

AMERICAN FORK CITY COUNCIL  
AUGUST 3, 2021  
WORK SESSION AGENDA

WORK SESSION

*The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.*

The American Fork City Council will meet in a work session on Tuesday, August 3, 2021 in the City Administration Office Conference Room, located at 51 East Main Street, commencing at 4:00 p.m. The agenda shall be as follows:

1. Discussion on the city's procurement policy.
2. Discussion on legislative priorities.
3. Adjournment

Dated this 29<sup>th</sup> day of July, 2021.



Terilyn Lurker  
City Recorder

- In accordance with the Americans with Disabilities Act, American Fork City will make reasonable accommodations to participate in the meeting. Requests for assistance can be made by contacting the City Recorder at 801-763-3000 at least 48 hours in advance of the meeting.
- The order of agenda items may change to accommodate the needs of the City Council, the staff, and the public.

# CITY COUNCIL STUDY ITEM

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City of American Fork  
COUNCIL WORK SESSION  
AUGUST 3, 2021

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Department Finance

Department *Anna Montoya*

**STUDY ITEM** Procurement Policy

## **BACKGROUND**

American Fork City adopted resolution 2017-01-05R approving a purchasing policy in January 2017. The proposed policy revises the current purchasing policy to include requirements that comply with State Code and Federal Granting requirements, increase departmental approval limits to accommodate large volume of weekly purchases, and provide clarity and firm criteria for approvals, exemptions, and requirements for sealed bids.

## **SUPPORTING DOCUMENTS**

American Fork Purchasing Policy-DRAFT (PDF)  
Purchasing Policy -AF (current) (PDF)  
Survey of purchasing limits (PDF)



**SECTION:**

- 01: Purposes
- 02: Scope
- 03: Definitions
- 04: General Powers
- 05: Purchasing Agent
- 06: Purchase Approvals
- 07: Procurement Procedures Generally
- 08: Competitive Procurement Processes
- 09: Construction Projects
- 10: Exceptions to Procurement Process
- 11: Appeals
- 12: Relief Due to Computation Error
- 13: Contract Matters
- 14: Contract Change Orders
- 15: Performance and Bid Bonds
- 16: Records Maintained
- 17: No Collusion
- 18: Ethical Conduct
- 19: Conflicts Prohibited
- 20: Ineligibility
- 21: Personal Purchases
- 22: Cost Plus Percentage of Cost Contract Prohibited; Exception
- 23: Sales of Goods or Services to City By Officials Or Employees
- 24: Participation by Bidder Who Supplies Specifications
- 25: Period of Time for Contract of Supplies Or Services
- 26: Failure to Comply
- 27: E-Verify Program
- 28: Purchasing Card

**SECTION 01: PURPOSES:**

- A. The purposes of this chapter are:
  - 1. To encourage an economic and efficient procurement process for the City;
  - 2. To encourage fair and competitive bidding in the City's procurement process;
  - 3. To facilitate the procurement of the highest quality services, products, and construction at the most reasonable and responsible cost to the City;
  - 4. To provide fair treatment of persons or entities who conduct business, or wish to conduct business, with the City; and
  - 5. To provide for transparency in the expenditure of City funds.



- B. Nothing in this chapter shall create any right, interest, or cause of action against the City, its officers, agents, or employees. The City's failure to follow any provision of this chapter shall not invalidate any particular procurement, provided that:
1. The failure was not a result of bad faith; and
  2. The purposes of this chapter have been substantially achieved.

**SECTION 02: SCOPE:**

This chapter governs expenditures of public monies by the City under any contract or similar business agreement, except as otherwise provided in this chapter.

