

## **DEPARTMENT GENERAL ORDER 10-2**

OFFICE of the CHIEF OF POLICE  
REPLACES: General Order 03-18

DATE: January 26, 2010

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### **PURCHASING PROCESS**

#### **I. PURPOSE.**

As a sub-unit of the municipal government of the City of Clayton, the Police Department will be governed by, and shall adhere to, all purchasing requirements and procedures established by the City. To assist in this process, the following guidelines shall regulate the requisition and purchasing of agency equipment, supplies, and services.

#### **II. DEFINITIONS.**

Bid Requirements - To offer (an amount) as the price one will accept to supply a product or perform a service.

Encumbrance - Funds which are committed to a specific future purchase or expense.

Invoice - A letter or form advising of the shipment of goods, containing particulars of their price and quantity.

Purchasing - To buy goods or services from a vendor or supplier.

#### **III. MANAGEMENT OF PURCHASING PROCESS.**

The Chief of Police shall be responsible for the overall planning and management of the departmental budget. As part of that process, the Chief of Police will request input from the department's bureau commanders in regard to various outstanding equipment and supply needs. Following consultations with their own subordinate commanders, the

bureau commanders will subsequently submit an internal memorandum to the Chief of Police formalizing their budget requests. This document will include a detailed list of proposed budgetary purchases and anticipated costs. The Chief of Police will then review each submitted request and shall have sole authority and discretion to approve, amend, or disprove any or all of the proposed expenditures.

The departmental budget will then be reviewed by the City Manager, who shall be responsible to ensure that the City budget is fiscally sound. The City Manager may approve, amend, or disprove proposed departmental expenditures, and in addition to establishing the overall amount of the City and departmental budget, shall determine the percentage rates of pay raises and/or salary scale adjustments (if any).

The completed department budget, along with those of other City departments, will then be subjected to a series of hearings and reviews held by the Clayton Board of Aldermen. Adjustments may again be made as a result of these hearings, following which time, the annual budget shall be approved by a vote of the City's elected officials.

The fiscal year of the City of Clayton shall run from October 1 to September 30 of the following year.

#### IV. PURCHASING PROCEDURES/REQUIREMENTS.

##### General Guidelines:

- A. Local Vendors. It is the objective of the City of Clayton to purchase products and/or services at the best prices. Whenever possible, Clayton vendors should be contacted. Clayton vendors are those businesses possessing a Clayton business license, or if a license is not required, located within the city limits of Clayton.
- B. American Products. It is the desire of the City to encourage the purchase of products manufactured, assembled, or produced in the United States, if the quality and price are comparable with other goods, in accordance with Missouri State Statutes (RSMo 34.353).
- C. Recycled Products. It is the desire of the City to encourage the purchase and use of products manufactured from recycled materials, if the quality and price are comparable with other goods. Consistent with purchasing and using recycled goods, the City will observe the recycling requirements listed in Chapter 34 of the Missouri statutes.
- D. Budgetary Limits. Budgetary limits are to be strictly observed. Written authorization must be obtained from the Director of Finance and the City

Manager as prescribed in the City's budget administration policy if the purchase exceeds the approved budget for that line item.

E. Best Price. Purchases shall be awarded to the vendor or provider that is deemed to be in the best interest of the City, not necessarily the lowest price. The following criteria will determine what is in the best interests of the City:

- price,
- the level or quality of the service or product offered, including green considerations,
- the demonstrated ability to provide the service or product,
- timeliness of delivery,
- level of fit.

When the purchase is to be made from a vendor other than the low bidder, the reasons shall be documented by the originating department. Approval shall be received from the City Manager or designee before order placement.

F. Quality Buying. Vendor selection shall also include consideration of the service quality. Quality is just as important as price and it is the responsibility of the originating department to secure the best quality for the purpose intended. The purchase of goods or services that will meet but not exceed the requirements for which they are intended defines quality buying. Although not necessarily a deciding factor, consideration will also be given to Clayton businesses, American made products, and availability of recycled or green products. Quality buying considerations include, but are not limited to, durability, availability, ease of installation, frequency of repair, efficiency, and life cycle costs. For example, in vehicle purchases part of the price consideration is to consider mileage ratings and life cycle costs to determine best price, not only the lowest purchase price. It is the responsibility of each department to become familiar enough with the available equipment to determine the appropriate quality required to develop specifications and bid analysis.

