CITY OF GRAND FORKS

PURCHASING POLICY

ADOPTED: APRIL 18, 2011
REVISED: JULY 5, 2023
REVISED: April 20, 2026

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Adopted: (April 18, 2011) Amended (July 5, 2023) Amended (April 20, 2026)

1. Purpose. The purpose of this policy regarding purchases by the City of Grand Forks is to obtain high quality goods at the lowest possible price as needed by the City; to provide increased economy in city procurement activities; to maximize to the full extent practicable the purchasing value of public funds of the City; to increase public confidence in purchases by the City of Grand Forks; to fairly and equitably administer purchasing policies; and to avoid conflicts of interest.

2. Application. This policy applies to the purchase of goods and supplies by the City of Grand Forks, except:

- when another process or procedure is required by federal law;
- when another process or procedure is required by state law;
- when another process or procedure is required by local ordinance;
- when another process or procedure is required by grant agreements;
- purchases under a declaration of emergency or disaster;
- purchases made pursuant to a state bid;
- purchases made pursuant to a cooperative or joint purchasing agreement;
- purchases by the City for resale

Purchases made pursuant to a cooperative or joint purchasing agreement shall have additional requirements to include the following: (a) City Council preapproval is required prior to any purchase from a cooperative or joint purchase agreement and (b) Solicits bids from qualified vendors of the cooperative or joint purchasing agreement. In seeking such City Council approval information must be presented to the City Council regarding the project being suitable for and consistent with the scope of a cooperative or joint purchasing agreement rather than through by developing plans, specifications, designs, and a subsequent public bidding procurement process for the project.

This policy does not apply to special assessment projects or construction projects. Because of the nature of special assessment projects, construction projects and projects for improvements to real property and/or public buildings, such procurements will be governed by applicable state law. These projects present unique issues that need to be addressed including plans and specifications, bidding instructions, bonding, bidding procedures, bid

submission and receipt, and bid opening. Generally, the bidding for such projects will require the coordination of the Finance Department, Engineering Department, and City Attorney.

This policy is not designed for solicitation of professional services, however departments are encouraged to evaluate any need for professional services to ensure that they are being contracted at a rate and level of qualification that is in the best interest of the City of Grand Forks.

3. Waiver of Policy. This policy may be waived in the event that exigent circumstances are such that to follow the policy will result in a delay and will adversely affect the public health, safety and/or welfare. In such case this policy may be waived by the approval of the City Administrator or Finance Director. If a waiver is granted, City Council will be notified at the next regularly scheduled meeting.

Total Dollar Limit/Approval Requirements for Acquisition. The following standard approval process applies to all City departments for purchases governed by this Policy.

Material and Equipment Purchasing Action Matrix and Check List

	Informal Oral Quotes Required	Informal Written Quotes Required	Sealed bids and Advertising Required	Department Head Approval	City Council Approval
Up to $5,000	No	No	No	Yes	No
$5,001 to $10,000	Yes	No	No	Yes	No
$10,001 to $50,000	No	Yes	No	Yes	No
Over $50,000	No	No	Yes	Yes	Yes

5. Detailed Policies. The following policies and procedures apply to all City departments for purchases governed by this policy.

For purposes of this policy an "informal quote" may be obtained orally, through receipt of published advertisements or through written quotes from vendors. Informal quotes do not require publication, written specifications or formal bid opening of quotes.

In purchases requiring sealed bids (those over $50,000), written specifications, approved bid forms and advertisements must be used.

For Materials and Equipment Capital Items Included in the approved Budget:

For Items up to $5,000

Responsible Party	Procedures
Department Staff/ Department Head	1. Verify that funds are available in the line item to be expensed. 2. Department Staff researches and makes purchase with Department Head approval using best judgment in making vendor selection. Informal quotes not required.

For Items $5,000 to $10,000

Responsible Party	Procedures
Department Staff/ Department Head	1. Identify the item with description of major components to be purchased. 2. Verify that funds are available in the line item to be expensed. 3. Obtain at least three informal oral quotes. Purchase from lowest and best quote. 4. Return a copy of quote form obtained to Finance Department with invoice for payment.

