

## Welcome

The City Procurement Code is commonly referred to as the Purchasing Manual

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# **City of Springfield, Missouri**

## **Purchasing Manual**

**September 30, 1996**

with revisions through October 11, 2000

**CITY OF SPRINGFIELD**

**PURCHASING MANUAL**

Passed by Special Ordinance #4646  
September 30, 1996  
with revisions through October 11, 2000

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# TABLE OF CONTENTS

Page

## **CHAPTER 1: Legal Basis, Policies and Organization of the Purchasing System**

13-3.100	Purpose, Intent and Legal Basis .....	1
13-3.101	Definitions .....	2
13-3.102	Applicable Laws .....	4
13-3.103	Duties of the Purchasing Agent .....	4
13-3.104	Regulations Governing Competitive Bidding .....	5
13-3.105	Miscellaneous Purchasing Policies .....	10
13-3.106	Architect-Engineering and Land Surveying Services .....	11

## **CHAPTER 2: Purchasing Procedures**

13-3.200	Requisition Form .....	13
13-3.201	Telephone Bid Sheet .....	13
13-3.202	Purchase Order .....	14
13-3.203	Purchase Order Receiving Form .....	14
13-3.204	Purchase Order Change .....	15
13-3.205	Partial Receiving Report Form .....	15
13-3.206	Encumbrance Transaction Form .....	16
13-3.207	Accounts Payable Transaction Form .....	16
13-3.208	Invoices .....	16

## **CHAPTER 3: Exceptions to Normal Purchasing Procedures**

13-3.300	Emergency Purchases .....	18
13-3.301	Procedures .....	18
13-3.302	Emergency Purchases Under \$20,000 .....	19
13-3.303	Emergency Purchases Over \$20,000 .....	19
13-3.304	Emergency Purchases Necessary Outside of Normal Business Hours .....	19
13-3.305	Determination .....	19
13-3.306	Price Agreement Purchases .....	20
13-3.307	Petty Cash Purchases .....	20
13-3.308	Disposal of Obsolete, Scrap or Surplus Property .....	21
13-3.309	Disposal of Art Museum Objects .....	22
13-3.310	Disposal of Obsolete, or Surplus Property Used For Safety Purposes .....	23
13-3.311	Disposal of Property Held by the Police Department .....	23

**CHAPTER 4: Legal and Contractual Remedies**

13-3.400	Right of Protest .....	26
13-3.401	Resolution of Protest .....	26
13-3.402	Authority to Suspend or Debar .....	26
13-3.403	Suspension and Debarment Procedures .....	26
13-3.404	Causes for Suspension and Debarment .....	27
13-3.405	Solicitations or Awards in Violation of Law .....	28
13-3.406	Ethics .....	29
13-3.407	Remedies .....	31

## **CHAPTER 1**

### **LEGAL BASIS, POLICIES AND ORGANIZATION OF THE PURCHASING SYSTEM**

#### **13-3.100 PURPOSE, INTENT, AND LEGAL BASIS**

The intent and purpose of this manual are to establish operational policies for the City's Purchasing System which assures the community that the goods and services required to support the operation of City government are procured in a manner consistent with provisions of the City Charter, and to assure the community that the procurement system of the City is committed to fair and equal opportunity with integrity and openness. This manual is to be known as Article III, Purchasing Manual of the Administrative Code of the City. <sup>1</sup>

The Objectives of the Division of Purchases and this manual are:

1. To clearly establish that the responsibility for purchasing is the responsibility of all employees with the assistance of the Finance Department, Division of Purchases.
2. To procure such supplies, materials, equipment, contractual labor and services, and insurance as specified by the City Charter, City Code, and provisions of the Purchasing Manual at the most appropriate cost and best quality consistent with the goods and services required.
3. To exercise positive financial accountability in the expenditure of City funds.
4. To provide an efficient means for procurement, storage, and disposal of items which minimize duplication and overstocking.
5. To establish and maintain high standards of quality based on suitability of use in all purchasing transactions.
6. To ensure the fair and equitable treatment of all persons who deal with the purchasing system of the City.
7. To provide safeguards for the maintenance of a purchasing system of quality and integrity.

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<sup>1</sup> Revised Resolution 8771

8. To ensure that all parties involved in the negotiation, performance or administration of City contracts act in good faith.

### **13-3.101 DEFINITIONS**

The following definitions shall govern in the Purchasing Manual:

1. **Addendum or Amendment** means any written modification or revision to any bid document or contract document.
2. **Architect-Engineer and Land Surveying Services** are those professional services within the scope of the practice of architecture, professional engineering, or land surveying.
3. **Change Order** means a written order signed by the Purchasing Agent or Director of the contracting department, board, or agency directing the contractor to make changes which the contract authorizes the Purchasing Agent or Director of the contracting department or board to order with or without the consent of the contractor.
4. **Confidential Information** means any information which is available to an employee only because of the employee's status as an employee of the City and is not a matter of public knowledge or available to the public upon request.
5. **Construction** means the process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.
6. **Contract** means all types of City agreements, regardless of what they may be called, for the procurement or disposal of items.
7. **Direct or Indirect Participation** means involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.
8. **Employee** means any individual earning wages paid by the City, whether elected or not, and any non-compensated individual performing personal services for the City or one of its administrative boards.

9. **Financial Interest** means a) Ownership of any interest or involvement in any relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than \$1,000.00 per year, or its equivalent; b) Ownership of such interest in any property or any business involved in the purchasing proceedings; or c) Holding a position in a business such as an officer, director, trustee, partner, employee, or the like, or holding any position of management.
10. **Gratuity** means a payment, loan, subscription, advance deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
11. **Immediate Family** means a spouse, children, parents, brothers and sisters, and fathers- and mothers-in-law.
12. **Invitation for Bid** means a form containing or referring to a purchase description specifications, services, and all contractual terms and conditions applicable to a formal sealed bid purchase.
13. **Item** means any or all of the following: supplies, materials, equipment, labor, services, and insurance, but excluding certain specialized construction contracts as specified by the Director of the contracting department, board, or agency and excluding professional services.
14. **Person** means any individual, sole proprietorship, joint venture, firm, business, partnership, corporation, club, or any other private legal entity.
15. **Purchasing** means buying, procuring, renting, leasing, or otherwise acquiring any item. It also includes all functions that pertain to the obtaining of any item, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.
16. **Request for Proposal** means a form containing or referring to a purchase description, specifications, services and all contractual terms and conditions applicable to a formal sealed bid purchase with the possibility of negotiation after the bids are opened. This method is used only when the Invitation for Bid is either not practical or not advantageous to the City.
17. **Specification** means any description of the physical or functional characteristics or nature of an item. It may include a description of any requirement for inspecting, testing, or preparing an item for delivery.



18. **Vendor** means any person who does business with the City, other than as an employee, whether by purchasing, selling, constructing, providing services, or otherwise.