**SECTION 03: DEFINITIONS:**

As used in this chapter:

- A. APPLICANT: Means any bidder, offeror, vendor, supplier, or proposer making a proposal.
- B. CHANGE ORDER: written order signed and issued by the Procurement Officer that directs the construction contractor to make changes to the work, price, or project timeline.
- C. COMPETITIVE PROCUREMENT PROCESS: Means the process of procuring any goods, services, or construction through competitive, sealed proposals to requests issued by the City through its open and public process.
- D. CONSTRUCTION is building, altering, repairing, installing or demolishing, in the ordinary course of business, any public structure or building. CONSTRUCTION shall not include the routine maintenance, operation or repair of existing facilities.
- E. CONTRACT is any agreement for the procurement of items of tangible personal property, services, and/or construction.
- F. INFORMAL BID is a request for price quotations for an item of personal property or services that does not require sealed competitive bids.
- G. NOTICE OF INVITATION FOR BIDS (IFB) is a document that contains a brief description of the services, construction, or items of tangible personal property to be procured; the locations where the invitation for bid can be obtained and where bids are to be received; the cost, if any, for copies of plans and specifications; the date and place of the bid opening; and any other information used in soliciting bids.
- H. NOTICE OF REQUEST FOR PROPOSALS (RFP) is a document that contains a brief description of the personal property, services or construction to be procured; the location where the request for proposals can be obtained; the date and place proposals are due; and any other information used for soliciting proposals.
- I. NOTICE OF REQUEST FOR QUOTES (RFQ) is a document that contains the specifications and terms of a proposed procurement anticipated to have a total cost less than the maximum amount allowed as a small purchase.
- J. PRE-BID/PRE-PROPOSAL CONFERENCE is a public meeting in which the scope, objectives, techniques and specifications are explained or discussed. If attendance is identified as mandatory, potential bidders or offerors shall attend to be qualified and eligible to submit bids or proposals.



- K. **PROCUREMENT:** buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.
- L. **PROFESSIONAL SERVICES** include but are not limited to the services of architects, archaeologists, engineers, land surveyors, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, registered public accountants, lawyers, psychologists, planners, researchers, and persons or businesses who provide similar services which require specialized knowledge, training, or education.
- M. **PROPOSAL:** Means any bid, proposal, purchase, or other offer or submission which is related to procurement by the City.
- N. **PURCHASE REQUEST** is a document by which a department requests the Purchasing Agent obtain a contract for a specified service, professional service, construction, or any item of tangible personal property.
- O. **REQUEST:** Means any invitation or request for bids, proposals, offers, submissions, quotes, or qualifications.
- P. **RESPONSIBLE BIDDER** is a person or entity that submits a responsive bid and furnishes, when required, information and data to prove that the bidder's financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services, construction, or items of tangible personal property described in the invitation for bids.
- Q. **SCOPE OF WORK** is a detailed description of the work which the Purchasing Agent requires a contractor to perform.
- R. **SOLE SOURCE:** goods or service for which there is only one source for the procurement item. Circumstances under which there is only one source of a procurement item may include: (1) where the most important consideration in obtaining a procurement item is the compatibility of equipment, technology, software, accessories, replacement parts, or service; (2) where a procurement item is needed for trial use or testing; (3) where transitional costs are unreasonable or cost prohibitive; or (4) where reasonably equivalent goods or services are not available from any other source.

#### **SECTION 04: GENERAL POWERS:**

The City may take any action with respect to procurement which is in the best interest of the City, provided that any such action is consistent with the purposes contemplated by this chapter including:

- A. Rejecting any proposal from an individual or entity which is in any position adverse to the City in any past, present, pending, threatened, or likely litigation, administrative proceeding, dispute resolution process, or similar proceeding;
- B. Rejecting any proposal that is determined by the City to be non-responsive or that the applicant is non-responsible pursuant to criteria established by the City in the request, this chapter, or a relevant City policy or code;
- C. Rejecting all or a portion of any proposal when doing so would be in the City's best interests and provided that any such rejection does not violate applicable laws;



- D. Waiving or modifying requirements within a particular request when doing so would be in the City's best interests and provided that any such waiver or modification does not violate applicable laws; or
- E. Utilizing any lawful means of solicitation to effectively, economically, and efficiently procure services, products, and construction, including:
  1. Requiring prequalification;
  2. Maintaining lists of prospective applicants;
  3. Procuring in phases, subject to the restrictions in subsection 2-2-6B of this chapter;
  4. Awarding multiple contracts, subject to the restrictions in subsection 2-2-6B of this chapter;
  5. Requiring multi-step, sealed bidding;
  6. Utilizing any means of notification;
  7. Requiring demonstrations of competence and responsibility; and
  8. Requiring special processes to meet the particular needs of the City.

