City of Louisville
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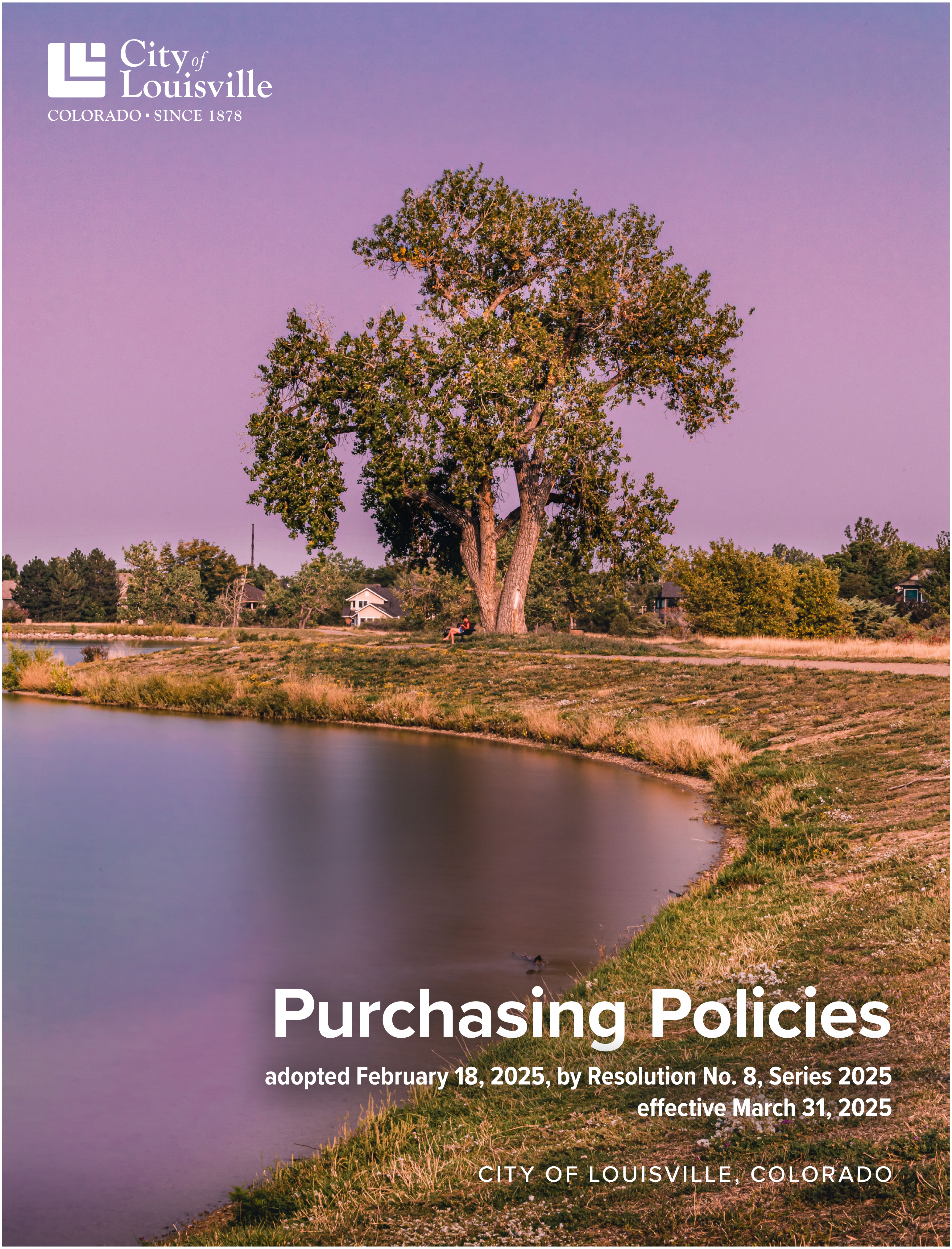

Purchasing Policies

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CITY OF LOUISVILLE, COLORADO

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Objective and Use of Policy

OBJECTIVE

The City of Louisville is funded by tax dollars. As such, the City's purchasing policies and procedures have been established to ensure that tax dollars are spent in the most economical and prudent way. The City uses competitive means for the purchase of all products and services whenever possible and believes in open, fair competition. The purchasing levels in this policy are subject to periodic review and may be changed with City Council approval based on inflation and other factors.

USE OF POLICY

This policy and the award of bid provisions herein are solely for the fiscal responsibility and benefit of the City of Louisville, and confer no rights, duties or entitlements to any bidders or proposers.

Section I: Definitions

Capital asset — Property, including durable goods, equipment, buildings, installations, and land valued at $10,000 or more, and having a useful life greater than one year.

Capital Improvement Project (CIP) — Any project to build, alter, repair, maintain or replace necessary public buildings, streets and alleys, public parks and facilities, municipal utilities, sidewalks, highways, parks or public grounds. Capital Improvement Projects are included in the City's multi-year capital improvement plan.