G. Ethics. All employees of the City of Clayton have chosen to serve the public and therefore shall not accept, grant, or be influenced in their duties by any offer of payment, gift or favor from any source other than their compensation from the City.

No endorsements of products or services shall be permitted using an employee's name, position, or the City's name where it might be construed as evidence of favoritism relative to any supplier or vendor.

Purchases by the City for the personal or private use of employees are not allowed. City employees are also prohibited from using their position or the City's name to obtain special consideration in personal purchases.

Purchases from employees or vendors related to employees are inappropriate unless the vendor would naturally be sought for competitive pricing. Employees shall make known their financial interests in any company doing business with the City. Failure to do so could result in disciplinary action up to and including termination.

Purchases from any company in which an employee with decision making authority has a financial interest are prohibited.

- H. Equal Opportunity Employer Requirements. The City requires that every supplier of materials and services and all contractors doing business with the City in excess of \$1,000 per year shall be an equal opportunity employer. It is the responsibility of the Department Head to obtain certification from the vendor or contractor that he is an equal opportunity employer before awarding the contract or issuing the purchase order.
- I. Sales Tax. The City is exempt from paying all local and state sales tax. The Purchasing Agent or the Finance Department can provide the exemption document to any vendor upon request.

*The City's Missouri sales tax exemption number is 12487627, and has no expiration*

- J. Shipping. Shipping, delivery, transportation, installation and similar costs are to be included in determining the best price. Specifications should specify FOB Clayton, Missouri. It is important for shipping to be "FOB Clayton", for if there is damage during shipment or the goods are defective, the vendor is obligated to rectify the situation.
- K. Planning. Planning of purchases should be completed by each department on a short term and long term basis. Small orders and last minute purchases should be minimized, thereby increasing the capability of each department to purchase its goods and services in larger quantities. Large quantities typically encourage the maximum discount possible and therefore improve pricing. Planning will also reduce the time expended on pickups, documenting purchases, and will allow the City to improve its fiscal control and optimize cash flow.
- L. Vendor Selection. Vendors and suppliers of the City shall be carefully selected. City departments should assure themselves that the vendor has a proper license, is an authorized dealer for the given product or is a qualified provider of the services sought.
- M. Public Review. All specifications, bid documents, quotation sheets, purchase orders, and other supporting documents are public records that are available to the

public upon reasonable request. Public records will be available for public review during normal operating hours, and may require advance notice per the Missouri State Statutes regarding Freedom of Information.

The City has established policies listed below regarding the method to be used in purchasing goods and services, depending upon the cost of the item to be purchased. Subdividing purchases to avoid these requirements is strictly prohibited.

#### Purchase Orders:

Purchase orders will be secured prior to purchasing all goods and services and will require the appropriate account number and available funds (or otherwise authorized funds). Correct account numbers are the responsibility of the requesting department, to ensure appropriate accounting. Overspending appropriations will not be allowed without the written approval of the City Manager and/or the Finance Director.

Purchase orders will be completed on an electronic purchase order form, showing the following items:

- date
- vendor (including address, as required)
- complete description of the goods or services requisitioned including quantities, item/model numbers, prices, discounts, shipping, delivery dates and points
- account number
- electronic authorization of the department

The purchase order shall be accompanied by the consolidated quotation sheet which may be emailed to the Assistant Finance Director along with other appropriate supporting documentation, such as a contract copy.

The purchase order shall then be forwarded through the electronic system to the Purchasing Office for approval routing. After encumbrance of funds, purchase order approval by appropriate supervisors, and printing, the Purchasing Department will return a copy to the department for order placement with the vendor. It is the responsibility of the originating department to provide vendors a purchase order copy if needed.

When an account is over budget in the object account group (i.e., contractual services, commodities, or capital) for a requested purchase(s), the purchase order may be processed, but will require electronic approval of the purchase order by the Director of Finance.

The procedure and documentation required for purchases will be governed by the amount of the purchase.

