



Purchasing Policy

CITY OF BRYANT, ARKANSAS

JOY BLACK

Table of Contents

| | |
|--|-------|
| Scope..... | 2 |
| Purchasing Responsibility | 2 |
| Purchasing Rules | 2 |
| Departmental Authorized Purchasing Agents | 3 |
| Purchase Orders..... | 3 |
| Solicitations and Bid Documents | 3 |
| Credit Card Policy..... | 3 |
| Purchase Categories..... | 3 |
| Petty Cash | 3 |
| Minor Purchases | 4 |
| Moderate Purchases | 4 |
| Large Purchases | 4 |
| Annual Contracts..... | 5 |
| Sole Source Items..... | 5 |
| Insurance..... | 5 |
| Public Works Projects | 5 |
| Professional Services Contracts | 5 |
| Purchasing Cooperatives..... | 6 |
| Standards of Conduct..... | 6 |
| Conflict of Interest | 6 |
| Prohibition against gratuity and contingent fees | 6 |
| Disciplinary Action | 6 |
| Purchasing Standards..... | 6 |
| Contract Review..... | 7 |
| Terms and Conditions | 7 |
| Payment Verification | 7 |
| Appendix A Purchasing Levels of Authority Chart..... | 8 |
| Appendix B De Bar List | 8 |
| Appendix C Accounts Payable/Purchase Order Quick Reference Guide | 8-10 |
| Appendix D Credit Card Policy | 11-12 |
| Allowable Purchases..... | 13 |
| Prohibited Transactions | 13-14 |

Scope

The City of Bryant has put into place a purchasing policy to promote compliance with the financial integrity provisions of the Arkansas Code Annotated. This document reflects those procedures which assure sound accounting practices while making purchases for the City of Bryant.

As a municipality, the City of Bryant has an established system of internal control that provides reasonable assurance that objectives have been achieved in: 1) the effectiveness and efficiency of operations, 2) the reliability of financial reporting and 3) compliance with applicable laws and regulations. The City of Bryant also has established an effective anti-fraud program that: 1) creates a culture of honesty, 2) evaluates the risks of fraud and implements the processes, procedures and controls needed to mitigate those risks and 3) develops an appropriate oversight process. It is the policy of the City of Bryant, to the extent that is reasonable, to conduct its contracting affairs in an open, competitive manner.

These policies established by the City of Bryant applies to all departments and its employees within the City of Bryant.

Purchasing Responsibility

The Mayor or the Mayor's duly authorized representative shall have exclusive power and responsibility to make purchases under \$20,000 of all supplies, apparatus, equipment, materials, and other things requisite for public purposes in and for the City of Bryant and to make all necessary contracts for work or labor to be done or material or other necessary things to be furnished for the benefit of the City of Bryant, or in carrying out any work or undertaking of a public nature therein.

Purchasing Rules

All purchases shall be done in conformity with the following provisions:

1. Purchase in such a manner as to ensure that the expenditure of public funds will secure for the taxpayers of the City of Bryant the most public good for the least possible cost.
2. Treat each vendor on an equal basis with all others in the consideration of his or her product and give each vendor or prospective vendor a fair and open opportunity for the business.
3. To buy in Bryant whenever possible.
4. All purchases of materials, supplies, equipment, or services shall be budgeted and/or approved by the city council prior to any purchase or expenditure.

5. Each department will designate authorized purchasing agents whose responsibility will be to submit the proper paperwork for Purchase Orders.

Departmental Authorized Purchasing Agents

The City of Bryant will provide leadership and assistance to all departments in the acquisition of materials, supplies, equipment, or services as well as the disposal of surplus property and equipment. Each department will designate authorized purchasing agents whose responsibility will be to submit the proper paperwork for Purchase Orders.

Purchase Orders

All departments within the City of Bryant will issue purchase orders on all purchases. All Purchase Orders over \$500 for non-Credit Card purchases will require approval by the Finance Director. \$5000 quote rules apply per line item not by PO total. All invoices submitted to the Finance Department will require a received Purchase Order number before payment will be made unless under contract.

See Appendix C

Solicitations and Bid Documents

Solicitations and bid documents shall include a clear and accurate description of the material, supply, equipment, or service desired including the qualitative nature and minimum essential characteristics and standards to which the material, supply, equipment, or service must conform, the requirements that offerors must fulfill and the factors to be used in evaluating bids or proposals. Competitive procurements shall not contain features that unduly restrict competition. The City of Bryant shall review proposed procurements to ensure the avoidance of unnecessary or duplicate items that solicitations are either consolidated or broker out as necessary to obtain the most economical purchase for the City of Bryant.