For Items $10,000 to $50,000

Responsible Party	Procedures
Department Staff / Department Head	1. Identify the item with description of major components to be purchased. 2. Verify that funds are available in the line item to be expensed. 3. Obtain at least three informal written quotes on Quote Form. Purchase from lowest and best quote. 4. Return copy of written quote form to Finance Department with invoice for payment.

For Items over $50,001 Included in Approved Budget:

Responsible Party	Procedures
Department Staff	1. Verify that funds are available in the line item to be expensed. 2. Submit specifications and bid form to Finance Department. Include information on which line item will be charged for the purchase.
Finance Dept.	1. Verify that funds are available in line item to be expensed. 2. Assign Bid Number, sign bid form and return to Originating Department for distribution to potential vendors. 3. Publicly advertise bid for a minimum of 7 days.
Department Staff	1. Distribute bid packets to potential bidders.
Finance Dept.	1. Receive sealed bids and conduct public bid opening at date and time prescribed in bid specifications. 2. Retain copy of bid results in official City bid file.
Department Staff	1. Evaluate bids and prepare recommendation to Committee of the Whole and City Council. Recommendation must include the budget line item to be charged.
Committee of the Whole City Council	Committee-Review bid results, department recommendation and make recommendation to Council City Council – Review information and committee recommendation and award bid to lowest and best bidder.
Department Staff	1. When submitting invoice for payment, note bid number on invoice for tracking and verification and include date of City Council Approval

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

Responsible Party	Procedures
Department Staff	1. Create bid specifications and determine potential funding source. Obtain Department Head approval to purchase. 2. Obtain authorization from City Administrator or Finance Director to proceed with bidding.
City Administrator or Finance Director	1. Approve or deny request.
Finance Dept.	1. Assign Bid Number, review specifications / bid form and return to Originating Department for distribution to potential vendors. 2. Publicly advertise bid for a minimum of 7 days
Department Staff	1. Distribute bid packets to potential bidders.
Finance Dept.	1. Receive sealed bids and conduct public bid opening at date and time prescribed in bid specifications. 2. Retain copy of bid results in official City bid file.
Department Staff	1. Evaluate bids and Prepare recommendation to Committee of the Whole and City Council. Budget Amendment /Transfer will accompany the staff report for approval.
Committee of the Whole City Council	1. Committee of the Whole - Review bid results, department recommendation, and budget amendment/transfer. 2. City Council-Review information including committee recommendation and approve budget amendment/ transfer and award bid.
Department Staff	1. When submitting invoice for payment, note bid number on the invoice for tracking and verification and include date of City Council approval.

6. Bid Evaluation. In determining the lowest responsive or responsible bidder or vendor the following factors, among others as reasonably necessary to protect or preserve the interests of the City, shall be considered**:**

- purchase price;
- compliance with relevant criteria contained in any bid specifications;
- quality of proposed goods or products;
- the ability, capacity and will of the vendor to perform the contract;
- whether the vendor can perform the contract promptly or within the time specified without delay or interference;
- the character, integrity, reputation, judgment, experience and efficiency of the vendor;
- the quality of performance or previous contracts or services;
- prior and current compliance by the vendor of laws and ordinances relating to the contract, purchase or service;
- the equipment, personnel and facilities available to the vendor to perform the contract or provide service;
- the sufficiency of the financial resources and the ability of the vendor to perform the contract or provide the service;
- the quality, availability and adaptability of the supplies, materials, equipment or services to the particular use required;
- the ability of the vendor to provide future maintenance and service for the use of the subject of the purchase or contract;
- the quality of the vendor's goods or services;
- the extent to which the goods or services meet the municipality's needs;
- the total long-term cost to the municipality to acquire the bidder's goods or services and any relevant criteria specifically listed in the request for bids or proposals.

In the case of a tie evaluation preference shall be given to vendors located with the City of Grand Forks, if such a choice is available. Otherwise, the tie shall be decided by a flip of a coin.