### **3.02.05: PURCHASING AGENT:**

The City Administrator or a person designated by the city administrator shall act as the purchasing agent and be responsible for the following:

- A. Ensure that all purchases for services comply with this chapter;
- B. Review and approve purchases of the city in accordance with Section 6;
- C. Establish necessary additional procedures for the efficient and economical management of the contracting and purchasing functions authorized by this chapter. Such procedures shall be in writing and on file in the city recorder's office as a public record;
- D. Maintain accurate and sufficient records concerning all city purchases and contracts for services;
- E. Make recommendations to the city council concerning amendments to this chapter;
- F. In the absence of the city administrator, the mayor shall be designated and authorized to fulfill the duties of the city administrator with respect to any contract, purchase or payment that requires immediate action or execution. The mayor shall promptly notify the city administrator of any actions taken by the mayor.

### **SECTION 06: PURCHASE APPROVALS**

The following approvals are required for all purchases unless otherwise exempted in this chapter:

- A. City procurements of goods and services reasonably expected to cost less than two thousand five hundred dollars (\$2,500.00) do not require the solicitation of bids or proposals and shall be approved by a department head or their designated supervisor.
- B. City procurements of goods and services between two thousand five hundred dollars (\$2,501) and five thousand dollars (\$5,000.00) require the solicitation of three (3) verbal bids or proposals and shall be approved by a department head or their designated supervisor.



- C. Procurements of goods and services between five thousand dollars (\$5,001.00) and twenty-five thousand dollars (\$25,000.00) shall require three (3) written quotes for prices from proposed vendors. Purchases, contracts, and purchase orders over five thousand dollars (\$5,000.00) may be approved and signed by the department head and the finance director and provided the funds for such procurement have previously been appropriated by the City Council in the acquiring department's total budget appropriation.
- D. Procurements of goods and services between twenty-five thousand dollars (\$25,001.00) and fifty thousand dollars (\$50,000.00) shall require three (3) written quotes for prices from proposed vendors with the execution of a purchase order. Purchases, contracts, and purchase orders over twenty-five thousand dollars (\$25,000.00) may be approved and signed by the city administrator and provided the funds for such procurement have previously been appropriated by the City Council in the acquiring department's total budget appropriation.
- E. Where the amount of expenditure for any procurement, other than construction-related procurement, exceeds fifty thousand dollars (\$50,000.00), a competitive procurement process shall be utilized. Purchases, contracts, and purchase orders between fifty thousand dollars (\$50,000.00) and one hundred twenty-five thousand dollars (\$125,000.00) shall be approved and signed by the Mayor or City Administrator, provided the funds for such procurement have previously been appropriated by the City Council to the acquiring department's total budget appropriation.
- F. For construction-related procurement, a competitive procurement process shall be utilized where the amount is reasonably likely to exceed one hundred twenty-five thousand dollars (\$125,000.00). The purchasing agent, or designated department head, shall issue a request for the procurement by any means which the purchasing agent determines to be in the best interest of the City. The request and subsequent award of a contract, if applicable, shall conform to the requirements of this chapter and signed by the Mayor or City Administrator, provided the funds for such procurement have previously been appropriated by the City Council to the acquiring department's total budget appropriation.
- G. Purchases, contracts, and purchase orders exceeding fifty thousand dollars (\$50,000.00) shall be ratified by the City Council.

#### **SECTION 7: PROCUREMENT PROCEDURES GENERALLY:**

- A. Competitive procurement includes the following methods, used as appropriate:
  1. COMPETITIVE SEALED BIDS - All procurement is achieved by competitive sealed bids except when competitive sealed proposals are authorized for small purchases, sole sources, emergency procurement or for purchases under existing contracts.
  2. INVITATION FOR BID - An Invitation for Bid (IFB) is a solicited competitive sealed bid for the purpose of procuring services, construction or items of tangible personal property.
  3. REQUEST FOR PROPOSAL - A Request for Proposal (RFP) is a solicited competitive sealed proposal for the purpose of procuring professional services or when the Purchasing



office makes a determination that the use of competitive sealed bidding is either not practicable or advantageous to the City.