### 13-3.102 APPLICABLE LAWS

The City Charter of the City of Springfield, Missouri, contains several sections dealing with the operation of the City's Purchasing System. Subjects covered in the various Charter sections are as follows:

1. **City Charter**

(A)	Section 5.2	Powers and Duties of the Finance Director
(B)	Section 5.3	Separate Division of Purchases
(C)	Section 5.4	Competitive Bidding Requirements
(D)	Section 5.14	Expenditures Limited to Appropriation
(E)	Section 15.8	Purchases and Contracts
(F)	Section 16.6	Duties of the City Utilities Board
(G)	Section 19.16	Officers and Employees Interested in Contracts
(H)	Section 19.19	Use of Equipment and Supplies

2. **Missouri Contracting Statute** - State statutes impose various requirements on the City in contracting. While a complete or comprehensive outline is not feasible, RSMo. Section 432.070 should be noted. It provides, in essence, that any contract made by the City will be valid and effective only if the contract is executed before any performance or payment; within the scope of the City's powers or expressly authorized by law; supported by present or future consideration; in writing; dated when made; and subscribed by the parties or their agents.

3. **General Law** - Unless displaced by the particular provisions of this manual, the principles of law and equity, including the Missouri Uniform Commercial Code, the law merchant, and law relative to capacity to contract, agency, fraud, misrepresentation, duress, coercion, mistake, or bankruptcy shall supplement the provisions of this manual.

### 13-3.103 DUTIES OF THE PURCHASING AGENT

1. **Specifications** - The Purchasing Agent shall have the responsibility for writing bid documents and specifications for the purchase of items as provided in this manual or in administrative policies or as established by the City Manager or his designee, and shall maintain such documents on file for a reasonable length of time. All departments should provide their expertise and assistance in writing specifications of a technical nature.
2. **Contracts** - Pursuant to the City Charter the City Purchasing Agent shall contract for and sign all contracts for the acquisition of goods, services, and all items as provided in this manual or in administrative policies or as established by the City Manager or his designee; except those contracts for specialized construction projects, professional services, and those contracts for which the City Charter or City Code, administrative policies or as established by the City Manager or his designee directs signing by the City Manager or City Boards.
3. **Charter Duties** - The City Purchasing Agent shall be responsible for the operation of the Division of Purchases pursuant to and in compliance with the City Charter.
4. **Coordination of Contracts** - The City Purchasing Agent shall determine and establish contracts for the procurement of goods and services used regularly and on a volume basis whether by individual department, or Citywide.
5. **Vendor Relations** - The City Purchasing Agent shall establish a relationship of mutual confidence between the City and its suppliers. Such relationship shall be based on fair and equal opportunity to compete for City business within a system with the highest standards of integrity. To accomplish this goal, the City Purchasing Agent shall be aware of all transactions conducted between the City and its suppliers.

All departments, boards, and agencies which may have contact with a vendor on any matter relating to an existing contract or a future contract which has or may be entered into by the City Purchasing Agent shall advise the City Purchasing Agent of such contact and forward copies of any and all correspondence regarding such contact particularly in matters relating to technical requirements.

### 13-3.104 REGULATIONS GOVERNING COMPETITIVE BIDDING

1. **Competitive Bids** - Any contract made pursuant to this manual shall be made only after ample competition. This manual establishes the following dollar levels and method of competitive procurement.
  - (A) Purchases not exceeding \$2000.00<sup>2</sup> may be made without competitive bidding pursuant to procedures established by the City Purchasing Agent and the Director of Finance.
  - (B) All purchases exceeding \$2000.00<sup>2</sup> shall be made only after competitive bidding as described elsewhere herein.
  - (C) The City Charter prohibits the subdivision of contracts or purchases for the purpose of evading requirements of competitive bidding.
2. **Competitive Bids by Telephone Facsimile or other Electronic Means** - Purchases made for no more than \$5,000.00 may be made after taking bids from at least three (3) potential vendors able to provide the item(s) being purchased, or fewer number of potential vendors if there are not three (3) dealing in and able to supply in accordance with the required specifications.

The City Purchasing Agent may permit the requisitioning department to obtain such bids pursuant to procedures established by the City Purchasing Agent. Such telephone bids may be obtained only by those individuals who have completed a required course of training. The procedures which may be established shall ensure sound business practices, compliance with the requirements of this manual and other applicable law, and verification of bids received.

This provision is intended to provide the flexibility to take bids in the above manner up to the amount of \$5,000.00 but it is the best practice to obtain written bids when circumstances allow.

3. **Written Informal Bids** - Contracts made for purchases for more than \$5,000.00 and not exceeding \$20,000.00 shall be made after ample competition and receipt of written bids on the bid documents and specifications prepared and submitted to potential vendors by the City Purchasing Agent.

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<sup>2</sup> Revised GO 5001

Informal written bids do not require formal advertising and may be received by the Division of Purchases via facsimile (FAX). A public notice of bid opening shall not be required and the contract may be made at any time the City Purchasing Agent, in his discretion and opinion, has received an adequate number of competitive responses from potential vendors.

4. **Formal Bids** - Contracts made for purchases of goods or services or other items exceeding \$20,000.00 shall be made only after the formal advertising that bids will be received, opened, and read in public at a particular time, place and date which provides potential vendors adequate time to submit bids.

Such bids shall be made on the bid documents and specifications prepared by the City Purchasing Agent and shall be received in sealed container and not opened until the time established by the formal notice that bids will be received.

5. **Bidding Methods** - Informal or formal bids exceeding \$5,000.00 may be made utilizing either of two methods:

- (A) **Invitation For Bid** - The bid documents and specifications are definite and specific. Awards shall be made to the bidder offering the lowest cost who is responsive to the requirements of the bid documents, without material exception, and who is responsible and capable of providing the item(s) to be purchased.

Evaluation and award are limited to cost, determination of compliance with the specifications and conditions specified in the bid documents, and the responsibility of the bidder. Negotiations are not permitted.

The Purchasing Agent may use judgmental consideration to determine if the bidder's offer complies with the specifications and conditions if such considerations can be demonstrated to be reasonable, appropriate, and fairly applied. This method does not permit comparison of the relative specifications of competing bidders but only comparison to the specifications contained in the bid documents.

- (B) **Request For Proposal** - This method can be used whenever detailed specifications cannot be determined, whenever several possible methods may satisfy the City's requirements, or whenever the nature of the requirements is such that subjective evaluation of criteria other than cost is necessary or when the Purchasing Agent or the City Manager has determined it is in the interest of the City to have a contractor design and build a public improvement. This method can be utilized when definite specifications cannot be determined in advance, when a scope of work is required which makes comparison of competing proposals

relative to each other appropriate, or when it is in the interest of the City to have a contractor design and build the public improvement. This method permits negotiations and discussion with competing vendors to determine the best solution to the City's needs. Proposals may be revised or modified at the request of the City. The City may include in its solicitation for proposals a request to operate the public improvement. Nothing contained herein shall prohibit a contractor who is selected to design and build a public improvement from contracting independently with an engineer or architect to perform engineering or architectural services.

