

# CITY OF PRESQUE ISLE

## Procurement and Disposal Policy



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Amended: December 1, 2008

Attest: \_\_\_\_\_

Nancy G. Nichols, City Clerk

# CITY OF PRESQUE ISLE

## PROCUREMENT AND DISPOSAL POLICY

The Council of the City of Presque Isle hereby adopts the Procurement and Disposal Policy for the City to promote a comprehensive, standardized and competitive purchasing procedure for the City.

### SECTION 1. DEFINITIONS.

For the purpose of this Policy the following items, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

**City:** The City of Presque Isle.

**City Council:** The Council of the City of Presque Isle.

**Contractual services:** All telephone, gas, water, electric light and power service, towel and cleaning service, insurance; leases for all grounds, buildings, offices or other space required or maintenance of equipment and other City-owned personal property; and maintenance of City-owned real property. The term shall not include professional and other services which are in their nature unique and not subject to competition and shall not include arrangements for the lease or rental of any real property owned by the City.

**Equipment:** All machinery, tools, apparatus, vehicles, and other items of a similar nature.

**Improvements:** All construction, reconstruction, alteration, repair, or renovation of real property owned or leased by the City.

**Supplies:** All supplies, materials and equipment as used by the City.

**Municipal Department:** Any department, agency, commission, bureau or other unit in the City government using supplies or procuring contractual services as provided by this policy.

### SECTION 2. COMPETITIVE BIDDING REQUIRED.

All purchases of, and contracts for, supplies, contractual services and improvements, and all sales of supplies which have become obsolete and unusable shall, except as

specifically provided herein, be based wherever possible on competitive bids. The requirements outlined herein shall be considered minimum requirements of purchasing. Nothing contained herein shall prohibit or discourage additional competitive bidding practices in addition to those listed provided they are not inconsistent with the intent of the policy.

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### **SECTION 3. BIDDING PROCEDURE, OVER \$20,000.00.**

All supplies, contractual services, and improvements except as otherwise provided in this policy, when the estimated cost thereof shall exceed \$20,000.00, shall be purchased by formal written sealed bid from the lowest responsible bidder, after due notice inviting proposals. All bid awards in excess of \$20,000.00 shall be approved by the City Manager.

- (1) Notice of inviting bids. The intent and purpose of this section is to solicit as many competitive bids as possible with a minimum goal of receiving three (3) bids whenever practical.

Notice inviting bids shall be published at least once in a newspaper having general circulation in the City and at least five (5) days preceding the last day set for the receipt of bids. A newspaper advertisement may be waived if an invitation to bid to encourage the submission of a competitive bid can be accomplished by direct mailing to prospective bidders.

Scope of notice. The newspaper notice required herein shall include a general description of the articles to be purchased or sold, shall state where bid forms and specifications may be secured, and the time and place for opening bids.

The City shall also solicit sealed bids from all responsible prospective suppliers who have requested their names to be added to a "Bidders List" or from known suppliers or purchasers which each department shall maintain.

- (2) Bid deposits. When deemed necessary by the City Manager, bid deposits in a form satisfactory to the City Manager shall be prescribed in the bid material. Unsuccessful bidders shall be entitled to return of surety where the City Manager has required such. A successful bidder shall forfeit any surety required by the agent upon failure on his part to enter a contract within such time as prescribed by the bid documents.

(3) Bid opening procedure.

Bids shall be submitted in a sealed envelope to the City Clerk and shall be identified as bids on the envelope.

Bids shall be opened in public at the time and place stated in the public notices.

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(4) Acceptance and/or Rejection of Bids. The City Manager shall have authority to reject any or all bids and to waive any informalities as it deems necessary. The City Manager shall retain the right to determine what constitutes an informality. In his/her decision, the City Manager may consider if other bidders are placed at a disadvantage by its decision. In all cases, the decision of the City Manager shall be final.

(5) Award of bid.

(a) Bids shall be awarded by the City Manager provided the item was identified in the budget and is within the amount of funds in the budget. Items not identified in the budget, or items that exceed the funds in the budget, shall be awarded by the City Council.

(b) Lowest responsible bidder. Bids shall be awarded to the lowest responsible bidder. In determining "lowest responsible bidder," in addition to price and compliance with all applicable bid specifications, the City Manager may consider:

1. The ability, capacity and skill of the bidder to perform the bid or provide the service required.
2. Whether the bidder can perform the bid or provide the service promptly, or within the time specified, without delay or interference.
3. The character, integrity, reputation, judgement, experience and efficiency of the bidder.
4. The quality of performance of previous bids.

5. The previous and existing compliance by the bidder with laws and ordinances relating to the bid.
6. The sufficiency of the financial resources and ability of the bidder to perform the bid.
7. The quality, availability and adaptability of the supplies, or contractual services to the particular use required.
8. The ability of the bidder to provide future maintenance and service for the use of the subject to the bid.

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9. The number and scope of conditions attached to the bid.
  10. Such other factors as may be indicated in writing by the City Manager or his designee demonstrating that the bid is not in the City's best interest and does not promote the underlying purpose of this policy.
  11. Such other reasons as deemed appropriate by the City Manager.
- (c) Award to other than low bidder. When the award is not given to the lowest bidder, a full and complete statement of the reasons for placing the order elsewhere shall be stated by the City Manager and filed with the other papers relating to the transaction. Award of bid other than to the lowest bidder shall be made by the City Council.
- (d) Tie bids.
1. Local vendors. If the lowest bids received are for the same total amount or unit price, quality and service being equal, the bids shall be awarded to the bidder whose principal place of business is located in the City.
  2. Outside vendors. Where subparagraph 1 is not applicable, or in instances where the lowest bids received are from local vendors, the

City Clerk shall award the bid to one of the tie bidders by drawing lots in public.