- B. Any procurement not covered by a previous appropriation shall require approval of the City Council.
- C. All contracts must be countersigned by the City Recorder who shall, as the custodian of the records, maintain a copy of the contract as required by State Records Law.
- D. The City shall not avoid the competitive procurement process by dividing a project into smaller projects for the purpose of bringing each part of the project below the amount where the competitive procurement process would otherwise be required.
  - 1. Change orders which could not have reasonably been foreseen or contemplated shall not be deemed a division of a project into smaller projects for the purpose of bringing each part of the project below the amount where the competitive procurement process would otherwise be required.
  - 2. Fee increases of not more than five percent (5%) in a multi-year or automatically renewing contract shall not be deemed a division of a project into smaller projects for the purpose of bringing each part of the project below the amount where the competitive procurement process would otherwise be required.
  - 3. When the City has the option to extend the term of a contract for additional terms, the extension shall be approved by: 1) a department head if the annual amount of the original contract was less than forty thousand dollars (\$50,000.00); 2) the Mayor or City Administrator if the annual amount of the original contract was between forty thousand dollars (\$50,000.00) and one hundred twenty five thousand dollars (\$125,000.00); and 3) the City Council if the annual amount of the original contract was greater than one hundred twenty five thousand dollars (\$125,000.00).
  - 4. If a multi-year or automatically renewing contract is for a term of five (5) or more years, or if the contract has been automatically renewed for a period of five (5) years, the contract shall be subject to the competitive procurement process at the end of the then-existing term thereof.

#### **SECTION 08: COMPETITIVE PROCUREMENT PROCESSES:**

A Department Head may act as Purchasing Agent for competitive procurement processes as designated by the City Administrator. The competitive procurement processes shall include, at a minimum, the following requirements:

- A. Competitive Sealed Bids
  - 1. Exceptions. All procurement shall be achieved by competitive sealed bids except:
    - a. When competitive sealed proposals are authorized;
    - b. For small purchases;
    - c. For sole source procurement;
    - d. For emergency procurement;
    - e. When procured under existing contracts.



2. Invitations for bids (IFB's).
  - a. The Purchasing Agent shall prepare or review, and approve all IFB's, which shall contain:
    - +4, The specifications for the services, construction or items of tangible personal property to be procured;
    - +5, All contract terms and conditions applicable to the procurement;
    - +6, A bid form;
    - +7, The location where bids are to be received;
    - +8, Date, time and place of the bid opening;
    - +9, A notice that states: The City of American Fork imposes civil and criminal penalties for its violation in addition to the felony penalties for illegal bribes, gratuities and kickbacks imposed by the Utah State Code 76-8-103.
  - b. No notice of an invitation for bids shall be published prior to the completion or approval of the invitation for bids by the Purchasing Agent.
  - c. Any business requesting an invitation for bids shall, at the time the request is made, provide to the Purchasing Agent a current mailing address, telephone and fax numbers, and email address, if available.
3. Amendments to the invitation for bid.
  - a. The Purchasing Agent may amend the invitation for bid to:
    - +4, Make material changes such as changes in quantity, purchase descriptions, specifications, delivery schedules and opening dates;
    - +5, Correct defects or ambiguities;
    - +6, Furnish all bidders information given to one bidder, if such information will assist the other bidders in submitting bids, or if the lack of such information would prejudice the other bidders.
  - b. Any amendment shall be mailed first class or faxed or electronically transmitted to all bidders that have supplied their current contact information, pursuant to subsection (B)(3) of this section, not less than seven calendar days prior to the scheduled bid opening.
4. Bidding time.
  - d1 Bidding time is the period of time between publication of the invitation for bids and the date of bid opening.
  - b. The Purchasing Agent shall allow a reasonable bidding time for preparation of bids, except when a shorter time is determined to be in the best interest of the city. In no event shall the bidding time be less than 10 calendar days.
5. Public notice. Publications of invitations for bid, or a notice thereof, shall be made in a newspaper of general circulation in the city or on the State of Utah Division of Purchasing Public Procurement Place. The Purchasing Agent may authorize additional publication as is commercially reasonable. A copy of an IFB shall be made available for public inspection at the Purchasing Agent or on the city website.