## Purchasing Requirements:

- A. Budgeted purchases for less than \$1,000 may be obtained in the most expedient way possible with due regard for competitive prices and quality.
- B. Budgeted purchases \$1,000 - \$4,999 require a minimum of three quotes which may be by email, regular mail, telephone or fax. A consolidated quotation sheet shall be prepared and maintained in the requesting department for public review. Once a department makes and documents a decision, a purchase order will be issued to the vendor with the "best" price.
- C. Budgeted purchases \$5,000 - \$9,999 require a minimum of three written quotes. A consolidated quotation sheet shall be prepared and maintained in the originating department for public review. Once a department makes and documents a decision, a purchase order will be issued to the vendor with the "best" price.

A written quote is minimally defined as a written statement detailing goods or services that will be provided to the City at a particular price and signed by an authorized individual of the vendor/company. Any purchase exceeding \$5,000 will require an electronic signature from the City Manager on the purchase order.

- D. Budgeted purchases exceeding \$10,000 require consultation with the Purchasing Agent to decide if a formal bid should be solicited. Any purchase exceeding \$5,000 will require an electronic signature from the City Manager on the purchase order.
- E. Unbudgeted purchases and/or changes in the intent of the budgeted line item require City Manager approval.

## Special Procurement Procedures:

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

### A. Sole Source Purchases

In the event that there is only one vendor that can provide a particular good or service, then the competitive shopping procedures outlined in this policy may only be waived by the City Manager.

If a Department Director decides that goods or services must be purchased from a "sole source vendor", the reasons only one company or individual is capable of providing the goods or services must be documented. The documentation must be

retained as part of the department purchasing records and attached to the purchase order requisition on the consolidated quotation form.

B. Cooperative Procurement Programs

Cooperative purchasing programs, such as those available through the State of Missouri or St. Louis County, should be used whenever the desired products or services are comparable. Purchases made through these programs have met the requirements of competitive shopping and will not require further documentation. The cooperative program and contract number should simply be noted on the purchase order. This may be entered in the “remarks” section.

C. Professional Services

Professional services include services such as attorneys, engineers, certified public accountants, planners, and other professionals who, in keeping with the standards of their discipline, will not enter a competitive bidding process. A Request for Proposal (RFP) or a Request for Qualifications (RFQ) can be prepared much the same way as specifications, including requirements and minimum standards for the services to be provided. An RFQ should request information regarding the background and experience of the submitting party for the specialty task to allow the City to determine which party is best qualified to provide the services requested. Requests for Proposals or Qualifications should be submitted to the Purchasing Agent for review and approval a minimum of 5 business days prior to distribution. When an RFP or RFQ for professional services is approved, a notice shall be published in at least one general distribution publication a minimum of ten business days in advance of the RFP or RFQ submission deadline and a limited number of qualified professionals known to the City may be invited to submit a proposal or qualifications, delineating 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 or documented capability 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.

D. Emergency Purchases

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

If the emergency purchase exceeds \$1,000, a report of such action shall be filed with the Purchasing Agent accompanied by the purchase order, approved by the originating Department Director within five working days of the purchase.

E. Purchasing or Charge Card Purchases

All charge accounts will be coordinated through the Finance Department. Charges, lines of credit, or accounts are not to be opened except as approved by the Finance Department

F. Designated Vendors

On occasion, the City will select a primary vendor for specific products (i.e. office supplies). In those cases, processing of purchases will be arranged on an individual case basis and coordinated through the Purchasing Department.

G. Blanket Purchase Orders

Blanket purchase orders are discouraged. However, if these are necessary, such a purchase order format must be approved by the Purchasing Agent in writing **in advance**. This is to be used only when absolutely necessary and should not be used to circumvent the purchasing system.

H. Purchase of Used Equipment

New equipment is generally preferred to used equipment. However, there are situations where the purchase of used equipment should be considered. These situations include:

- Price is of prime importance and the difference in cost between new and used goods is significant.
- Equipment will be used infrequently, for a limited time, for training or auxiliary operation.
- Better delivery is essential.
- Compliance with green guidelines.

The purchase of used equipment requires careful shopping. Input from the appropriate maintenance supervisor should be sought. For example, when purchasing motor vehicles, the Public Works Department should be consulted. The requisitioning department should make every effort to secure a minimum warranty or guarantee that the equipment will perform as needed and that service or replacement parts are available.