Credit Card Policy

See Appendix D

Purchase Categories

Petty Cash

The following departments may maintain Petty Cash for any item(s) required for official use and whenever the total amount of the purchases including taxes and freight does not exceed their department approval amount. Purchase Orders for Petty Cash are

only required when replenishing Petty Cash funds, expenditures from the Petty Cash fund do not require a purchase order

| Department | Does not exceed |
|------------|-----------------|
| Water | \$10 |
| Code | \$100 |

Receipts from Petty Cash fund expenditures must be submitted or scanned when requesting to replenish the fund.

Minor Purchases

A department's authorized purchasing agent may create a Purchase Order for approval for purchases of materials, supplies, equipment, or services not purchased with petty cash and costing up to \$5,000 without receiving competitive quotes. The authorized purchasing agent will ensure that purchases are a legitimate expense for the City of Bryant, budgeted funds are available, and the materials, supplies, equipment, and services are to be used solely and exclusively by and for the city. Items over \$5000 require quotes based on a PO line not by PO total.

Moderate Purchases

A department's authorized purchasing agent may create a Purchase Order for approval for purchases of materials, supplies, equipment, or services costing more than \$5,000 but less than \$20,000 only after first securing 2 competitive written or electronic quotes, quotes by phone are not allowed. Each quote must include the following: Vendor name, address, phone number, date and price quoted. This information must be placed into the Purchase Order and the department is required to maintain records of quotes for four years. The authorized purchasing agent will ensure that purchases are a legitimate expense for the City of Bryant, budget funds are available, and the materials, supplies, equipment, services are to be used solely and exclusively by and for the city.

Large Purchases

When purchasing materials, supplies, equipment, or services costing over \$20,000 the City of Bryant shall invite competitive bidding on the purpose or contract by legal advertisement in a local newspaper published and having a general circulation in Bryant once a week for two consecutive weeks prior to the bid opening. Bids received pursuant to the advertisement shall be opened and read on the date set for receiving the bids in the presence of the Mayor or the Mayor's authorized representative.

The City of Bryant may waive the requirements of competitive bidding in exceptional situations where this procedure is deemed not feasible or practical or as provided under A.C.A. 14-58-104.

Permission to waive the requirements of competitive bidding must be obtained by City Council.

Annual Contracts

Where materials, supplies, equipment, or services are used by multiple departments of the City of Bryant or on a regular or recurring basis rendering it impractical to conduct a procurement process each time the item is needed, the Mayor's office (or Mayor appointee) may conduct a procurement process for an annual contract based on the annual expenditure for the material, supply, or service. All contracts require the Mayor's signature before being valid.

Sole Source Items

Where materials, supplies, equipment, or services are used by the City of Bryant and are exclusively available from a single vendor or manufacturer and for which no substitute item is practical or feasible, departments may conduct a sole source procurement for the items. The requesting department shall submit in writing a justification including: copy of the proposed requisition, why the service is needed, and the methods used to determine that a lack of responsive competition exists, and why the service is unique or not available from other sources. This information must be provided in a Purchase Order. The purchasing agent in the department that requested the sole source procurement must keep the sole source justification for four years after receiving approval.

Insurance

The procurement of all types of insurance shall be accomplished in accordance with the requirement of this ordinance as outlined in the Annual Contracts section except where it has already been determined that self-insurance through the Arkansas Municipal League, etc. is a better long term solution.

Public Works Projects

Construction, repair, or improvement contracts for the City of Bryant will be awarded pursuant to the requirements of A.C.A. 22-9-203—204 and all applicable state and federal regulations.

Professional Services Contracts

Where professional, legal, architectural, engineering, construction, management, and land surveyor consulting services are used by the City of Bryant in accordance with A.C.A.

19-11-801. Other similar consulting services are hereby added as “professional services” and may also be procured pursuant to A.C.A. 19-11-801. For purposes of this paragraph, other consulting services means services provided by members of a recognized profession or possessing a special skill of an advisory nature supporting policy development, decision making, administration or management of general governmental operations.

Purchasing Cooperatives

Purchasing Cooperatives as allowed in ACA 19-11-249, may be utilized by the City of Bryant for the procurement of goods and services if deemed in the best interest of the City.