6. Pre-bid conference.
  - a. Pre-bid conferences may be conducted to explain the procurement requirements. They shall be announced to all prospective bidders known to have received an IFB.
  - b. Nothing stated at the pre-bid conference shall change the IFB's unless a change is made by written amendment.
7. Receipt and acceptance of bids.
  - a. Bids must be accepted for consideration, without alteration or correction, except as authorized in the procurement code.
  - b. Bids are to be evaluated on the requirements set forth in the invitation for bids. Any criteria that affect the bid price, such as discounts, transportation costs, total or life cycle costs, must be objectively measurable. No criteria may be used in bid evaluation that are not set forth in the invitation for bids.
  - c. Each bid received by the Purchasing Agent shall be stamped as received and labeled with date and time of filing. All bids shall be retained by the Purchasing Agent in a secure place until the date and time for opening.
8. Negotiations. If the lowest responsible bid has otherwise qualified, and if there is no change in the original terms and conditions, the city may negotiate with the lowest bidder for a lower total bid in order to avoid rejection of all bids for the reason that the lowest bid exceeded budgeted project funds. Such negotiation shall not be allowed if the lowest bid is more than 10% over budgeted project funds.
9. Correction or withdrawal of bids.
  - a. A bid mistake discovered before bid opening may be modified or withdrawn by a bidder prior to the opening by delivering a written notice to the Purchasing Agent.
  - b. After bid opening, no modifications in price or other provisions of bids are permitted. However, a low bidder, alleging a material mistake of fact which makes the bid non-responsive, may be permitted to withdraw the bid if:
    - +4 , The mistake is clearly evident on the face of the bid; or
    - +5 , The bidder submits evidence which clearly and convincingly demonstrates that a mistake was made.
  - c. The decisions to permit or deny withdrawal of a bid on the basis of mistake is a decision to be made by the Procurement Officer and shall be supported by a written determination setting forth the grounds of the decision.
  - d. After the bid opening and prior to the award, the following provisions apply:
    - +4 , Technical irregularities are matters of form, rather than substance, which are evident from the bid document, or insignificant mistakes that can be waived or corrected without prejudice to other bidders; i.e. when there is no effect on the price, quantity, quality, delivery, or material contract conditions. The Procurement Officer may waive such irregularities, or allow the low bidder to correct them, if either action is in the best interest of the city. Examples include, but are not limited to, the failure of a low bidder to return the number of signed bids required by the invitation for bids or sign the bid, but only if the unsigned



bid is accompanied by other material indicating the low bidder's intent to be bound.

- +5, Mistakes where the intent of a bid is clearly evident on the face of the bid document shall be corrected and may not be withdrawn. Examples of mistakes that may be clearly evident on the face of the bid document are typographical errors, errors in extending unit prices, transposition errors, and arithmetical errors.
- +6, All corrections or withdrawals allowed by the Procurement Officer shall be supported by a written determination placed in the specific procurement file.
- +7, A bid is to be opened publicly in the presence of one or more witnesses at the time and place designated in the IFB. The amount of each bid, and each bid item (if appropriate), and other relevant information, together with the name of each bidder, shall be recorded in the procurement file and each bid shall be open to public inspection.

#### 10. Bid award.

- a. Following award, a record of the basis for the award and the names of all people present at the bid opening shall be made part of the procurement file.
- b. Written notice of the award shall be sent to all bidders of record.
- c. A contract shall be awarded on the bid amount exclusive of any applicable state gross receipts or local option tax. Contracts shall require the city to pay these applicable taxes, including any increase that becomes effective after the contract is executed. The applicable gross receipts tax or local option tax shall be shown as a separate amount on each billing or request for payment made under the contract.