Capital outlay — Expenditures which result in the acquisition of or addition to capital assets ($10,000 or more).

Competitive bid process — Term used to encompass bidding, request for proposals, or request for qualifications when trying to get the best price or contractor for a project, including bidding the project to any and all interested vendors.

Cost of operations — Expenditures categorized as wages, benefits, supplies or contractual services; non-capital.

Emergency conditions — A situation in which any department's operations may be severely hampered or a situation in which the preservation of life, health, safety or property may be at risk as determined by the Department Director and the City Manager.

Encumbrances — An amount of money committed by purchase order, but not yet expended for the purchase of a specific good or service.

Expenditures — Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

Independent contractor — any person having a contract with the City for specific work as defined in the contract's scope of work.

Invitation to bid — A bidding process requesting bids submitted based on specifications for certain work included in the invitation.

Over budget expenditures — Expenditures which have exceeded the total amount of budget by line item, department, or fund.

Professional services — Those services within the scope of the practice of architecture, engineering, professional land surveying, industrial hygiene, legal counsel, financial advisers, accountants/auditors, business consultants, recruiters, lobbyists, and banks.

Purchase Order (PO) — A document which authorizes the delivery of specified merchandise or the rendering of services at an authorized cost.

Request for Proposals (RFP) — An invitation for suppliers, companies, or individuals, through a competitive process, to submit a proposal on a specific commodity or service.

Request for Qualifications (RFQ) — An invitation for suppliers, companies, or individuals to identify and delineate their qualifications for a specific project.

Section I: Definitions

Retainage — A portion or percentage of payments due for work completed on a contract that is held back until the entire job (or some lesser defined portion thereof) is completed satisfactorily.

Services — The furnishing of a contractor's labor, time or effort not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. The term does not include professional services as previously defined.

Sole source purchase — A procurement of goods or services that can only be obtained from a single supplier capable of meeting all specifications and purchase requirements or when it is in the City's best interests.

Surplus property — Materials and equipment which are no longer necessary to City operations, are obsolete, or are excessively expensive to maintain.

Unbudgeted expenditures — Expenditures for which no funds have been budgeted.

Written bid process — Term used to encompass bidding, request for proposals, or request for qualifications when trying to get the best price or contractor for a project. Does not require publication of notice on the City's web site if three valid bids can be obtained.

Section II: Purchasing Levels

	< $50.00	$50.01–$4,999.99	$5,000–$9,999.99	$10,000–$49,999.99	$50,000–$99,999.99	$100,000 & > all purchases
Required Process and Forms	Purchasing Card or Petty Cash Requisition Form	Purchasing Card or Check Request	1. A minimum of three (3) telephone or email bids/ quotes/ proposals 2. Contract as appropriate 3. Purchasing Card or Check 4. Request	1. A minimum of three (3) written bids/quotes/ proposals 2. Contract as appropriate 3. Purchase Requisition 4. Check Request	1. Bid Process as outlined in this policy 2. Contract approved by City Manager 3. Purchase Requisition 4. Check Request	1. Bid Process as outlined in this policy 2. Contract approved by the City Council 3. Purchase Requisition 4. Check Request
				City Council approval required if project not in the annual budget.		
Approvals	Supervisor	Dept. Director or Designee	Dept. Director or Designee	Dept. Director or Designee & Finance Director	Dept. Director, Finance Director, & City Manager	Dept. Director, Finance Director, City Manager & City Council
Amendments & Change Orders			Increases greater than 10% or more than $10,000 (excluding any contingency) require additional approval.			

Additional Considerations — Any proposed purchase in the following categories shall require City Council approval:

- Any request for proposal for professional services as defined over $100,000
- Any sole source item over $100,000
- Any item over $50,000 that is more than 10% over the approved budget
- Any item with policy implications not previously addressed and resolved by City Council. Further, every City employee responsible for approving any contract — regardless of the dollar amount — shall refer to the City Manager for consideration any contract they believe may have such policy implications.

All bids/quotes/proposals are public information and can be released to the public following bid award. The City may determine to not release trade secrets or other confidential commercial, financial or personal information.

Retain all bids/quotes/proposals for a minimum of three years as required by retention schedule.

One original signed contract must be submitted to Central Records at **CentralRecords@LouisvilleCO.gov** or contact the City Clerk's Office with questions.

Section III: Purchase Requisitions

A purchase requisition serves to inform the Finance Department of the needs of the departments, correctly identifies a material or service requested for the department's operations, and identifies the expenditure account number to which the purchase is to be charged.