Subjective criteria may be used in the evaluation of competing proposals. The relative value of evaluation criteria shall be established in the Request For Proposal documents published by the City.

This method of procurement permits negotiations and discussions with competing vendors after proposals are opened; therefore, no information taken from proposals received shall be disclosed to any competing vendor.<sup>3</sup>

6. **Non-Responsive or Unacceptable Bids** - The City Purchasing Agent shall reject any bid or proposal which is materially non-responsive to the requirements set forth in the bid documents. The City Purchasing Agent may re-solicit bids or proposals if, in his discretion, bids received as a result of a solicitation for bids or proposals are not acceptable for any reason. Such re-solicitation shall not be for the purpose of directing the award to a particular bidder.
7. **Bid Security:**
  - (A) **Requirement for Bid Security** - Bid security shall be required for all competitive sealed bidding for bonds or construction contracts and for other items as determined by the Purchasing Agent. Bid security shall be a bond provided by a surety company authorized to do business in this state, or the equivalent in cash, or otherwise supplied in a form satisfactory to the City in an amount equal to at least 5% of the amount of the bid. Failure to provide security will result in the bid being rejected. If the bidder fails to honor his bid for any reason, then such bid security may be retained by the City and deposited to the General Fund.

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<sup>3</sup> Revised GO 4938

- (B) **Withdrawal of Bids** - Bids or proposals may be revised, modified, or withdrawn by the bidder at any time prior to opening. Any such revision, modification, or withdrawal shall be in writing. After the bids are opened, they shall be irrevocable for the period specified in the bid documents. Bids or proposals may not be withdrawn or revised after opening except as permitted under 5(B) above.
  - (C) **Receipt of Bids** - Bids or proposals shall not be received after the time set in the bid documents for receipt of proposals or opening of bids.
- 8. **Contract Performance and Payment Bonds** - When a construction contract is awarded, for an amount exceeding \$25,000.00, a bond shall be delivered to the City and shall become binding on the parties upon the execution of the contract; which bond shall be a performance, labor, and materials bond satisfactory to the City, executed by a surety company authorized to do business in this state or otherwise secured in a manner satisfactory to the City, in an amount equal to 100% of the price specified in the contract. If the amount of the contract is less than \$25,000.00, such bond may be required at the recommendation of the contracting department or the City Purchasing Agent.
- 9. **Certification of Appropriated Funds** - The City Charter requires the Director of Finance to certify that funds are appropriated and unencumbered for the expenditure of funds contemplated by any contract entered into by the City, and that such certification be in writing on the actual contract form before such contract is valid and binding.
  - (A) Upon receipt of a requisition or otherwise written request to make a contract for goods and services, the Director of Finance shall certify in writing on such written request that funds are appropriated and unencumbered sufficient to pay for entire amount of the funds obligated under any contract which may result from the request.
  - (B) All contracts shall have certification thereon by the Director of Finance that funds are appropriated and unencumbered in sufficient amounts to discharge any obligation under the contract.
  - (C) Any contract amendment, addendum, or change order which increases the amount of any contract shall be certified thereon by the Director of Finance that there are sufficient funds appropriated and unencumbered to pay for any such increase.

- (D) No contract made by the City Purchasing Agent shall be revised or modified in any manner unless and until such modification is approved by the City Purchasing Agent and such contract is amended in writing by the City Purchasing Agent.
10. **Approval of Contract As To Form** - The City Charter requires that the City Attorney approve all contracts as to form. No contract shall be valid unless and until approved as to form thereon by the City Attorney. The City Attorney may establish in his discretion procedures by which contracts may be pre-approved as to form.
  11. **Correction or Withdrawal of Bids** - Correction or withdrawal of erroneous bids after opening, or cancellation of awards or contracts based on such bid mistakes, shall not be permitted.
  12. **When Competitive Bidding Is Not Required** - In the following cases, competitive bidding shall not be required. Nevertheless, a contract or purchase order is required except for items described in Paragraphs (M) and (N) below:
    - (A) Livestock.
    - (B) Insurance which has a standard premium set by the State of Missouri.
    - (C) Works of art.
    - (D) Purchases made cooperatively with other units of government.
    - (E) Services of individuals possessing a high degree of professional skill.
    - (F) Aviation fuel, lubricants and parts purchased for resale at the regional airport.
    - (G) Purchase from federal, state, or other local governmental units.
    - (H) Drugs not stocked in the City Clinic Pharmacy which are ordered for patients of the Springfield Greene County Public Health Center.
    - (I) Contracts for printing or engraving of bonds or other evidences of indebtedness.
    - (J) Magazines, books or periodicals.
    - (K) Fuel purchases, provided the City has requested bids from three fuel suppliers and provided that the City has previously taken competitive bids for such fuel and the seller of the fuel has exhausted his allocation of fuel.
    - (L) Items or services for data processing when the item or service is designed to be used in connection with an existing data processing system and the City Manager has determined that it is reasonable to require all such items or services to be used with the existing data processing system shall be compatible so that responsibility for the operation and maintenance of the system may be determined.

- (M) Items purchased through the State of Missouri at a price deemed below that obtainable from private dealers pursuant to the procedure authorized by Sections 67.330 through 67.390 RSMo., and pursuant to the rules and regulations governing cooperative procurement established by the State.
  - (N) Recurring payments such as utilities, postage, telephone, travel, mileage, principal and interest on debt, rents, FICA, pension contributions, judgments and claims, and publications.
  - (O) Sole source items as determined by the Purchasing Agent. The City Purchasing Agent shall require bids on the appropriate form for such sole source items.
  - (P) Items procured utilizing funds donated or granted to the City if the terms of the grant or donation agreement require the City to procure a specific item from a specific source.
13. **Purchases Under \$2000.00** - The City Purchasing Agent may authorize each of the various City departments, boards, and agencies to make purchases without competitive bids if the total of each purchase is less than Two Thousand Dollars (\$2,000.00)<sup>2</sup>.
- (A) The City Purchasing Agent shall establish policies and procedures sufficient to insure compliance with the City Charter, the purchasing manual and proper purchasing practices for such purchases.
  - (B) The Director of Finance shall establish policies and procedures sufficient to provide for the proper payment and accountability of such purchases authorized under this section.
  - (C) Such procedures shall not permit the procurement of items in violation of an existing contractual obligation; nor for services to be provided on City property (on-site); nor, for items on a cooperative contract with another agency if in violation of cooperative purchasing agreements or rules; nor, for the services of an individual; nor, any items in violation of an established City policy.