#### 11. Multi-step sealed bidding.

- a. General. When the Purchasing Agent makes a determination that it is impractical to prepare initial specifications to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an IFB.
- b. Definition. Multi-step sealed bidding is a two-phase process consisting of a technical first phase composed of one or more steps in which bidders submit unpriced technical offers to be evaluated by the Purchasing Agent, and a second phase in which those bidders whose technical offers are determined to be acceptable during the first phase have their price bids considered. It is designed to obtain the benefits of competitive sealed bidding by award of a contract to the lowest responsible bidder, and at the same time obtain the benefits of the competitive sealed proposals procedure through the solicitation of technical offers and the conduct of discussions to evaluate and determine their acceptability.
- c. Pre-bid conferences in multi-step sealed bidding. Prior to the submission of unpriced technical offers, a pre-bid conference may be conducted. In addition, a conference of all potential bidders may be held at any time during the evaluation of the unpriced technical offers.



- d. Receipt and handling of unpriced technical offers. Unpriced technical offers shall not be opened publicly but shall be opened in front of two or more witnesses. Such offers shall not be disclosed to unauthorized persons or be made available to competing offerors.
  - e. Procurement Officer decision. With the approval of the Procurement Officer, the Purchasing Agent may initiate phase two of the procedure if there are sufficient acceptable unpriced technical offers to assure effective price competition in the second phase, without technical discussions. If such is not the case, the Purchasing Agent shall issue an amendment to the invitation for bids or engage in technical discussions as set forth in subsection (J)(2) of this section.
  - f. Mistakes during multi-step bidding. Mistakes may be corrected, or bids may be withdrawn during phase one at any time. During phase two, mistakes may be corrected or withdrawn in accordance with the provisions of this procurement code for correcting mistakes in regular sealed bids.
  - g. Procedure for phase two. Phase two shall be conducted as any other competitive sealed bid procurement except:
    - +4 , No public notice need be given of this invitation to submit priced bids because such notice was previously given.
    - +5 , Unpriced technical offers of bidders who are not awarded the contract shall not be open to public inspection unless the Procurement Officer determines in writing that public inspection of such offers is essential to assure confidence in the integrity of the procurement process.
12. Identical low bids. When two or more identical low bids are received, the Purchasing Agent may:
- a. Award pursuant to the multiple source award provisions of the procurement code; or
  - b. Award by lottery to one of the identical low bidders.
13. Bid security.
- a. When applicable, bidders for construction contracts must provide bid security when the price is estimated to exceed \$25,000. The bid security shall be equal to at least five percent of the amount of the bid and shall be (1) a bond provided by a surety company authorized to do business in this state; or (2) the equivalent in cash; or (3) otherwise supplied in a form satisfactory to the city.
  - b. Bid and performance bonds and other security.
    - +4 , Bid security, performance bonds or other security may be required for contracts for items of tangible personal property or services as deemed necessary to protect the city.
    - +5 , Any bonding requirements shall not be used as a substitute for a determination of the responsibility of a bidder or offeror.
    - +6 , The Procurement Officer may reduce the bid bond, performance bond or payment bond to encourage procurement from small businesses.



14. Rejection of bids.
  - a. When the IFB requires bid security, failure to provide such security is grounds for rejection.
  - b. If a bidder is permitted to withdraw its bid before award, no action shall be taken against the bidder or its surety.
- B. Competitive Sealed Proposals
  1. Competitive sealed proposals may be used when:
    - a. Procuring professional services; or
    - b. For a design and build project; or
    - c. When the Purchasing Agent makes a determination that the use of competitive sealed bidding is either not practicable or advantageous to the city; or
    - d. Procuring contracts for construction, facility maintenance, service and repairs.
  2. Request for proposals. Competitive sealed proposals are solicited through a request for proposals (RFP) and include the same material that an IFB includes. The RFP should include:
    - a. The specifications for the services or items of tangible property to be procured;
    - b. All contract terms and conditions applicable to the procurement;
    - c. Instructions and information to offerors, including the date, time and place where proposals are to be received and reviewed;
    - d. All evaluation factors, including the relative weight to be given to each factor, including price, when applicable;
    - e. A statement that discussions may be conducted with offerors who submit proposals, but that proposals may be accepted without such discussions;
    - f. A statement of when and how price should be submitted and a cost proposal form, when required;
    - g. A statement that the Purchasing Agent shall be the sole point of contact with the city during the procurement process, and that communications initiated by offerors with other city personnel, without the coordination of the Purchasing Agent, is grounds for offeror disqualification for that specific procurement.
  3. Public notice. Publication of an RFP or a notice thereof shall be made in a newspaper of general circulation in the city or on the State of Utah Division of Purchasing Public Procurement Place. The Purchasing Agent may authorize additional publication as is commercially reasonable.
    - a. The Purchasing Agent shall send copies of an RFP to those businesses which have signified in writing an interest in submitting proposals and which have paid any required fees.
    - b. A copy of the RFP shall be made available for public inspection and shall be posted at the Purchasing Agent or on the city website.