TYPES OF PURCHASE REQUISITIONS

PETTY CASH REQUISITIONS

The petty cash fund shall be used to pay for small obligations which do not exceed $50.00. Petty cash requisitions (Petty Cash Form) are submitted to the City's cashier and will be honored only if the requisition is properly completed and bears the appropriate departmental manager approval. Petty cash requisitions will be granted under the following circumstances:

- An employee is requesting a cash advance for expenditures relating to City business (sales receipt must be returned to cashier within one business day);
- An employee is requesting a reimbursement for expenditures relating to City business (sales receipts must be attached to the requisition).

It is the responsibility of the employee using the petty cash fund to obtain the City's tax-exempt number and present it at the time of purchase. Sales tax on purchases will not be reimbursed.

PURCHASE REQUISITIONS

Purchase requisitions shall be used to initiate the purchase of materials or services of $10,000 or more and for which a purchase order will be issued. Purchase requisitions will be granted under the following circumstances:

- The requesting department shall be responsible for ensuring budget availability, obtaining prices, designating vendors, and preparing purchase requisition far enough in advance of the required date;
- All requisitions must be approved by the Department Director and the Finance Director and, if over $50,000, approved by the City Manager;
- A purchase order number must be obtained prior to placing orders with vendors.

Section IV: Purchase Orders

A purchase order (PO) authorizes a vendor to release goods or services to the City and informs them that funds have been encumbered to pay for the goods or services. A purchase order becomes a binding contract when the order is completed and signed by an authorized representative of the City and the vendor demonstrates his acceptance of the purchase order through the initiation of some action to fill the order.

The Finance Department shall be responsible for the completion and issuance of all purchase orders following the approval of the purchase requisition. The Finance Department shall email the completed purchase order to the requisition initiator.

A standard purchase order is to be used for all purchases of $10,000 or more excluding the following areas:

EXEMPT ITEMS

- Council Approved Service Contracts
- Debt Service
- Ditch Assessment Charges
- Dues & Subscriptions
- Education Expenses
- Grants, Contributions, and Intergovernmental Agreement (IGA) Obligations
- Insurance
- Investment Transactions
- Land Acquisition
- Lease Payments
- Maintenance and Support Licensing Agreements (associated with an approved contract)
- Payroll (checks, taxes, and deductions)
- Professional Services as defined
- Travel Expenses
- Utilities

PURCHASE ORDER AMENDMENTS

The Finance Department has the authority to pay an invoice that exceeds the purchase order by 10% or $10,000.

When the actual expenditure exceeds the purchase order amount by 10% or $10,000, a second and complete approval process must be obtained via purchase order amendment (for overages of $10,000 or more) or by manual approval on the check request (for overages of less than $10,000).

Section V: Bidding

Bidding procedures are used to provide vendors the opportunity to bid, to elicit greater vendor response, to meet City Charter and City Code requirements, to meet Colorado statutory requirements applicable to the City, and to promote competitive prices from vendors for the purchase of capital equipment and other items of significant monetary value. The City Manager and Department Directors reserve the right to call for competitive bids without regard to amount. As used herein, "bidding" shall include requests for bids, requests for proposals, requests for qualifications, and/or statements of qualifications. The responsible Department Director shall determine when bidding procedures shall utilize a request for bids, request for proposals, or request for qualifications, as appropriate.

All purchases of goods or acquisition of services above $50,000 and all purchases of cars, trucks, and heavy equipment shall require competitive bidding procedures unless otherwise required by the City Charter, City Code, or state statute applicable to the City. Exemptions to this policy are bids obtained through the specific processes listed below in "Cooperative Purchasing" and in Section VI, "Sole Source Purchases."

TYPES OF BIDS

INFORMAL BIDS/QUOTES/PROPOSALS FOR PROJECTS UNDER $50,000

All purchases within the financial parameters of $5,000 to $49,999 shall require informal bidding procedures.

For purchases between $5,000 and $9,999 the requesting department shall obtain and document a minimum of three (3) verbal quotations and may use a contract when appropriate. If three (3) quotations are not obtained, valid justification must be provided and approved by the Department Director.

For purchases between $10,000 and $50,000 the requesting department shall use a contract and obtain and document a minimum of three (3) written quotations. If three (3) quotations are not obtained, valid justification must be provided and approved by the Department Director and Finance Director.

Notwithstanding the above requirements, Department Directors or the City Manager may require a competitive bid process for any project regardless of the amount.

Steps to complete an informal bid/quote/proposal

Unless otherwise stated, the responsibility for these steps falls on the requesting department.

1. Develop specifications/information.
2. Provide specifications to identified vendors in writing by mail or email or verbally over the phone.
3. Use the RFP process if the Department Director determines it appropriate for the project.
4. Evaluate the quote/bid/proposal results and determine which quote/bid/proposal serves the City's best interests.
5. Use the City-approved Contract form (Sample Independent Contractor Agreement).