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<sup>2</sup> Revised GO 5001



### 13-3.105 MISCELLANEOUS PURCHASING POLICIES

1. **Small or Disadvantaged Businesses** - The City shall, whenever possible or practical, use small or disadvantaged businesses in the procurement process. Small business is defined as a business which is independently owned and which is not dominant in its field of operation or an affiliate or subsidiary of a business dominant in its field of operation. Disadvantaged business is defined as a small business which is owned or controlled by a majority of persons who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages.
2. **Local Procurement** - The City shall, whenever possible and practical, solicit bids from potential vendors within the greater Springfield metropolitan area. After consideration of the effects of time of delivery, maintenance and repair services and other pertinent costs, it is determined that a bid received from a firm located in the greater Springfield area is substantially equal to or better than other bids received, award shall be made to the local firm.
3. **Tie Bids** - In the event two or more bids are equal in all evaluation criteria, such bids shall be awarded first to the bidder within Springfield city limits, next to bidders within Greene County, next to bidders located in the adjacent counties, then next to other Missouri bidders. If a tie bid situation still exists after the application of these criteria, then the bid shall be awarded by drawing lots or a flip of a coin. The City may also, unless the terms, conditions and specifications of the Invitation For Bid state to the contrary, elect to divide the contract award between two or more bidders, if it deems such action to be in its best interests, in the exercise of its sole discretion.
4. **Energy Efficient Purchasing** - Energy efficient purchasing shall be used by the City in procurement of items when it is in the best interest of the City. Energy efficient purchasing uses the principles of life cycle costing. If life cycle costing is to be used, it should be clearly stated on the Invitation to Bid so that bidders are aware of the evaluation process to be used.

### 13-3.106 ARCHITECT-ENGINEER AND LAND SURVEYING SERVICES:

1. **Applicability** - Architect-engineer and land surveying services will be procured as provided in this section.
2. **Policy** - The City shall make requests for architect-engineer and land surveying services and to negotiate contracts for architect-engineer and land surveying services on the basis of demonstrated competence and qualification for the type of services required, and at fair and reasonable prices. The

Division of Purchases shall maintain a list of potential architect-engineer and land surveying service providers.

3. **Architect-Engineer Selection Committee** - The Director of the contracting department, board, or agency shall appoint the Architect-Engineer Selection Committee for each architect-engineer and land surveying services contract. The Selection Committee may, when it deems it to be appropriate, request proposals for such services. The Selection Committee shall evaluate statements of qualifications and performance data and the estimated prices or price guidelines when requested, submitted by firms regarding the proposed contract. The Selection Committee shall conduct discussions with no less than three firms regarding the contract and the relative utility and cost of alternative methods of approach for furnishing the required services, and then shall select therefrom, in order of preference, based upon criteria established and made available by the Selection Committee, no fewer than three firms deemed to be the most advantageous to the City to provide the services required.
  
4. **Negotiation** - The Director of the contracting department, board, or agency shall negotiate a contract with the firm determined to be the most advantageous to the City for architect-engineer or land surveying services at compensation with which the Director of the contracting department, board, or agency determines in writing to be fair and reasonable to the City. In making this decision, the Director of the contracting department, board or agency may take into account the estimated value, the scope, the costs, the complexity, and the professional nature of the services to be rendered. Should the Director of the contracting department, board, or agency be unable to negotiate a satisfactory contract with that firm, negotiations shall be formally terminated. The Director of the contracting department, board or agency shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, the Director of the contracting department, board, or agency shall formally terminate negotiations. The Director of the contracting department, board or agency shall then undertake negotiations with the third-ranked firm. Should the Director of the contracting department, board or agency be unable to negotiate a contract at a fair and reasonable price with any of the selected firms, the Director of the contracting department, board or agency shall select additional firms in order of their competence, qualifications, and estimated prices or price guidelines when requested and the Director of the contracting department, board or agency shall continue negotiations in accordance with this section until an agreement is reached.

## CHAPTER 2

### PURCHASING PROCEDURES

The following procedures are prescribed for obtaining items for the use of City departments or boards:

#### 13-3.200 REQUISITION FORM

The form is designed to assist the using departments to initiate the purchasing process. The requesting department prepares the form in order to request items to be purchased by the Purchasing Division of the Finance Department. A requisition should be initiated not less than thirty (30) days in advance of the time the items are needed in order to allow adequate time for review and solicitation of bids by the Purchasing Division. The rate of consumption of the items requisitioned should be carefully reviewed in determining the quantity to be requested. This section does not preclude the requisitioning of items a lesser number of days in advance when the need for these could not have been foreseen; however, an explanation must accompany each request presented under this circumstance. Instructions for the preparation of the requisition form can be found in The Purchasing Manual Supplement.

After completion of the requisition in the department, the original is submitted to the Finance Department and a copy is retained in the departmental files.

**Finance Department** - Reviews the requisition to see that there are appropriations to cover the requested purchase, that there is sufficient cash available for payment and that proper account numbers have been used. Requisitions not meeting these requirements will be returned to the requesting department with the reasons indicated thereon. Acceptable requisitions will be approved by the Director of Finance and forwarded to the Purchasing Division.

**Requesting Department** - The Purchase Order number should be recorded on the requisition and maintained as a part of the department record file. Follow up delivery of purchases will be made by reference to the Receiving Report.

#### 13-3.201 TELEPHONE BID SHEET

The Telephone Bid Sheet shall be used whenever informal (telephone) bids are taken. If the bids are taken by the contracting department, board, or agency, this form must be attached to the Requisition Form prior to sending the Requisition Form to the Purchasing Division. If the bids are to be taken by the Purchasing Division, then the contracting department, board, or agency need not attach a

Telephone Bid Sheet to its Requisition Form. The Telephone Bid Sheet documents that purchasing requirements are being met and that bids have been solicited properly. The Purchasing Division will produce the Purchase Order from the lowest bid received, unless the contracting department, board, or agency specifically requests acceptance of another bid and explains the reasons therefor in the remarks section.

### **13-3.202 PURCHASE ORDER**

The signed Purchase Order authorizes the vendor to ship the items specified thereon. It constitutes the contract between the City and the vendor. Purchase Orders should be clear and concise in order to avoid misunderstandings or confusion. The Purchase Order is completed from information furnished on the requisition and the selected bidder's bid documents. The Purchase Order shall be prepared by the Purchasing Division. Instructions for the preparation of the Purchase Order can be found in the Purchasing Manual Supplement.

After the Purchase Order is prepared in the Purchasing Division, it shall be signed by the Purchasing Agent and the Director of Finance and will be distributed in the following manner:

The original is sent to the vendor; Copy 1 is forwarded to the Accounting Division; Copies 2 and 3 are kept in the Purchasing Division; Copies 4 and 5 are sent to the requisitioning department as the departmental file copy and the receiving report, respectively.

### **13-3.203 PURCHASE ORDER RECEIVING FORM**

Upon the receipt of the materials or items the requesting department shall inspect them. If the materials or items received are acceptable, the Purchase Order Receiving Form must be filled in properly. Instructions for the preparation of the Purchase Order Receiving Form can be found in the Purchasing Manual Supplement. After the receiving form is properly completed, the form is submitted to the Accounting Division along with any related documentation such as bills of lading, vendor invoices, etc.

