

## **ALERUS CENTER PURCHASING AND PROCUREMENT POLICY**

Below are guidelines for Alerus Center request for reimbursement for FF&E (furniture, fixtures and equipment) from the capital outlay budget purchased and paid directly by the Alerus Center. Since the capital and infrastructure expenses are paid out of sales tax revenue set aside for debt service, the City's capitalization policy and purchasing policy will apply.

The City's Capitalization Policy is as follows:

1. Items with a value of \$5,000 or more and having a useful life of more than one year are capitalized. All items should be acquired according to the City's Purchasing Policy.
2. Items less than \$5,000 should be submitted to the City Finance Dept. for review. These items may be paid out of capital outlay but not capitalized. While these items are not included in the City's capital asset program, they are tracked separately for control purposes. All items should be acquired according to the City's Purchasing Policy.

All items being purchased should be included in the approved Alerus Center Budget, and when necessary approved by the Alerus Commission. Items not in the budget must be approved by the Commission and Council with an appropriate Budget Amendment. Steps for this process are included in the attached purchasing policy.

Any travel involved in the purchase of capital assets should follow the City Travel Policy. The City Travel Policy document is attached. Updates will be provided as needed.

In general, professional services do not fall under this policy. However, there may be times, dependent on the nature of the professional services and/or the funding source, in which they may be governed by a regulation that would require request for qualifications or request for bids. A department needing professional services should consult with the City Attorney for clarification on how to proceed when contracting for professional services.

The purpose of taking unofficial quotes and formal bids is to ensure that the lowest and best price is obtained on capital purchases. City Council action is required to rescind the bidding process.

If at any time procedures are violated, it is the responsibility of the City Council to decide the action to be taken.

The responsibilities and procedures associated with the quote and bidding process for Nonconstruction Capital Items and Construction Projects are as follows:

## For Nonconstruction Capital Items:

For Items up to \$5,000

| Responsible Party   | Procedures   |
|---------------------|--|
| Alerus Center Staff | <ol style="list-style-type: none"><li>1. Make sure funds are available in the line item to be expensed.</li><li>2. Department staff researches and makes purchase with Department Head approval using best judgement in making vendor selection. Informal quotes are not required.</li></ol> |

For Items \$5,001 to \$10,000

| Responsible Party   | Procedures   |
|---------------------|--|
| Alerus Center Staff | <ol style="list-style-type: none"><li>1. Identify the item with descriptions of major components to be purchased</li><li>2. Make sure funds are available in the line item to be expensed.</li><li>3. Obtains at least three informal quotes.<br/>Purchase from lowest and best quote.</li><li>4. Return copy of quote to Finance Department with invoice for payment.</li></ol> |

For Items \$10,001 to \$50,000

| Responsible Party   | Procedures  |
|---------------------|---|
| Alerus Center Staff | <ol style="list-style-type: none"><li>1. Identify the item with description of major components to be purchased.</li><li>2. Verify funds are available in the line item to be expensed.</li><li>3 Obtain at least three informal written quotes on Quote Form.<br/>Purchase from lowest and best quote.</li><li>4. Return copy of quote to Finance Department with invoice for payment.</li></ol> |

**For Items over \$50,000 Included in Approved Budget:**

| Responsible Party        | Procedures  |
|--------------------------|---|
| Alerus Center Staff      | <ol style="list-style-type: none"> <li>1. Verify funds are available in the line item to be expensed.</li> <li>2. Submits specifications and bid form to City Finance Department.</li> </ol>  |
| City Finance Dept.       | <ol style="list-style-type: none"> <li>1. Verify funds are available in line item to be expensed.</li> <li>2. Assign Bid Number, sign bid form and return to Alerus Center for distribution to potential vendors.</li> <li>3. Place advertisement in Grand Forks Herald and list as City Bid on City of Grand Forks Website.</li> </ol> |
| Alerus Center Staff      | <ol style="list-style-type: none"> <li>1. Distribute bid packets to potential bidders.</li> </ol>   |
| City Finance Dept.       | <ol style="list-style-type: none"> <li>1. Receive sealed bids and conduct public bid opening at date and time prescribed in bid specifications.</li> </ol>  |
| Alerus Center Staff      | <ol style="list-style-type: none"> <li>1. Evaluate bids and Prepare recommendation to Alerus Center Commission.</li> </ol>  |
| Alerus Center Commission | <ol style="list-style-type: none"> <li>1. Verifies that purchase is included in the approved budget and funds are available.</li> <li>2. Award bid to lowest and best bidder.</li> </ol>  |
| Alerus Center Staff      | <ol style="list-style-type: none"> <li>1. When submitting invoice for payment, include bid number on invoice for tracking and verification.</li> </ol>  |

**For Items over \$50,000 NOT Included in Approved Budget:**

|                          |  |
|--------------------------|--|
| Alerus Center Staff      | <ol style="list-style-type: none"> <li>1. Contact City Finance Department to verify funds are available.</li> <li>2. Initiate Budget Amendment for anticipated amount of purchase.</li> </ol>  |
| Alerus Center Commission | <ol style="list-style-type: none"> <li>1. Review and Approve Budget Amendment and forward to City Finance Department.</li> </ol>   |
| City Finance Dept.       | <ol style="list-style-type: none"> <li>1. Review Budget Amendment and determine that funds are available.</li> <li>2. Forward Budget Amendment to City Council for approval.</li> </ol>  |
| City Council             | <ol style="list-style-type: none"> <li>1. Review Budget Amendment and Take Action.</li> <li>2. If Approved: forward to City Finance Dept. to continue purchasing process.</li> </ol>   |
| City Finance Dept.       | <ol style="list-style-type: none"> <li>1. Assign Bid Number, sign bid form and return to Alerus Center for distribution to potential vendors.</li> <li>2. Place advertisement in Grand Forks Herald and list as City Bid on City of Grand Forks Website.</li> </ol>  |
| Alerus Center Staff      | <ol style="list-style-type: none"> <li>1. Distribute bid packets to potential bidders.</li> </ol>  |
| City Finance Dept.       | <ol style="list-style-type: none"> <li>1. Receive sealed bids and conduct public bid opening at date and time prescribed in bid specifications.</li> <li>2. Retain copy of bid results in official City bid file.</li> </ol>   |
| Alerus Center Staff      | <ol style="list-style-type: none"> <li>1. Evaluate bids and Prepare recommendation to Commission.</li> </ol>   |
| Alerus Center Commission | <ol style="list-style-type: none"> <li>1. Verifies that purchase is within Approved Budget Amendment and funds are available.</li> <li>2. If bids are within amount approved in Budget Amendment, awards bid to lowest and best bidder.</li> <li>3. If bid is greater than approved Budget Amendment or there are any bid irregularities, forward recommendation on bid award to City Council for action.</li> </ol> |
| Alerus Center Staff      | <ol style="list-style-type: none"> <li>1. When submitting invoice for payment, include bid number on invoice for tracking and verification.</li> </ol>   |

**For Construction Projects:**

All Construction Projects should be conducted according to State bidding requirements as laid out in ND Century Code and/or Federal regulations, as applicable.