For purchases made with federal funds, bid evaluation must include compliance with Federal Suspension and Debarment as explained below.

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g. grant or cooperative agreement) that are expected to equal or exceed $25,000 or meet certain other

criteria as specified in 2 CFR Section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e. subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR Section 180.215.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR Section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at SAM.gov. (click on Search Record, then click on Advanced Search-Exclusions) (Note: The OMB guidance at 2 CFR Part 180 and agency implementing regulations still refer to the SAM Exclusions as the Excluded Parties List System (EPLS)), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2CFR Section 180.300).

Non-federal entities receiving contracts from the federal government are required to comply with the contract clause at FAR 52.209-6 before entering into a subcontract that will exceed $30,000, other than a subcontract for a commercially available off-the-shelf item.

7. Use of Brand Names in Specifications. Unless otherwise specifically provided for in the invitation for bids or specifications, the name of any certain brand, make, manufacturer or model shall not restrict bidders to such brand, make, manufacturer or model named but rather shall be understood to convey the general style, type, character and quality of the article desired. Any item that the City, in its sole discretion, determines to be the equal of that specified, considering quality, workmanship, economy of operation and suitability for the purposes intended, shall be accepted as a functional equivalent. The burden of proof as to the comparative quality and suitability of the alternative equipment, items, materials or supplies, shall be on the bidder or vendor, who shall furnish at its own expense such information relating thereto as may be required by the City. The bidder or vendor seeking to supply an item on the basis of a functional equivalent has the responsibility to specifically identify any deviations from that specified by the City.

8. <u>Sole Source Purchasing.</u> The City may award a contract to a sole source without competitive bidding and may conduct direct negotiations as appropriate as to the price, quantity, quality, delivery and/or terms. Sole source bidding shall be allowed only in the following instances**:**

- material, product or item is regarded as a one-of-a-kind;
- the item or product is a manufacturer direct sale with no distributors;
- patented or proprietary item;
- the purchase is necessary for replacement parts or components of existing City assets;
- exigent circumstances such that compliance with the policy will create a delay which will adversely affect public health, safety and/or welfare.

The department seeking to utilize sole source purchasing shall prepare a report on the appropriate City Sole Source Purchase Form setting forth all facts and justification supporting sole source purchasing. Such report should address the following:

- an explanation for the need for the sole source purchasing;
- an explanation why the goods are the only goods that meet the department's needs;
- an explanation why the vendor is the only practicable source available from which to obtain the required goods;
- an explanation as to whether the proposed price is fair and reasonable;
- an explanation that a particular supplier or service is required to standardize or maintain standardization within the department for purposes of reducing financial expenses or simplifying administration;
- an explanation that a particular supplier or vendor is required to be used to match equipment, materials or supplies currently in use;
- an explanation whether the vendor possess exclusive and/or predominant capabilities or the items contained a patented feature providing superior utility not obtainable from similar products.

Approval for sole source purchases less than $50,000 shall be given by the City Administrator or Director of Finance. Approvals for sole source purchases in excess of $50,000 shall be given by the City Council.

Procedures for Sole Source Purchases:

For Items up to $50,000

Responsible Party	Procedures
Department Staff	1. Department staff researches the purchase and prepares justification for using sole source process. Department Head approves and forwards to City Administrator/Finance Director.
City Administrator / Finance Director	1. Approve or deny request. City Council approval not required.
Department Staff	1. Department staff completes purchase. Include copy of sole source purchase approval with invoice for payment.

For Items over $50,000

Responsible Party	Procedures
Department Staff	1. Prepare justification for purchase using sole source process. This should include appropriate consultation with Finance Dept. and City Attorney. 2. Submit to Committee of the Whole and City Council.
Committee of the Whole City Council	1. Committee of the Whole-Review information and make recommendation to City Council. 2. City Council-Review information and approve or deny sole source purchase.
Department Staff	If approved- 1. Contact vendor and complete purchase. 2. Note date of City Council approval on invoice when submitting for payment.

APPENDIX ONE

FORMS