If the materials or items delivered are not in conformity with the specifications or for other reasons are not acceptable to the using department, that department shall promptly notify the Purchasing Division of the reasons for withholding acceptance. The Purchasing Agent will notify the vendor that his delivery has been rejected and take appropriate action to correct the matter in the best interest of the City.

### **13-3.204 PURCHASE ORDER CHANGE**

A change order form is used to cancel or make changes in a purchase order that already has been issued. It may be used for:

- (1) Changes that affect the cost of a construction contract when authorized pursuant to the terms of the contract and approved by the Law Department;
- (2) Purchase order changes that have item substitutions or unit price changes not involving a minor clerical error;
- (3) Increases in cost which cause the price to exceed the amount of money approved or encumbered for the purchase; and
- (4) Cancellations.

No change order is required for material, supplies, and equipment purchases when the invoice and original purchase order show minor differences resulting from such factors as discount for prompt payment, estimated freight, short or long shipments, clerical error and similar items. In no event will change orders be used to purchase items which were not contemplated in the original bid inquiries.

This form is prepared by the Purchasing Division of the Finance Department on information supplied by the requesting department. All changes or cancellations must first be authorized by the Purchasing Division after receipt of copies of all correspondence between the department and vendor concerning the situation.

### **13-3.205 PARTIAL RECEIVING REPORT FORM**

The Partial Receiving Report form is used to report to the Accounting Division the partial delivery of items ordered on a Purchase Order. The proper use of this form will expedite partial payments which may be necessary to obtain cash discounts. A Partial Receiving Report will be prepared in all cases where the shipment received does not complete the order as shown on the original Receiving Report unless cancellation of outstanding items has been authorized and the original Receiving Report has been so noted. Instructions for the preparation of the Partial Receiving Report can be found in the Purchasing Supplement Manual.

After completion by the department, the Partial Receiving Report will be distributed as follows: The original is sent to the Accounting Division for processing and filing; Copy 1 is retained in the requisitioning department and should be filed with the Purchase Order.

### **13-3.206 ENCUMBRANCE TRANSACTION FORM**

This form is used to encumber funds if a Purchase Order is not required. Normally, this will be when the controlling document is a contract for construction or other services. The Encumbrance Transaction Form is prepared by the department desiring to encumber its funds. Instructions for the preparation of the Encumbrance Transaction Form can be found in the Purchasing Manual Supplement. After completion of the form by the department, two copies are forwarded to the Finance Department with the contract agreement. The Finance Department assigns a number to the form, which is signed by the Finance Director; the original will be retained by the Finance Department, and Copy 1 is returned to the requesting department.

### **13-3.207 ACCOUNTS PAYABLE TRANSACTION FORM**

The Accounts Payable Transaction form is used to record expenditures and pay invoices or bills. It is used for all purchases and services other than those made with a Field Purchase Order. Multiple vendor invoices may be entered on this form if they are from the same vendor and have the same assigned due date. Instructions for the preparation of the Accounts Payable Transaction Form can be found in the Purchasing Manual Supplement.

The form shall be completed immediately upon receipt of the goods or services and the related vendors invoice. A check will be issued on the date payment is due and not immediately upon receipt of the form in the Finance Department. However, the expenditure will be recorded upon receipt of the form in the Finance Department. This will enable the financial system to furnish each department with current budget status information.

After completion in the department or by the Purchasing Division, both copies of the form are sent to the Accounting Division along with vendor invoices or other related documents. If there are no documents or invoice to attach to the form, a thorough explanation should be written on the front of the form. The original is retained in the Accounting Division and Copy 1 is returned to the using department.

### **13-3.208 INVOICES**

An invoice is the vendor's statement of its charges against the City for items provided. Invoices are normally based on information from Purchase Orders and must contain substantially the same information. Invoices should be mailed to the Accounting Division. In some cases, however, the invoices may be delivered with the items at the receiving point. In such cases, the using department must attach the invoice to the receiving report along with the completed accounts payable transaction form and forward all documents to the Accounting Division.

Payment of invoices will be managed by the Accounting Division. Invoices will be set up for payment approximately thirty (30) days from the date of the invoice. Invoices will be paid earlier to take advantage of discounts if offered or in unusual circumstances.

## **CHAPTER 3**

### **EXCEPTIONS TO NORMAL PURCHASING PROCEDURES**

#### **13-3.300 EMERGENCY PURCHASES**

Notwithstanding any other provision of this Manual, the Purchasing Agent may make or authorize others to make emergency purchases when there exists a threat to public health, welfare, or safety under emergency conditions as defined in regulations promulgated by the Purchasing Agent; provided that such emergency purchases shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

#### **13-3.301 PROCEDURES**

The Director of Finance and the City Purchasing Agent shall establish procedures for emergency purchases to insure such purchases are made consistent with the nature and degree of the emergency condition; are made with such competition as is possible; that funds are or can be made available for the emergency purchase; fiscal accountability is maintained; and such purchase is a valid emergency.

#### **13-3.302 EMERGENCY PURCHASES UNDER \$20,000**

Upon the declaration that an emergency situation exists the City Purchasing Agent may suspend the rules for competitive bidding and make or permit the user department to make such purchases as may be necessary because of the emergency. Verbal requests for emergency purchase may be made provided that a written purchase requisition is submitted in the manner which is established for normal purchasing within twenty-four hours or the next business day. The requisition shall clearly and prominently indicate the emergency purchase order number issued by the Division of Purchases and must contain a full description of the emergency circumstances.

The Director of Finance may verbally certify the funds available to the City Purchasing Agent; and, the Director of Finance may require that such certification be made prior to the purchase. The Director of Finance may require the department head of the requesting department to concur and approve such emergency purchase. The Director of the requesting department may designate specific personnel to approve emergency purchases but such designation shall be in writing and be maintained on file in the Department of Finance.



### **13-3.303 EMERGENCY PURCHASES OVER \$20,000**

All emergency purchases over \$20,000.00 must be approved in writing by the City Manager.

### **13-3.304 EMERGENCY PURCHASES NECESSARY OUTSIDE OF NORMAL BUSINESS HOURS**

The Director of a department may make emergency purchases, in his discretion, outside normal business hours whenever an emergency situation exists and the City Purchasing Agent cannot be contacted. The Director of the department which makes such an emergency purchase shall contact the Division of Purchases immediately at the first opportunity and before the close of the next business day. The City Purchasing Agent may then issue a confirming purchase order to the emergency purchase supplier. A purchase requisition shall then be initiated by the user department in the manner specified in paragraph 13-3.302 above.

### **13-3.305 DETERMINATION**

A written determination of the basis for the emergency and for the selection of a particular vendor shall be included in the emergency contract file which shall be maintained in the Division of Purchases. The Director of the department requiring the emergency purchase shall provide, in writing, to the City Purchasing Agent and the Director of Finance such information sufficient to clearly establish the determination of an emergency and the selection of a particular supplier.