6. If purchase is greater than $9,999.99, submit the Purchase Requisition with quotes/bids/proposals to the Finance Department. If the recommended vendor has not submitted the low bid, ensure that there is adequate justification for the higher bid. If purchase is less than $10,000, the requesting department is responsible for maintaining documentation of informal quotes.
7. The Finance Department issues the Purchase Order.

COMPETITIVE BIDS FOR PROJECTS OVER $50,000

"Competitive/formal bidding" includes invitations to bid, requests for proposals (RFP), requests for qualifications (RFQ), and statements of qualifications (SOQ).

All requests for competitive bids shall be published on the City's website at **LouisvilleCO.gov** and the City's official bidding web site at least fourteen (14) days prior to the date set for the opening of bids. Requests for bids may also be posted in any other website, publication or journal suitable for the item being purchased with the same fourteen (14) day requirement.

Notices, general instructions, conditions, addendums, and specifications must be published in the same website(s), publication(s), or trade journal(s) where the original request for bid was posted.

Steps to complete a competitive bid

Unless otherwise stated, the responsibility for these steps falls on the requesting department.

1. Develop specifications. Upon finalization of the specifications, determine any special requirements, such as bid, performance and payment bonds; insurance; retainage; and any special requirements the requesting department may need. See bonding and insurance requirements listed below.

2. Prepare all bid documents required by the formal bid and public notice. All bid documents become public information upon completion of the bid opening, except that the City may determine not to disclose trade secrets or other confidential commercial, financial or personal information. Bid documents shall contain the following information:

    - Where the bidder can obtain bid documents
    - Any costs of bid documents
    - Bid submittal deadline
    - Date, time and location of bid opening
    - Any bond or insurance requirements
    - Any special requirements
    - A statement to the effect that the City reserves the right to reject any and all bids, and to accept the bid deemed to be the lowest cost and a reliable and responsible bidder
    - General conditions
    - Minimum specifications
    - Bid proposal form

- Delivery date or completion date
- Period of bid validity
- Bidder/proposer must sign the Prohibition Against Employing Illegal Aliens at the time of submitting the bid and verify that bidder/proposer is lawfully present in the United States, if applicable.

3. Departments will be responsible for obtaining at least three (3) bids/proposals if available. If three (3) bids/proposals are not obtained, valid justification must be provided and approved by the City Manager.
4. Conduct the public bid opening per the advertised bid opening date (if required). Any bids received after the specified time will be returned to the bidder. These bids may need to be opened in order to process a return of the bid.
5. Evaluate the bid results and determine which bid serves the City's best interests. If the recommended vendor has not submitted the low bid, provide justification for the higher bid.
6. For purchases using federal funds, the requesting Department must verify on Sam.gov and retain documented proof that the person/entity selected as the winning bid is not debarred, suspended, or otherwise excluded from receiving or participating in Federal awards.
7. Reports:
    - If over $50,000 but less than $100,000, prepare a report for the City Manager listing the preferred vendor and justification.
    - If over $100,000 (or a project that is not in the approved annual budget), advise the City Manager's Office that the item needs to go on the City Council agenda and prepare a City Council item listing the preferred vendor and justification.
8. Use City Attorney approved contracts and insurance and bond requirements.
9. Upon the City Manager's/City Council's award of bid, notify all bidders of the results.
10. Obtain signatures on all contracts.
11. Complete Purchase Requisition and forward to the Finance Department.
12. Finance Department issues a Purchase Order.
13. Notice of final payment and settlement is published by the Department two (2) times in the newspaper for all improvement projects, with the second notice to be published no later than ten (10) days before final payment is made (over $150,000).

Section V: Bidding

Steps to complete a Request for Proposal (RFP)

Unless otherwise stated, the responsibility for these steps falls on the requesting department.

1. Develop project information, determine any special requirements, such as performance and payment bonds; insurance; retainage; and any special requirements the requesting department may need. See bonding and insurance requirements listed below.
2. Prepare the request for proposal. All documents become public information upon completion of the proposal opening, except that the City may determine not to disclose trade secrets or other confidential commercial, financial or personal information. Request for Proposals shall contain the following information:
    - Where the bidder can obtain information
    - Proposal submittal deadline
    - Date, time and location of RFP openings (only a list of the proposals will be made available until such time as all proposals can be evaluated)
    - Any bond or insurance requirement
    - Any special requirements
    - A statement to the effect that the City reserves the right to reject any and all proposals, and to accept the proposal deemed to be the lowest cost and a reliable and responsible proposal
    - General conditions
    - Minimum specifications
    - Bid proposal form (if there is one)
    - Delivery date or completion date
    - Period of bid validity
    - Bidder/proposer must sign the Prohibition Against Employing Illegal Aliens at the time of submitting the bid and verify that bidder/proposer is lawfully present in the United States, if applicable
3. Departments will be responsible for obtaining at least three (3) proposals if available. If three (3) proposals are not obtained, valid justification must be provided and approved by the City Manager.
4. The RFP may be mailed or emailed to identified vendors and shall be posted on the City's web site at **LouisvilleCO.gov**.
5. Conduct the public RFP opening per the advertised opening date. Any proposals received after the specified time will be returned to the bidder. These proposals may need to be opened in order to process the return (only a list of the proposals will be made available until such time as all proposals can be evaluated).
6. Evaluate the proposals and determine which proposal serves the City's best interests. If the recommended vendor has not submitted the low bid, provide justification for the higher bid.