## Formal Competitive Bidding:

When goods or services are bought under the formal competitive bidding process, written specifications must be prepared. Specifications, whatever the type, should accomplish four objectives:

1. Identify minimum requirements,
2. Allow for a competitive bid,
3. Provide data for an objective review,
4. Provide for an equitable award at the "best" possible cost, and
5. Provide for indemnification of the City, as appropriate.

It is advised that all bid specifications be reviewed by the Finance Department prior to release. This is not required, however it is suggested in order to ensure consistency and compliance with the City's purchasing policy. If review is desired, a minimum of 5 business days should be allowed.

## Competitive Bidding Guidelines

- A. Keep specifications as simple as possible while maintaining the accuracy required to keep bidders from using a loophole to avoid providing the quality or services required or to, in some manner, take advantage of their competitors.
- B. All specifications must contain language allowing the City to reserve the right to accept, reject, or modify any and /or all bids.
- C. Whenever possible, identify the equipment or material required by an accepted standard specification or a name brand on the market. All specifications that utilize a brand name must include the term "or equivalent" to avoid being restrictive and eliminating fair competition from the bidding process.
- D. Specifications should promote competition. Specifications drafted in this manner will allow several bidders to provide the City with alternatives and ensure that the City obtains the best price for the goods or services required.
- E. Flexibility in the specifications is desirable, especially in instances where new technologies are being sought. Specifications should be specific enough to guarantee the quality required but sufficiently flexible to allow vendors to be creative in their proposals. If a proposal does not meet the City's needs, it can be rejected and the bid that closely follows the specifications accepted.
- F. Specifications should be reasonable in their tolerance. Unnecessary precision can frequently escalate the bid price.

- G. Specifications should be written with clear simple language, free of vague terms or those subject to a variety of interpretations.
- H. Consideration for green purchasing should be incorporated in the bidding specifications.
- I. The Vendor/Contractor questionnaire (included in Appendix A) which gathers information about the type of business the vendor is should be included in all competitive bids.
- J. Formal bids should be advertised in at least two general distribution publications a minimum of ten business days in advance of the bid submission deadline.
- K. Specifications should include proper indemnification notices, when appropriate.

#### V. ADMINISTRATION OF PURCHASING PROCESS.

The Administrative Secretary assigned to the Office of the Chief of Police will be responsible to administer departmental purchasing records. As such, upon the department taking physical possession of purchased goods, or receiving contracted services, the invoices received from the vendor shall be forwarded to the Administrative Secretary. A purchase order for payment shall then be completed and forwarded to the Finance Department along with the invoice. Should the department desire to initiate a purchase, the Administrative Secretary will complete a purchase order (in accordance with Section IV above) and again forward same to the Finance Department.

Should questions arise in regard to a purchase, or current departmental account balances, the Administrative Secretary may access the City's computerized Finance software package, and review current balances and/or system entries.

##### A. Inventory Records

The Commander of the Investigations and Support Bureau will complete and file a fixed asset form in regard to the purchase of any item that qualifies as a fixed item and exceeds \$5000.00 in value.

#### VI. EMERGENCY PURCHASING/RENTAL AGREEMENTS.

In the event of an emergency, the Chief of Police, or his designate, may enter into contracts with private vendors, contractors, or merchants to procure (purchase or rent) supplies, equipment, or services without regard to the requisite bid process. In such instances, the Chief of Police will obtain a purchase order number, and notify the Purchasing Office or Assistant City Manager of the transaction as soon as practical.

VII. REQUESTS FOR EMERGENCY APPROPRIATION OF FUNDS.

Should the expenditure of money in an emergency situation exceed budgeted funds, the Chief of Police will submit a request for additional funding to the City Manager, who shall have full authority to appropriate all necessary supplemental funding. Similarly, should emergency operations require the transfer of funds from one or more department accounts into another, the Chief of Police shall contact the City Manager for approval prior to the transfer taking place.

BY ORDER OF:

THOMAS J. BYRNE  
Chief of Police

TJB:mj

CALEA Reference: 17.3.1