### **13-3.306 PRICE AGREEMENT PURCHASES**

The City Purchasing Agent is authorized to and shall consolidate requirements for items which are continually needed by the various departments, boards or agencies for the purpose of making contracts for the supply of such items as needed and if needed during a term of up to one year and may extend such term as is appropriate in his discretion. Such contracts may be exclusive or nonexclusive, based on estimated quantities or based on an "all-needs" quantity. All purchases for such items shall be made from the contracted supplier unless that supplier is unable to deliver as needed by the City or as promised in its bid. Revisions to specifications for the purpose of avoiding purchases under the price agreement contract are not permitted. If the contract has been terminated for failure of the Contractor to perform the provisions of the contract, the City Purchasing Agent may purchase from whichever source is in the City's best interests.

All departments, boards, and agencies shall be notified by the City Purchasing

Agent of which price agreement contracts are made so as many departments, boards, and agencies as possible can take advantage of these contracts. Departments, boards, or agencies shall plan their needs for the such items and provide the City Purchasing Agent with sufficient scheduling information, specifications and other information as may be required to prepare bid documents and enter into the contracts.

All requisitions for items under a price agreement contract shall contain the contract number.

### **13-3.307 PETTY CASH PURCHASES**

The Director of Finance is authorized to create petty cash funds where they are needed within City government. The size of all petty cash funds will be controlled by the Director of Finance. Routine purchases of items of less than One Hundred Dollars (\$100.00) may be made from petty cash without contacting the Purchasing Division.

The following regulations will apply to all petty cash funds:

1. No personal or payroll checks are to be cashed.
2. Reimbursement is to be made only to personnel authorized by the department head. It shall be the responsibility of the using department to properly code or classify the item or expenditure. Authorization for the custodian to replenish the fund shall be on the written approval of the department head.
3. Reimbursement is not to be made until an invoice marked "paid," a valid receipt, or certificate of expenditure is received by the fund custodian.
4. No reimbursement is to be made for items over One Hundred Dollars (\$100.00) other than postage and freight charges without prior approval by the Director of Finance, or for separate items which total over \$50.00 where it appears that the purchasing regulations are being circumvented.
5. All petty cash funds will be subject to audit at unannounced times by the Director of Finance or his designated representative.

Custodians of petty cash funds shall requisition for replenishment of the fund at least once each month. A Petty Cash Reimbursement form will be utilized as the means for requesting replenishment of petty cash funds. The Accounting Division of the Finance Department will charge the appropriate expenditure accounts for the various departments monthly, reflecting

expenditures made through petty cash funds.

The Director of Finance may establish such additional rules and regulations regarding petty cash funds as he deems necessary.

### **13-3.308 DISPOSAL OF OBSOLETE, SCRAP OR SURPLUS PROPERTY**

Whenever a department, board or agency of the City has items which have become obsolete, scrap or surplus to their needs, these items shall be disposed of by the City Purchasing Agent in compliance with the City Charter. Sections in the Charter dealing with this subject are Section 5.3(4) Division of Purchases; Section 19.19(2) Use of Equipment and Supplies; and, Section 16.6 Duties of City Utilities Board.

Departments, boards, or agencies having obsolete, scrap or surplus items shall file a report of such property with the City Purchasing Agent. The City Purchasing Agent will then notify all departments, boards or agencies of these items to see if any other department, board or agency has use for these items.

Obsolete, scrap, or surplus City items shall be disposed of by the City Purchasing Agent in any one or more of the following ways:

1. Transfer on the City's books of accounting, at book or other negotiated value, to other City departments as provided for by Section 19.19(2) of the Charter.
2. Solicitation of bids for such property. In advertising and accepting bids for obsolete, scrap, or surplus items the City Purchasing Agent shall follow the usual practices of competitive bidding. If formal bids are requested by the City, they will be opened at the time and place specified in the bid documents. When necessary, a bid surety shall be required of prospective bidders and the amount will be set by the City Purchasing Agent. Determination of the highest and best bidder will be made by the City Purchasing Agent.
3. Publicly advertised auction sales.
4. Property that has no monetary value and use to the City may be disposed of by the City Purchasing Agent at the City Landfill or other authorized disposal site upon the determination and certifications of the City Purchasing Agent and the Director of the Department, Board, or Agency of the City certifying that the property has no monetary value and use. In the event the above conditions have been satisfied, the City Purchasing Agent may donate the

property to a church or charity or not-for-profit organization. In the event

more than one such organization wants the property, then the City Purchasing Agent shall draw lots for the purpose of making the selection.

5. The City Charter provides that a department, board, or agency may trade-in obsolete or surplus items for credit against the purchase price of replacement items. If a department, board, or agency, elects to trade-in rather than dispose of as provided in paragraphs 1, 2, 3 or 4 above, the City Purchasing Agent shall determine the actual methods to obtain the best value or credit for such items.
6. Obsolete, scrap or surplus items with a salvage value up to Ten-Thousand Dollars (\$10,000.00) may be disposed of by the City Purchasing Agent without further approval. Obsolete, scrap or surplus items with a salvage value over Ten-Thousand Dollars (\$10,000.00) shall be disposed of by the City Purchasing Agent after the approval of the City Manager. This paragraph shall not apply to real estate sales unless otherwise required by City Charter or ordinance.
7. The City Manager may authorize the sale of scrap or obsolete items by the Purchasing Agent upon a retail basis through the use of a "City Store", or other similar mechanism, for the disposition of items deemed suitable, in the discretion of the City Manager, or his designee, for such disposition. The Director of Finance shall establish such rules and policies as may be necessary for the performance of this activity, upon the direction of the City Manager or his designee.

Chapter 3, Section 13-3.308 of this manual concerning the disposal of obsolete, scrap or surplus items will apply to the City Utilities as required by Section 16.6 of the City Charter.

### **13-3.309 DISPOSAL OF ART MUSEUM OBJECTS**

1. The Art Museum may dispose of Art Museum objects when the object is determined by the Art Museum to be unnecessary, irrelevant, or otherwise undesirable as a part of the Art Museum collections.
2. Objects may be disposed of through any of the following ways:
  - (A) Any of the three procedures listed in Section 13-3.308 paragraphs 1, 2, or 3 above.
  - (B) Negotiated sale or trade to any individual or organization.
  - (C) Return of the object to an individual who originally presented the object

to the Art Museum as a gift.

3. Before disposal of any object, the object shall be appraised by the Director of the Art Museum. Any single object with a value over Five Hundred Dollars (\$500.00), or any group of objects with a value over Two Thousand Five Hundred Dollars (\$2,500.00), shall be appraised by an independent appraiser. In no event shall the Art Museum Board dispose of any object at a value that is less than its fair market value.
4. A record of all objects disposed of in accordance with this section shall be kept by the Art Museum.