7. For purchases using federal funds, the requesting department must verify on **Sam.gov** and retain documented proof that the person/entity selected as the winning bid is not debarred, suspended, or otherwise excluded from receiving or participating in Federal awards.
8. Reports:
   - If under $100,000, prepare a report for the City Manager listing the preferred vendor and justification.
   - If over $100,000 (or a project that is not in the approved annual budget), advise the City Manager's Office that the item needs to go on the City Council agenda and prepare a City Council item listing the preferred vendor and justification.
9. Use City Attorney approved contracts and insurance and bond requirements.
10. Upon the City Manager's/City Council's award of bid, notify all bidders of the results.
11. Obtain signatures on all contracts.
12. Complete Purchase Requisition and forward to the Finance Department.
13. Finance Department issues a Purchase Order.
14. Final payment notices are published by the Department two (2) times in the newspaper for all improvement projects (over $150,000).

Steps to complete a Request for Qualifications (RFQ)

Unless otherwise stated, the responsibility for these steps falls on the requesting department.

1. Develop minimum qualifications for project. Upon finalization of the specifications, determine any special requirements the vendor must have. See bonding and insurance requirements listed below;
2. The RFQ may be mailed or emailed to identified vendors and shall be posted on the City's web site at **LouisvilleCO.gov**.
3. Prepare the request for qualifications. All documents received in response to the RFQ become public information upon completion of the RFQ, except that the City may determine not to disclose trade secrets or other confidential commercial, financial or personal information.
4. Once all RFQ's are evaluated and the list of qualified vendors is determined, a bid request or RFP for the specific project can be prepared and the above steps shall be followed with those specific vendors.

Section V: Bidding

BONDING REQUIREMENT

Bonds shall be executed on forms prescribed or approved by the City Manager based on review by the City Attorney, as to form, and State of Colorado law. Normally, bonding should be used only on critical or complex purchasing actions. The City may declare the purchasing of any standard items of commerce and services from standard trades and professions, which are not altered or customized to unique City specifications, to be exempt from bonding requirements.

EXAMPLES OF BONDS

BID BONDS

The bid bond requirement may be satisfied by receipt of a certified bank check or a bid bond. The bid security is submitted as guarantee that the bid will be maintained in full force and effect for a period of thirty (30) calendar days after the opening of bids or as specified in the solicitation documents. If the supplier/contractor fails to provide the bid security with the bid, the bid shall be deemed non-responsive. The bid bond shall be at least 10% of the vendor's bid price if the bid is over $150,000 and at least 5% of the vendor's bid if under $150,000.

PERFORMANCE BONDS

A performance bond, satisfactory to the City, may be required for any contract and will be used for all contracts for public buildings, works or improvements awarded in excess of $150,000 per state statute. The performance bond shall be in amount equal to 50% of the price specified in the contract, or any other higher amount determined by the purchasing department to be in the best interest of the City.

PAYMENT BONDS

A payment bond for the protection of all persons supplying labor and material to the contractor or its subcontractors may be required for all contracts awarded in excess of $150,000. The payment bond shall be in an amount equal to 50% of the price specified in the contract, or any other higher amount determined by the purchasing department to be in the best interest of the City.

INSURANCE REQUIREMENT

All contractors are required to provide certificates of insurance with the City named as additional insured, as specified in the contract agreement.

BIDDER LIST AND BID EVALUATION

A Bidder's List may be established and maintained by individual departments in an effort to promote competitive bidding from qualified vendors and to establish a source of supplier.

Section V: Bidding

In addition to the bid amount, additional factors will be considered as an integral part of the bid evaluation process, including, but not limited to:

- The bidder's ability, capacity and skill to perform within the specified time limits
- The bidder's experience, reputation, efficiency, judgment, and integrity
- The quality, availability, and adaptability of the supplies or materials bid
- Bidder's past performance
- Sufficiency of bidder's financial resources to fulfill the contract
- Bidder's ability to provide future maintenance or service
- Other applicable factors as the City determines necessary or appropriate (such as compatibility with existing facilities, equipment or hardware)
- If a bid other than low bid is recommended, the requesting department must demonstrate how the higher bid serves the best interests of the City.