Standards of Conduct

Conflict of Interest

No city employee, officer, agent, or city council member or immediate family member of any such person shall participate in the selection, award, or administration of a procurement or contract if a conflict of interest, real or apparent would be involved except as may be permitted by ordinance of the city council members pursuant to A.C.A. 14-42-107. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award: the employee, officer, agent or city council member; any member of his/her immediate family; or his/her business partner; or an organization that employs, or is about to employ, any of the above.

Prohibition against gratuity and contingent fees

The officers, employees, city council members, or agents of the city shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements. Provided, however, that unsolicited promotional items of nominal intrinsic value and minimal meal costs incurred as a result of business meetings with contractors are hereby exempt. Said promotional items may not exceed twenty-five dollars (\$25) per item and said meals may not exceed the General Services Administration (GSA) per diem rate per meal.

Disciplinary Action

Appropriate disciplinary action shall be taken by the Mayor for any violation of these standards of conduct.

Purchasing Standards

Contract Review

All contracts, regardless of the amount, and contract amendments shall be reviewed by the City Attorney **prior to execution** and will be checked against the state and federal debarred list. See Appendix B

Signed contracts and contract amendments will then be given to the City Clerk for record retention.

Terms and Conditions

All contracts and contract amendments shall include standard terms and conditions for purchases.

Payment Verification

All invoices submitted for payment shall be audited for accuracy and correctness including submission of complete documentation supporting the invoiced amount by using the receiving process for Purchase Orders. Prior to approval for payment, invoices shall be reviewed for verification that all work performed as invoiced: that all products and services were received or provided as invoiced; and that the contract terms and conditions were met. Once audited and agreed upon, signature by the authorized purchasing agent/Department Head/Mayor will serve as approval to process and pay the invoice.

Appendix A

Purchasing Levels of Authority Chart

| |
|--------------------------------------|
| Purchasing Levels of Authority Chart |
|--------------------------------------|

| Source Selection | Level | Purchasing Method | PO Required | Approval Authority |
|--|--------------------|--|--|---------------------------------------|
| Petty Cash | Under \$100 | direct purchase | No | Dept Head |
| Direct Purchases | Under \$500 | direct purchase | Yes | Dept Head |
| Minor Purchases | \$500 - \$5,000 | direct purchase | Yes | Dept Head, Finance Director |
| Moderate Purchases | \$5,000 - \$20,000 | 2 written or electronic competitive quotes | Yes | Dept Head, Finance Director |
| Large Procurements | Over \$20,000 | Formal advertised bids | Yes | Council Approved |
| Annual Contract, Insurance, Public Works Projects, Professional Services Contracts | Any Amount | Formal advertised bids | Yes - blanket for 12 months and \$ limit | Council Approved via budget each year |

Appendix B

State Debarred and Suspension List

<https://www.transform.ar.gov/procurement/agencies/laws-and-guidelines/state-suspended-debarred-vendor-list/>

Secretary of State

https://www.sos.arkansas.gov/corps/search_all.php

Federal Debarred and Suspension List

<https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf>

Appendix C

Accounts Payable/Purchase Order Quick Reference Guide

Receiving

Receive ONLY when YOU can verify that an item/part is in our possession or a service has been completed and payment is due to the vendor.

Vendors

Before requesting set up of a new vendor in Springbrook **make sure there is not a vendor already in Springbrook who can provide the service or supply you are needing.** Check to see who the City ordered from

the previous year. If not then acquire a **legible** W9 and send it in email to AP. AP will then send you back a new vendor number. Credit applications, when needed, must be completed and then signed by the Mayor or the Finance Director, with a review by the staff attorney. No orders can be made till all steps are completed. **There are MISC vendor numbers for select purposes if you think you might NEED to use one of these contact the Finance Director to discuss it.**

Purchase Orders

A Purchase Order followed by a check payment is always preferred over credit card use. Cards cannot be used for capital items (GL accounts beginning with 58xx). **Only REFUNDS within the same calendar year can be taken from a revenue line (4XXX).** Credit card receipts must be presented to the departmental CC processing individual within 24 hours of use. In the case of travel, turn receipts in within 24 hours of return.

All invoices received from vendors must contain a PO Number. If not, contact them and explain this is a requirement.

All invoices/statements from vendors should be addressed to Accounts Payable, 210 SW 3rd Street . **In certain instances approved by Finance POs may have a department listed as the invoice address.**

When Entering POs in Springbrook always use the "Quantities" field. For example, if you order 17 items, two of which were broken during shipping, you can "Receive" in Springbrook what arrived in working order and dispute the damaged/missing items and request replacements. If payment is made for damaged/missing items, leverage to dispute is lost.