**13-3.310 DISPOSAL OF OBSOLETE, SCRAP OR SURPLUS PROPERTY USED FOR PUBLIC SAFETY PURPOSES**

Whenever the Police Department or Fire Department has equipment, tools, or materials relating specifically to public safety functions which have become obsolete, scrap, or surplus to the needs of the Police Department or Fire Department, these items shall be disposed of in accordance with Section 13-3.308 of this Chapter; or the City Purchasing Agent may, at his discretion and if requested in writing by Chief of Police or Fire Chief, donate these items to bona fide Police, Fire, or other public safety agencies within the State of Missouri.

This section shall not apply to vehicles of any kind. This section shall not apply to any item with a current book value of more than One Thousand Dollars (\$1,000.00) nor to any item with an original acquisition cost of more than Ten Thousand Dollars (\$10,000.00). Book value shall be determined using the straight-line method of depreciation of the original acquisition cost less estimated salvage value. If book value of the item(s) cannot be determined, then the City Purchasing Agent may estimate the current value and substitute such estimate for the book value.

The City Purchasing Agent shall determine if the item(s) are needed by any City Department, board, or agency prior to offering the item(s) to other qualified public safety agencies. If the item(s) are needed by a City Department, board, or agency, the authority granted to the City Purchasing Agent by this section shall not apply.

Any properly established police, fire, or other public safety organization in the State of Missouri shall be qualified to receive items under this section. Any public safety organization to which items are donated pursuant to this section shall agree in writing to waive any liability of the City of Springfield, Missouri, and shall further agree not to sell or use as trade-in against the purchase of other item.

If, after notification by the City Purchasing Agent that item(s) are available for

donation under this section, more than one qualified organization has requested the item(s), then the selection of the donee shall be made by the drawing of lots. Lots shall be drawn first for Greene County organizations, next for the counties bordering Greene County, and last, other Missouri counties.

The City Purchasing Agent shall establish and maintain records of all donations made under this section. Such records shall include item description, acquisition cost, book cost if available, and donee organization

### **13-3.311 DISPOSAL OF PROPERTY HELD BY THE POLICE DEPARTMENT**

1. This section relates to and embraces lost, stolen, strayed, abandoned, unclaimed or confiscated property which of itself is not contraband or the possession of which is not unlawful, which is now or which may hereafter come into the possession of the Springfield Police Department, which is not subject to other provisions of state or federal law pertaining to the disposal of property.
2. All personal property shall be kept by the Police Department for a period of sixty (60) days, unless the owner or person entitled to the possession of such property shall sooner claim such property and establish his ownership and right to possession thereof.
3. If the owner or person entitled to the possession of the property shall fail to claim such property within sixty (60) days and the Police Department is unable to locate the owner, then at such time or at any time thereafter the Chief of Police may cause a notice to be published in a daily Springfield newspaper which has the greatest circulation to the public for a period of three (3) days, which notice shall be given in a manner reasonably calculated to reach the attention of all interested persons. The notice shall state that the property shall be disposed of on a certain date either for use in the police department, for donations as set forth below, or in accordance with Section 13-3.308 above. In the event the property will be sold at public auction to the highest bidder therefor for cash, the notice shall state the time and place of such sale.
4. If the owner or person entitled to the possession of property advertised as above shall fail to claim the same at any time before the date of disposal, then the property shall be transferred or sold to the highest bidder for cash, and the acquiring department or purchaser shall take a good and perfect title to the property. The City Purchasing Agent of the City of Springfield is hereby authorized to contract for the services of an auctioneer and clerk for said auction sales and may pay for the costs of such services from the proceeds of the sale.

5. Any funds, other than those payable to the State, received from the sale of any property as provided in this section, less the cost of publication and keeping the same for sale and the costs of such sale, shall be paid into the General Fund of the City of Springfield.
6. The Chief of Police shall have the authority to donate appropriate unclaimed property to the Greene County Juvenile Officer, in such amounts as will better enable them to fulfill their public purposes, subject to such guidelines as the City Manager may provide.
7. Whenever a weapon comes into the possession of the Springfield Police Department, it is no longer needed as evidence, and there is no applicable Missouri statute for its disposition, then the Chief of Police may cause such firearms to be retained for use by the City in the Police Department or application may be made by the Chief of Police to the Judge of the Municipal Court for an order of disposition. The Judge of the Municipal Court is authorized to order the sale of legal firearms which is in apparent working order to the highest bidder who holds a valid Federal firearms license; a certified copy of said license shall be provided to the Police Department at the time of the sale. The Judge of the Municipal Court is also authorized to order the destruction of ammunition, or of any firearm or weapon which is illegal to possess, or which has been carried as a concealed weapon in violation of Section 26-138 of the Springfield City Code or Section 571.115 RSMo. 1978, or is a firearm which is in such worn condition as to be dangerous to use.
8. Upon application by the Chief of Police, the Judge of the Municipal Court is authorized to issue an order of destruction or disposition of any alcoholic beverage seized as a result of a violation of the Springfield City Code or state law.
9. The Chief of Police shall order the destruction of all property which is not disposed of as above. Said property shall be destroyed in the presence of two police officers who shall sign a certificate of said destruction. These certificates shall become part of the permanent records kept by the Police Department.

## **CHAPTER 4**

### **LEGAL AND CONTRACTUAL REMEDIES**

#### **13-3.400 RIGHT OF PROTEST**

Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation of bids or the award may protest to the City Purchasing Agent. The protest shall present in writing the basis upon which the solicitation or award is contested, and must be presented within thirty (30) days after the aggrieved party became aware of the solicitation or award. Before proceeding in any court action, a person must pursue the administrative remedies set forth below.

#### **13-3.401 RESOLUTION OF PROTEST**

Whenever the City Purchasing Agent so requests, the City Purchasing Committee shall meet and resolve contested solicitation or awards. The City Purchasing Committee shall be comprised of the City Manager, the Director of Finance, the City Attorney, and the City Purchasing Agent, or their authorized representatives. The City Purchasing Committee shall have no authority to overturn bid awards, but may advise the City Purchasing Agent, or the Director of the contracting department or board of changes or guidelines to follow in the future.

#### **13-3.402 AUTHORITY TO SUSPEND OR DEBAR**

The Purchasing Committee shall have authority to suspend or debar a person from consideration for bid awards. A suspension may be for up to six months. A debarment may be from six (6) months to two (2) years in length.

#### **13-3.403 SUSPENSION AND DEBARMENT PROCEDURES**

1. Notice of suspension or debarment shall be given by certified mail at least seven (7) days prior to the effective date of the suspension or debarment.
2. The person to be suspended or debarred has a right to a hearing, if requested within fourteen (14) days after mailing of notice.
3. The hearing shall be held promptly thereafter before the Hearing Officer. A



Hearing Officer will be appointed by the City Manager for this purpose. The Hearing Officer shall have all powers necessary to conduct the hearing.