COOPERATIVE PURCHASING

City staff may purchase goods or services under any general bid or purchase contracts of the United States Government, State of Colorado, or other governmental jurisdictions at the prices, terms, and conditions specified in the general bid or purchase contract. If it is advantageous to the City, staff may purchase goods or services through a consortium for government agencies including but not limited to the State of Colorado bids (solicited through the Bid Information and Distribution System), the Multiple Assembly of Procurement Officials (MAPO), the General Services Administration (GSA), or Sourcewell to get the benefit of the pricing available through those procurement systems.

These purchases do not require a sole source justification and are exempt from the formal bid process. They are subject to the normal approval process.

ANNUAL CONTRACTS

All service contracts must specifically state the term of the contract and the options for renewing the contract (if applicable) beyond the original term. In no case shall any service contract have an indefinite term. Contracts should begin and end within the current fiscal year. It must also be expressly stated in any multi-year service contract— which is any contract with a term extending beyond the current fiscal year—that all financial obligations of the City beyond the current fiscal year are subject to annual appropriation. Standard language for this purpose is as follows:

> *"Contractor acknowledges that any potential expenditure for this Agreement outside the current fiscal year is contingent upon appropriation, budgeting, and availability of specific funds for such proposed expenditure, and nothing in this Agreement constitutes a debt or direct or indirect multiple fiscal year financial obligation of the City."*

INTEGRATED PROJECT DELIVERY CONTRACTING PROCESS (DESIGN-BUILD)

The City Council may award an integrated project delivery ("IPD," sometimes referred to as "design-build") contract for a City capital improvements project, or other public project as defined in C.R.S. § 31-25-1303, upon a determination by the City Council that IPD represents a timely or cost-effective alternative for the public project. Prior to awarding an IPD contract, the requesting department head, upon consultation with the City Manager, shall solicit proposals for the project by issuing a request for proposals or request for qualifications to individuals or firms that have indicated an interest in participating in the proposed project or that have displayed evidence of expertise in the proposed project. Notice of the initial solicitation for an IPD procurement shall be published at least two (2) times in a newspaper of general circulation in the City. The last publication shall not be more than twenty (20) days or fewer than fourteen (14) days prior to the date set for the opening of bids. The City may also publish notice of the solicitation in a trade journal or post notice on the City's website and the City's official bidding web site. The IPD procurement shall be completed in compliance with the procedures above that are applicable to the selected method of competitive/formal bidding. After reviewing the proposals, the City Council may accept the proposal that, in its estimation, represents the best value to the City. In the procurement and administration of an IPD contract, the City may utilize, without limitation, the provisions and procedures set forth in C.R.S. § 31-25-1301 et seq.

Section VI: Sole Source Purchases, Local Vendor Purchases, and Ethics

SOLE SOURCE PURCHASES

It is the policy of the City of Louisville to recognize and solicit quotes. Sole source purchases may be made if it has been determined that there is only one good or service that can reasonably meet the need and there is only one vendor who can provide the good or service. These purchases should be used if it is in the best interest of the City, and the following procedures shall apply:

PURCHASE IN THE AMOUNT OF $5,000 TO $9,999

To request a sole source purchase, prepare a memorandum justifying the sole source purchase with Department Director approval. Attach the sole source justification to the check request or P-card reconciliation.

PURCHASE IN THE AMOUNT OF $10,000 TO $49,999.00

To request a sole source purchase, prepare a memorandum justifying the sole source purchase and attach it to the purchase requisition.

Bidding procedures may be waived by the Finance Director when it has been demonstrated that the requested goods or services are a sole source purchase. If the sole source purchase is not approved, the department shall obtain additional bids or quotes in compliance with this policy.

PURCHASE IN THE AMOUNT OF $50,000 OR MORE

To request a sole source purchase, prepare a memorandum justifying the sole source purchase and attach it to the purchase requisition.

Sole Source purchases over $50,000 require the approval of the City Manager. Sole Source purchases over $100,000 require the approval of the City Council.

LOCAL VENDOR PREFERENCE

To encourage purchasing within the City of Louisville, it is the policy of the City of Louisville to recognize and solicit quotes/bids from local vendors. Whenever such local sources exist and are competitive, purchases shall be made from local vendors; however, all purchasing ordinances and policies as well as any other City award factors still apply. To be considered within this policy, local vendors must have a current valid sales and use tax license (formerly business license) on file with the City of Louisville.

As deemed appropriate solely within the discretion of the City, bids may be awarded to local vendors providing the proposal or quote is within 5% or $1,000 (whichever is less) of the lowest bid.

In an event where it may be prohibited as a condition of any grant, or violation of law, the local vendor preference shall not be applied.

