ST. MARY, MISSOURI

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The City of St. Mary, Missouri hereby establishes the following formal written policy concerning purchasing procedures.

Section 1. Purchasing.

- A. Purchases of \$200.00 or less may be purchased by an employee without Board approval.
- B. All purchases over \$200.00 to \$2,500.00 with the exception of routine services such as electric and telephone bills and 'lots' or 'groups' of items totaling this amount, require a purchase order that must be approved by the City Board prior to purchase; with necessary documentation that competitive bidding process, such as procurement of a minimum of three price quotes, has been followed.
- C. All purchases over \$2,500.00, with the exception of routine services such as electric and telephone bills and 'lots' or 'groups' of items totaling this amount, require advertisement for bids and must be approved by Mayor and Board of Aldermen.
- D. All purchases must be within total department budget as approved by the Mayor and Board of Aldermen; the Mayor and Board of Aldermen must approve any change in total department budget.

Section 2. Special Procurement Procedures

Occasionally, the City may need to purchase goods or services under circumstances which do not clearly fit the patterns of normal public procurement and for which normal competitive procedures do not apply. The following guidelines are provided with regard to making such purchases.

- A. **SOLE SOURCE.** In the event that there is only one vendor capable of providing a particular good or service, then the competitive shopping procedures outlined in this policy shall be waived by the City. Whenever an employee determines that he must purchase goods or services from a "sole source vendor", he should document why only one company or individual is capable of providing the goods or services required. The documentation should be attached to the Purchase Order. The Board of Aldermen shall review said information for final approval.
- B. **ROUTINE SERVICES.** Service utility billings (ie. Telephone, electric, natural gas, etc.) over \$200.00 shall not require a purchase order.
- C. **LOT PURCHASES.** Purchases comprised of more than one item totaling over \$200.00 will not require a purchase order unless the items, when combined make up one useable unit. For example, a small copier may cost \$150.00, but with a sorter added in the amount of \$75.00, totaling \$225.00, would require a purchase order.

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Section 3. Professional Services

A Request for Proposal (RFP) can be prepared including requirements and minimum standards for the services to be provided. RFPs should be submitted to the City Board for review and approval prior to distribution. When an RFP is issued, qualified professionals will be invited to submit a proposal setting forth their interest, qualifications and how they can meet the City's needs. In securing professional services, it is the primary goal of the City to obtain the services of a professional who has a proven record of providing, in a professional way, those services required. A contract will be negotiated with the professional deemed to best meet the City's needs.

Section 4. Purchasing Materials to be used on Construction Projects

The following procedures may be used when purchasing materials to be used on construction projects for the City when said purchases are subject to sales tax. This procedure allows the City to take advantage of its tax-exempt status.

A. Contractor Instructions.

1. The contractor shall submit a list of subcontractors to be used, including addresses, phone numbers and contact person to the City Board
2. Contractor and subcontractors shall submit a list of suppliers to be used, including address, phone numbers and an estimate of the dollar value of materials to be purchased from each supplier.
3. The City Clerk will contact all suppliers and will set up a Purchase Order in the amount of the estimated value of materials to be purchased. The City Clerk will instruct suppliers to bill the City directly for all materials, and will make arrangements for sales tax exemption.
4. Contractor will be responsible for approving invoices for payment. This will require the Contractor to review invoices and verify purchases. No invoice will be paid without Contractor's approval.
5. Each month, the Contractor may submit a request for payment. The amount of materials purchased, and sales tax abated, will be deducted from the Contractor's request for payment.

B. Suppliers Instructions.

1. A Purchase Order number will be given to the supplier by the City Clerk, along with instructions as to the maximum dollar amount the Contractor has been authorized to charge against this Purchase Order.
2. All invoices must be billed to the City of St. Mary and not the Contractor. All invoices may be mailed as follows: City of St. Mary, c/o (Contractor's Name, Address or Engineering Firm).
3. Invoices should show tax, although the City is tax exempt. This is for record keeping purposes only. A copy of the City's Tax Exemption Letter will be sent to the supplier.

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4. Payment for materials will be made by City check. Checks will be issued and mailed in the usual manner established by the City.

Section 5. Emergency Purchases.

The bid procedures outlined in this policy may be waived under emergency conditions when a delay may threaten the basic mission of a department. True emergency situations are rare. Occasionally, equipment will require emergency repairs or other circumstances will necessitate emergency purchasing that cannot await compliance with these regulations. Department Heads faced with an emergency purchase are to notify the City Board as quickly as possible.

Section 6. Further Procedures.

The City Board of Aldermen are hereby authorized to implement such further detailed purchasing procedures, including requirements for the routing of purchase orders and other forms, as may be desired from time to time, so long as such procedures are consistent with the policies set forth in this overall policy.

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CITY OF ST. MARY, MISSOURI PURCHASE ORDER PROCESS

The City of St. Mary hereby establishes the following policy concerning issuing of purchase orders, as it relates to the City of St. Mary Procurement Policy.

Section 1. All purchases over \$200.00, in accordance with procurement policy, shall be made with authorized purchase order approved by the Board of Aldermen, with the exception of routine services and 'lot' purchases as outlined in the City's Procurement Policy.

- A. The directed employee of that department, shall process a requisition to include all information necessary to account for the purchase, to be forwarded to the City Board of Aldermen for approval or denial.
- B. Upon approval of the City Board of Aldermen, the requisition shall become a purchase order and may be used to conduct said purchase.
- C. Upon receipt of invoice of materials ordered, the City Employee shall sign or initial the invoice and submit it to the City Clerk for payment.
- D. The City Clerk shall gather information for the fixed asset tabulation from the accounts payable invoices.