4. The City Attorney, on behalf of the City, or any party to the proceeding may request that the Hearing Officer issue subpoenas for witnesses or subpoenas duces tecum. The Hearing Officer shall cause a record of the case to be kept and copies shall be made available to any interested person upon the payment of a fee. The hearing need not be conducted according to the rules of evidence. Any relevant matter may be admitted and considered by the Hearing Officer if it is the sort of evidence on which reasonable persons are accustomed to rely in the conduct of serious affairs. Objections to evidence shall be noted and the Hearing Officer may rule on such objections.
5. The decision of the Hearing Officer shall be in writing and shall be subject to appeal under Chapter 536, Revised Statutes of Missouri. All decisions of the Hearing Officer shall be final decisions thirty (30) days after the mailing or personal service of the decision.
6. Suspension or debarment will not be stayed during the pendency of any hearing or appeal.

#### **13-3.404 CAUSES FOR SUSPENSION OR DEBARMENT**

The causes for suspension or debarment include the following:

1. Conviction within the last ten (10) years for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
2. Conviction within the last ten (10) years under State or federal statutes for embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which affects responsibility as a contractor.
3. Conviction within the last ten (10) years under State or federal statutes arising out of the submission of bids or proposals;
4. Violation within the last two (2) years of contract provisions, as set forth below, of a character which is regarded by the City Purchasing Agent or the Director of the contracting department or board to be so serious as to justify debarment action.
  - (A) Deliberate failure without good cause to perform in accordance with the

specifications or within the time limit provided in the contract; or

- (B) A record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment;
- 5. Violation of general ethical standards in relation to gratuities or kickbacks involving City contracts.
- 6. Any other cause the City Purchasing Agent or Director of the contracting department, board, or agency determines to be so serious and compelling as to affect responsibility as a contractor.

### **13-3.405 SOLICITATIONS OR AWARDS IN VIOLATION OF LAW**

When a solicitation or award is determined to be in violation of law, the following provisions shall apply:

- 1. **Remedies Prior to Award** - If, prior to award, it is determined that a solicitation or proposed award of a contract is in violation of law, then the solicitation or proposed award shall either be canceled or revised to comply with the law.
- 2. **Remedies After Award** - If after an award it is determined that a solicitation or award of a contract is in violation of law, then:
  - (A) If the person awarded the contract has not acted fraudulently or in bad faith, at the option of the City;
    - I. The contract may be ratified and affirmed, provided it is determined that doing so is in the best interests of the City; or
    - II. The contract may be terminated and the person awarded the contract shall be compensated for the actual expenses reasonably incurred under the contract prior to the termination;

- (B) If the person awarded the contract has acted fraudulently or in bad faith, at the option of the City.
  - I. The contract may be declared null and void; or
  - II. The contract may be ratified and affirmed if such action is in the best interests of the City, without prejudice to the City's rights to such damages as may be appropriate.

## **13-3.406 ETHICS**

### **1. General Ethical Standards**

- (A) **For Employees** - Any attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the employee's duties is a breach of ethical standards.
- (B) **For Non-Employees** - Any effort to influence any public employee to breach the standards of ethical conduct set forth in this Manual is also a breach of ethical standards.

### **2. Employee Conflict of Interest**

- (A) **Conflict of Interest** - It shall be a breach of ethical standards for any employee to participate directly or indirectly in a contract for purchase or sale when the employee is aware:
  - I. The employee or any member of the employee's immediate family has a financial interest pertaining to the purchase or sale;
  - II. A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the purchase or sale; or
  - III. Any other person, business, or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the purchase or sale.
- (B) **Discovery of Actual or Potential Conflict of Interest** - Upon discovery of an actual or potential conflict of interest, an employee shall promptly file a written statement of disqualification and shall withdraw from further participation in the transaction involved.

### 3. **Restrictions of Employment of Present and Former Employees**

(A) **Contemporaneous Employment Prohibited** - It shall be a breach of ethical standards for any employee who is participating directly or indirectly in the purchasing process to become or be, while such an employee, the employee of any person contracting with the City, or any department, board, or agency of the City.

(B) **Restrictions on Former Employees in Matters Connected with Their Former Duties:**

I. **Permanent Disqualification** - It shall be a breach of ethical standards for any former employee knowingly to act as a principal, or as an agent for anyone other than the City, in connection with any:

(A) Judicial or other proceeding, application request for ruling, or other determination;

(B) Contract;

(C) Claim; or

(D) Charge or controversy, in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee, where the City is a party or has a direct and substantial interest.

II. **One-Year Representation Restriction** - It shall be a breach of ethical standards for any former employee, within one year after cessation of the former employee's official responsibility, knowingly to act as a principal, or as an agent for anyone other than the City, in connection with any:

(A) Judicial or other proceeding, application, request for a ruling, or other determination;

(B) Contract;

(C) Claim; or

(D) Charge or controversy, in matters which were within the former employee's official responsibility, where the City is a party or has a direct or substantial interest.

- (C) **Disqualification of Business Where an Employee has a Financial Interest** - It shall be a breach of ethical standards for a business in which an employee has a financial interest knowingly to act as a principal, or as an agent for anyone other than the City, in connection with any:

- I. Judicial or other proceeding, application, request for a ruling, or other determination;
- II. Contract;
- III. Claim; or
- IV. Charge or controversy, in which the employee either participates personally and substantially through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which is the subject of the employee's official responsibility, where the City is a party or has a direct and substantial interest.

4. **Gratuities and Kickbacks**

- (A) **Gratuities** - It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or any offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a contract requirement, specification, or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim, or controversy, or other particular matter, pertaining to any requirement, contract, subcontract, or any solicitation or proposal therefor.

- (B) **Kickbacks** - It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a contractor or subcontractor under a contract to the City, prime contractor, or higher tier subcontractor, or any person associated therewith, as an inducement for the award of a subcontract or order.

5. **Confidential Information** - It shall be a breach of ethical standards for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

6. **Criminal Sanctions** - To the extent that violations of the ethical standards of conduct set forth in this Manual constitute violations of the state criminal statutes, the Springfield City Charter, or the Springfield City Code, they shall be punishable as provided therein. Such sanctions shall be in addition to the remedies provided in this Manual.

#### **13-3.407 REMEDIES**

1. **Against Employees** - Any employee who violates the provisions of this Manual may be reprimanded, suspended, or terminated in accordance with the Merit Rules.
2. **Against Non-Employees** - Any non-employee who violates the provisions of this Manual may be warned, reprimanded, suspended, or debarred in accordance with the provisions in this Manual.
3. **Supervisory Personnel and Department Heads** - Supervisory personnel and department heads will be held to the same requirements and standards with regard to compliance with the provisions of the purchasing procedures as are other employees. When a department head is made aware of or becomes aware of violations of the purchasing procedures, the department head shall take appropriate action as authorized by this section and the Merit Rules.