Section VI: Sole Source Purchases, Local Vendor Purchases, and Ethics

ETHICS IN CITY CONTRACTING

The City Code of Ethics, which is set forth in Sections 5-6 through 5-17 of the City Charter, sets forth ethical standards concerning City contracting. These standards apply to City officers, employees and public body members and include, among other standards, that employees not have an interest in a contract with the City, unless certain rules are met. These rules generally require that employees may only be interested in contracts where all procurement rules have been followed and the employee has complied with the City's disclosure and recusal rules. These rules further provide that an employee interested in a contract may not attempt to influence any City employee or decision maker who has influence or decision-making power over the contract.

City officers, employees, and public body members involved in the procurement process are required to comply with the Code of Ethics and all laws governing such process.

Section VII: Purchasing During Emergency or Disaster Conditions

An emergency shall be defined as a situation in which any department's operations may be severely hampered or a situation in which the preservation of life, health, safety or property may be at risk as determined by the Department Director and City Manager. The required purchasing procedures stipulated in the Purchasing Levels Section and other areas of this policy shall be waived for emergency purchases. A summary of all emergency purchases shall be prepared by the Finance Department and submitted for review by Mayor and City Council at the earliest City Council meeting possible.

When the need for an emergency purchase occurs during normal working hours, the user department will request approval from the City Manager or his designee. If approved, the City Manager shall give verbal approval of the transaction followed by electronic approval to the requesting department and to the Finance Department, which may be required to complete the transaction for the requesting department. The user department or Finance Department will note the emergency on the check request form, sales ticket or invoice.

During a partial or full activation of the Emergency Operations Center (EOC) that requires the presence of a Finance Department representative on site, the approval authority as set forth in the Purchasing Levels Section is hereby revised to read as follows:

- Department Director — Approval of emergency purchase up to $50,000.
- Finance Director — Approval of emergency purchase up to $100,000.
- City Manager — Approval of emergency purchase over $100,000.

Section VIII: Check Requests

PAYMENT REQUESTS

Check request forms (Check Request Form) are used to request payment for materials or services. Check requests must adhere to the following:

- Original invoice must be attached
- Attach additional documentation as appropriate, such as receiving documents, packing slips, informal quote documentation, and sole source justification
- All requests must be signed by the department director or an assigned designee
- P.O. must be referenced if applicable
- Full or partial payments must be indicated

Checks will be cut in accordance with the Accounts Payable (AP) schedule. AP staff may require additional information when appropriate.

Section IX: Disposal of Surplus Property

The purpose of this policy is to provide guidance regarding the disposal of City assets. The guiding principles are to ensure assets to be disposed of are made available to the public on an equitable basis, to realize the maximum return on investment when disposing of assets, and to ensure that assets are removed timely and accurately from the City's accounting books and records.

POLICY

The Department Director shall be responsible for the determination of surplus equipment and salvageable items. The Operating Department shall be responsible for the disposal of all surplus property, excluding real property.

All surplus items and obsolete articles shall be disposed of in one of the following manners:

- Transferred to another department
- Sold to the highest bidder at public auction or via other public offer
- Trade-in on the same or similar item
- Recycled
- Donated to an approved City-sponsored charitable organization
- Junked or scrapped and properly disposed of in an environmentally responsible manner

Because one of the guiding principles in disposing of assets is to maximize the return on the investment, the above list presents the methods of disposition in the order most likely to achieve this goal. Therefore, use of a method other than transferring to another department or selling in a public forum should be documented and substantiated in the "Comment" section corresponding to the method chosen on the Asset Disposal Form.

Surplus property **may not** be given to an officer or employee of the City even if the City is disposing of it.

The disposal of evidence is handled by the Police Department under separate rules and regulations. The disposal of City records is handled by the City Clerk's office under separate records retention rules and regulations.

PROCEDURE

1. Operating Departments should review assets on an annual basis, to determine if any are surplus or obsolete, based on the following criteria:
    - Age and functionality
    - Mileage (vehicles)
    - Maintenance history
    - Applicability to current City operations
    - Obsolescence

- Availability of parts
- Availability of support (intangible assets such as software)

2. Department Director reviews and approves assets identified for disposal.
3. Operating Department determines disposal method that realizes the best available net value and is conducted in a manner open and accountable to the public.
4. Within 30 days of disposing the asset, the responsible department completes an Asset Disposal Form. The Form must include the Department Director's signature indicating approval of the disposition as well as the method of disposal.
5. Operating Department forwards the Asset Disposal Form to the Finance Department.