- (6) Prohibition against subdivision. No contract or purchase shall be subdivided to avoid the requirements of this section.
- (7) Audit services. Audit services for the annual audit shall not exceed six consecutive years with the same auditing firm.
- (8) Insurances. Insurances shall be placed for competitive bid at a minimum of a three-year period.

#### **SECTION 4. BIDDING PROCEDURE, \$1,000.00 TO \$20,000.00.**

All purchases of supplies, contractual services, and improvements estimated to be between \$1,000.00 to \$20,000.00 shall be made by the department head with the approval of the City Manager.

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- (1) Minimum number of bids. All bids shall, whenever possible, be based on at least three (3) written competitive bids and shall be awarded by the department head to the lowest responsible bidder in accordance with the standards set forth in Section 3 (5).
- (2) Recording. The department head shall keep a record of all written bids submitted in competition thereon. Such records shall be open to public inspection.

#### **SECTION 5. NO BIDDING REQUIRED, UNDER \$1,000.00.**

All purchase of supplies, contractual services and improvements estimated to be less than \$1,000.00 may be made by the department head who shall be sensitive to price and quality in the open market, spread as evenly as possible to local vendors. Department heads shall seek at least one other competitive price for purchases between \$500.00 - \$1,000.00 and shall keep a record of the quotation received.

#### **SECTION 6. RECYCLED PRODUCT PREFERENCE.**

A recycled product preference for all bids over \$500.00 shall be given for supplies, contracted services and improvements which contain fifty percent (50%) or more recycled

material. The bid shall be multiplied by point ninety-five (.95) and that amount rounded to the nearest dollar shall be used in determining the bid.

**SECTION 7. EXEMPTION FROM BIDDING PROCEDURES – EMERGENCY PURCHASES.**

In case of an emergency which requires immediate purchase of supplies, contractual services or improvements, whose immediate procurement is essential to prevent delays in the work of the using department which may vitally affect the life or convenience of citizens or employees, the City Manager shall be empowered to secure, at the lowest obtainable price, any supplies or contractual services regardless of the amount of the expenditure. Said authority to the City Manager under this section shall not exceed \$20,000.00 per single purchase or in the aggregate.

A full written report of the circumstances of an emergency purchase shall be submitted by the City Manager to the City Council. This report shall be available for public inspection.

**SECTION 8. EXEMPTION FROM BIDDING PROCEDURE – SPECIAL REQUIREMENTS.**

The competitive bidding procedures shall not be required in connection with any purchases of supplies, contractual services or improvements funded or reimbursable by State,

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Federal or other non-city fund sources where such source requires a different procurement process to be followed.

**SECTION 9. EXEMPTION FROM BIDDING PROCEDURE – NEGOTIATED PURCHASES.**

Where there has been competitive bidding but no bids were received, or the City Manager has rejected all bids, the City Manager may negotiate the purchase price.

**SECTION 10. EXEMPTION FROM COMPETITIVE BIDDING – COOPERATIVE PURCHASING.**

The City Council may authorize the City Manager to join with other units of government in cooperative purchasing plans or utilizing the competitive bid price established by the State of Maine when the best interests of the City would be served thereby. The requirements of competitive bidding shall not apply to such cooperative arrangements.

## **SECTION 11. EXEMPTION FROM COMPETITIVE BIDDING – USED ITEMS.**

The City Council may authorize the City Manager to purchase used items with prior approval before the purchase without observing a competitive bidding procedure.

## **SECTION 12. CONTRACTS FOR PROFESSIONAL AND OTHER SERVICES.**

The City Council may authorize the City Manager to contract for professional services which are in their nature unique and not subject to competition, provided that all such contracts in excess of \$10,000.00, or which when added to all such contracts with the same person or entity within the current fiscal year of the City exceed \$10,000.00, shall be approved by the City Council.

## **SECTION 13. EXEMPTION FROM COMPETITIVE BIDDING – SOLE SOURCE**

The City Council may authorize the City Manager to negotiate the purchase price for contractual services, equipment, improvements and supplies if it deems appropriate.

## **SECTION 14. SURPLUS STOCK.**

All municipal departments shall submit to the City Manager, at such times and in such form as he/she shall prescribe, reports showing stocks of all supplies which are no longer used or which have become obsolete, worn out or scrapped. The Manager may dispose of surplus stock per the Procurement and Disposal Policy in an amount not to exceed \$5,000.00. The City Council may authorize a different amount of value on surplus stock that the Manager may dispose of in a manner he/she deems appropriate and to report such sales to the City Council.

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- (1) Transfer. The City Manager shall have the authority to transfer surplus stock to other using departments.
- (2) Sale. The City Manager may sell all supplies which have become obsolete, unusable, or otherwise for public use, or to exchange the same for, or trade in the same on, new supplies. Sale of surplus property shall be accomplished by a competitive bidding procedure, open sale, auction, direct sale, or other method as determined by the City Manager. A report of all sales shall be made to the City Council.
  - (a) Competitive bidding. Sales under the competitive bidding procedure shall be made to the highest bidder and in conformance with Section 3 (1). The City Manager shall have the authority to award bids.



- (b) Open sale. The City Council may periodically, authorize the City Manager to conduct an open sale of surplus supplies. The date and location of such sales shall be publicized in a newspaper of general circulation and shall be published in any other manner which will be likely to inform the public of the pending sale.
- (c) Auction. The City Manager may conduct an auction of surplus supplies. The date and location of such auctions shall be published in a newspaper of general circulation and shall be publicized in any other manner which will be likely to inform the public of the pending auction.
- (d) Direct sale. The City Manager may sell surplus stock by negotiating a sale price directly with an individual, firm or entity.