It is vital that PO Descriptions are detailed for our Approvers, Reviewers, and the Auditors. If you are an Approver do not approve a PO that is missing the required information (see below). It must be obvious what you are buying, for whom, from whom and why.

Notes Required in PO Descriptions (at a minimum all POs must have a PO Description filled in)

Last five Digits of the **VIN #'s** for a City owned piece of equipment or vehicle. If it is not city owned justify why we are responsible for payment.

Postage - as stated above clearly state what we mailed, where and why it was a City expense.

Clothing purchases MUST include one of the following. **Do not** abbreviate. Immediately following the name of the purchase, i.e. pants, shirts, hats, boots, anything paid out of a Uniform line 5055 or 5057

"To be Property of the City of Bryant. To be inventoried and tagged by the dept." If the PO is to come to Finance first

If the item is to be the Property of the Employee and therefore a taxable benefit to the Employee then it will need to come to Finance via HR/Payroll not through the regular PO Process. Any POs referencing this should be rejected by any approvers and the PO creators instructed to reach out to HR instead.

Travel and Training - List who it was for, where they are going and why and what dates they attended. **Fill out, have signed by the supervisor (the Mayor in the case of Department Heads) and turn into AP the Travel Permission Form on the intranet for any Reimbursement Requests.**

Capital Assets

Do not hit a GL account starting with a 58XX unless the item is valued over \$2500 and will last more than two years, per Capital Asset Policy set forth by Council. Hitting a GL Account beginning with a 58XX is signaling to Finance that you want to capitalize this item and account for it in future years. If you have any questions about whether or not something is capital please call the Finance Director, 501-943-0318.

Quotes - on all items over \$2,500 you must obtain 2 like quotes (make sure to include taxes and Freight) - list where you got the quotes, what they were, which one was selected and why (if it was not low bid). **Departments are responsible for keeping the QUOTE support paperwork for a minimum of 4 years for the Audit.** If an item is SOLE SOURCE please list that first on the PO Description and be prepared to support your determination of SOLE SOURCE to the Auditors. Attach the SOLE SOURCE memo from a Distributor to the PO Paperwork.

SINGLE SOURCE is defined here as “best performing for the current City systems, usage, or services. If using SINGLE SOURCE instead of obtaining quotes the vendor needs to be listed as such in the Budget Book approved by Council annually.

Appendix D

Credit Card Policy

Page 1 of 2 - City of Bryant, AR City Credit Cards Policy

The City has obtained City Credit Cards to provide City employees with a method of payment for certain City business (Default for a city purchase should be through the normal PO process if a Credit Card is used instead there needs to be a reason ie. Emergency, time savings, on line, etc.). Certain full time

employees are eligible to use City Credit Cards (Part time employees must be given special permission by the Dept Head in writing). Cards will not automatically be issued; Issuance will depend on the demonstration of need for the use of the card.

All receipts substantiating the use of City Credit Cards are due to the Department Credit Card Administrators within 24 hours of use of the card. If the City Credit Cards are used while on approved City Travel or Training, then receipts are due within 24 hours of return from the Travel.

Monthly all items supporting items paid for on a City Credit Card are required to be turned into the Finance Department (typically electronically via scanning into the GL software), typically by the third business day of the following month. Supporting items must include but are not limited to

- (1) the date of each purchase
- (2) the name, address, email and phone number of the vendor from whom the purchase was made (these should be on the W9)
- (3) the Purchase Order approved for the purchase including a Description of the City Purpose of what was purchased
- (4) the receipt from the vendor of the purchase.

The City Credit Cards are the property of the City and must be returned to the Finance Department upon separation from employment (including administrative leave or suspension) with the City of Bryant, AR or whenever requested by the Finance Department. City Credit Cards must be requested by the Department Head (a minimum of 30 days after the employee's start date) from the Finance Department. The Finance Department assumes that the Department Head and the Human Resources Director have made sure that the Employee for whom a request is being made has that level of monetary authority approved within their "Job Description." It is the responsibility of the Dept Head and the HR Director to assure this before requesting a card from the Finance Department. Card amounts/limits are set by card as noted on page 2 of this document. Finance will default to a limit of \$2500. Justification for an increase from the default must be supplied by the department head.

Employees who are issued a City Credit Card or will be using the Department Card issued (either for temporary or permanent use) will be required to sign a BRYANT CREDIT CARD FORM outlining this policy.