Section X: Purchasing Card Program

The purpose of the Purchasing Card (P-card) Program is to streamline and simplify the requisitioning, purchasing, and payment process. The Program is designed to shorten the approval process and reduce the paperwork of procurement procedures such as purchase orders, petty cash, check requests and expense reimbursements. The goal of the Program is to:

- Reduce the cost of processing purchases
- Receive faster delivery of required goods or services
- Simplify the payment process

CARD ISSUANCE

The requesting employee's manager sends a completed request form to the Program Administrator authorizing the issuance of a purchasing card. Upon receipt of the card, the Program Administrator reviews the Purchasing Card Guidelines with the employee. The cardholder agrees to adhere to the Guidelines by signing the Purchasing Card User Agreement. The User Agreement is filed by the Program Administrator. **The cardholder is the only person entitled to use the card, and the card is not to be used for personal use.**

LIMITATIONS AND RESTRICTIONS

A credit limit is set on each card. There also is a single transaction limit placed on the card, which means the card will be declined if the cardholder attempts to purchase more than this set amount at one time. A purchase may not be split to avoid the single transaction limit. The card may not be used for purchases requiring a purchase requisition and purchase order.

All requests for changes in limitations and restrictions must be requested by the Department Director to the Purchasing Card Administrator.

LOST OR STOLEN CARDS

The Purchasing Card should be kept in a secure location accessible only to the cardholder. **If the Purchasing Card is lost or stolen, notify the bank immediately at 800-819-4249 and email the Program Administrator at AP@LouisvilleCO.gov.**

Section X: Purchasing Card Program

RECONCILEMENT AND PAYMENT

All transactions processed during the month will be available to each cardholder. Cardholders are responsible for reviewing the monthly statement for accuracy, providing a brief description and account number, and attaching an itemized receipt and other appropriate documentation (for example: invoices, verbal quotes, receiving documents, packing lists, or sole source justification) for each transaction on the statement. The statement must be approved by the cardholder's departmental manager and submitted to the Program Administrator within 5 business days. The Program Administrator will audit the receipts with the statement and initiate payment.

DISPUTED OR FRAUDULENT CHARGES

If there is a discrepancy between the employee's records and the statement, the issue shall be addressed immediately. Depending on the type of discrepancy, the cardholder will need to contact either the merchant or the bank to resolve the disputed transaction.

If the cardholder believes the merchant has charged the account incorrectly or there is an outstanding quality or service issue, the first contact shall be with the merchant to try to resolve the error or problem. If the matter is resolved directly with the merchant, and the error involved an overcharge, a credit adjustment should be requested to appear on the next statement.

If the merchant disagrees that an adjustment is necessary, the cardholder should immediately contact the Program Administrator who will work with the Purchasing Card provider to resolve the dispute.

Any fraudulent charge, i.e., a charge appearing that was not authorized, must be reported immediately to the Program Administrator. Prompt reporting of any such charge will help to prevent the City from being held responsible.

SALES AND USE TAX

The City of Louisville is tax exempt. The sales tax exemption number is printed on the front of the purchasing card. If an employee happens to pay tax on a purchase, the employee should reach out to the vendor and attempt to have the sales tax reversed and refunded. If unable to obtain a reversal or refund, the employee may be required to reimburse the City of Louisville for the taxes paid. For sales tax charged and paid in excess of $100, Staff should take all reasonable efforts for City reimbursement.

LOSS OF PRIVILEGES

Failure to comply with the requirements of the Purchasing Card Guidelines may result in immediate revocation of the Purchasing Card privileges. The restoration of privileges must be requested by the department director and will require a new Purchasing Card User Agreement.

Section XI: Purchasing Rules for Specific Equipment

HARDWARE AND SOFTWARE

All hardware, software, and online services purchases must be reviewed and approved by the IT Division. Purchases will not be approved if the equipment is not compatible with the City's network or if the purchase requires the IT Division to acquire additional server space.

Use the City's standard Data Protection Contract Addendum, if necessary.

The IT Division determines the replacement schedule for all workstations and servers.

Servers and workstations only are paid for by the Technology Replacement Fund. All other computers and technology shall be purchased by departments out of their individual budgets.

Section XII: Federal Funding

PURCHASES UTILIZING FEDERAL FUNDS

Louisville will meet or exceed procurement requirements as stated in 2 CFR Part 200 (Uniform Guidance) when using federal funds to purchase goods or services. Department Directors, Project Managers and other purchasers should consult the Uniform Guidance to ensure purchases using federal funds, specifically bidding requirements and suspension and debarment regulations, comply with those outlined in federal regulations.

For purchases using federal funds, the purchasing Department must verify and retain documented proof the person/entity selected as the winning bid is not debarred, suspended, or otherwise excluded from receiving or participating in Federal awards, using Sam.gov. The Unique Entity Identifier (UEI) is a 12 digit alpha numeric code assigned to organizations applying for federal grant funds. An active UEI is required to apply for or receive grant awards. Only one UEI is allowed per organization and federal ID number. The City Manager's Office will serve as the Account Administrator for the City's UEI and is responsible for renewing the UEI each year.

Section XIII: Important Links

- Petty Cash Requisition Form
- Check Request Form
- Asset Disposal Form
- Sample Request for Proposal
- Sample Request for Qualifications
- Sample Independent Contractor Agreement
- Purchasing Card Guidelines
- Sample Data Protection Addendum