All City of Bryant Credit Cards must be maintained in a secure location. Cardholders shall not permit anyone to use the card assigned to them for any purpose. City Credit Cards may not be used for any personal use at all, no exceptions.

Immediately upon discovering a City Credit Card has been lost or stolen the cardholder is required to call the number on the back of the card (please write this phone number down and keep it somewhere

Page 2 of 2 - City of Bryant, AR City Credit Cards Policy

separate from the card) and report the loss or theft, then immediately email or call the Finance Department and report the loss or theft to them as well.

Possession of a City Credit Card does not by itself constitute authorization to make purchases. Types of payments need to be approved with the Department head prior to card use. And all other city

purchasing guidelines must be followed when using the card ie. Quotes on items over \$2500 (taxes and freight included), public bidding on items over \$20,000, Obtaining a W9 Form from a vendor before buying from that vendor, etc. Four or Five Misc. Vendors exist in the system for Fuel, Hotels, Taxi Cabs/Umber/Transportation and Parking etc. These exist for small unlikely to be used again, possibly out of state vendors where the City 1099 Requirement for a W9 will not be met within one calendar year per the IRS. Please call or email if you have questions about using one of these Misc. Vendors for a specific instance.

City Credit Cards may not be used to purchase Capital Items (items which cost over \$2500 and will have a life of more than two years per Council Policy). These Capital Items are indicated by beginning with a 58XX account in the General Ledger.

City Credit Cards may not be used to purchase items that will be paid out of a City IT line unless the IT Credit Card is used.

This policy was drafted and approved by Council at the July 25, 2017 Council meeting. It supersedes and replaces any previously related policies.

BRYANT CREDIT CARD FORM

As a user of a City of Bryant City Credit Card I understand what is required of me in order to continue to have access to the credit card (outlined on page 1 and 2 of this Policy). I understand that if I do not comply, that I may be held personally financially responsible and that I may lose my purchasing privileges and/or be subject to disciplinary action. I understand that any balance for which I am personally financially responsible might be withheld from my future payroll from the City of Bryant as a condition of my employment.

| | | | |
|------------|-----------------------|---------------------|-------|
| _____ | _____ | _____ | _____ |
| Signature | Printed Employee Name | Dept Head Signature | Date |
| _ \$ _____ | | | |

Dept Head Requested Card Amount (This field cannot be left blank. It must contain a minimum of \$2500 (\$30,000 annually) or higher if deemed necessary by the Dept Head.

Allowable Purchases

Credit cards may be used for the following purposes only, subject to pre-approval:

- To confirm hotel reservations under the City policy concerning travel
- To pay hotel charges under the City policy concerning travel
- To pay for allowable meal charges under the City policy concerning travel
- Parking and shuttle fees

- Car rental under the City policy concerning travel
- Air fare under the City policy concerning travel
- The purchase of training materials at conference and seminars
- Gas purchases when traveling, only if the employee is not using their personal vehicle and receiving or seeking to receive the standard mileage rate reimbursement
- Internet orders for specific City business purchases only
- Retail purchases for specific City business purchases only

Prohibited Transactions

The City credit card shall not be used for the following purchases:

- In town-meals without a proven business such as a City hosted event.
- Purchases which were incurred before receiving required approval.
- Purchase of items for personal or non-City use, regardless of whether the employee intends to reimburse the City or Regions Bank for the amount of the purchase.
- Purchase of items in violation of the City's travel policy. 36
- Use of the credit card for cash advances.
- Exceeding the credit card limit.
- Failure to return the credit card when an employee is separated from employment or when requested to do so by the Mayor, Department Head, or Finance Director.
- Failure to turn in parking slips, receipts or other back- up documentation to the Finance Department within 3 business days of statement availability date for the purpose of establishing accountable reconciliation procedures.
- No show charges for hotels and car rentals.
- Conference/convention meals if already included in registration fees.
- First or business class airfare upgrades. • Gifts to friends or relatives in lieu of meals and lodging.
- Life travel accident insurance premiums.
- Parking fines and traffic tickets.
- Personal care items.
- Clothing and clothing rental.
- Laundry, valet, or dry-cleaning charges.
- Personal entertainment such as, but not inclusive to, hotel room movies, newspapers, magazines, health club facilities, etc.
- Repairs or towing of personal vehicles.
- Babysitting/pet sitting
- Expense for travel companions
- Mini-bar refreshments or other snacks in addition to the meal reimbursement
- Alcohol
- Basic monthly charges for personal cell phones
- Home internet service charges
- Any "Non- City of Bryant Related" business, services or purchases.