4. Pre-proposal conference.
  - a. Pre-proposal conferences may be conducted to explain the procurement requirements. Notice of a conference shall be given to all prospective offerors that have received an RFP.
  - b. Nothing stated at the pre-proposal conference shall change the RFP, unless a change is made by written amendment.
5. Evaluation of proposals.
  - a. An evaluation committee established by the Purchasing Agent shall evaluate a proposal's merits as required by the evaluation factors in the RFP. Numerical rating systems may be used but are not required.
  - b. The Purchasing Agent may require a cost proposal to be submitted under separate cover and scored independently, if necessary to prevent cost information from influencing the evaluation of other factors.
  - c. Proposals for professional services shall be evaluated on the basis of demonstrated competence and qualifications for the type of professional service required and shall be based on the evaluation factors set forth in the request for proposals, including price where applicable.
6. Negotiations.
  - a. Offerors submitting proposals may be afforded an opportunity for discussion and revision of proposals.
  - b. Revision may be permitted after the submission of a proposal, but prior to award, and for the purpose of obtaining the best and final offers in response to an RFP. Negotiations may be conducted with the highest ranked responsible offerors.
  - c. The contents of any proposal shall be available only to the evaluation committee and shall not be disclosed so as to be available to competing offerors or the public during the negotiation process or prior to award.
7. Proposal award.
  - a. The award shall be made to the responsible offeror or offerors whose proposal is most advantageous to the city, taking into consideration the evaluation factors set forth in the RFP.
  - b. Written notice of the award shall be sent to all offerors of record.
  - c. A contract shall be awarded on the proposal cost, exclusive of any applicable state gross receipts or local option tax. Contracts shall require the city to pay these applicable taxes, including any increase that becomes effective after the contract is executed. The applicable gross receipts tax or local option tax shall be shown as a separate amount on each billing or request for payment made under the contract.
- C. Cancellation and rejection of bids. An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interest of the city; the reasons for cancellation or rejection shall be made part of the contract file.



### **SECTION 09: CONSTRUCTION PROJECTS:**

- A. Contracts for City construction projects shall comply with this chapter as well as any applicable Federal and State law, including Utah Code Annotated sections 10-7-20.5, 10-7-86, and 14-1-18.
- B. The City may utilize as many alternative methods of construction contracting and management as the City determines to be in its best interest, including, but not limited to, Design-Bid-Build, Design-Build (DB), Construction Manager-General Contractor (CMGC), Best Value Contracting, etc.

### **SECTION 10: EXCEPTIONS TO PROCUREMENT PROCESS:**

- A. The following procurements, transactions, scenarios, products, and services are not subject to the competitive procurement processes contemplated by this chapter:
  1. Grants, gifts, and bequests, provided that any such transfer complies with applicable law and ethical practices and that prior to the City accepting any such transfer, the Mayor has approved the same;
  2. Superior or more suitable products, provided that the City documents in writing how any such product significantly surpasses similar competing products in terms of quality, serviceability, or longevity, or that such product is better suited to the needs of the City to lower costs of inventory or to maintain compatibility with existing City-owned equipment;
  3. Interlocal agreements or other similar cooperative arrangements with any Federal, State, County, or other local government entity, including special service districts, school districts, and other similar entities, for the purpose of procuring goods and services via any such agreement or arrangement administered by another governmental entity; however, prior to entering into any such interlocal agreement or other similar cooperative arrangement, the City shall document in writing that the benefits of this method of procurement outweigh utilizing the competitive procurement process;
  4. Purchasing under State contracts;
  5. When procurement involves the expenditure of Federal or State funds received by the City, provided that the City's qualifications for receiving the funds require the City to utilize procurement processes other than those contemplated by this chapter;
  6. Emergency situations where the competitive procurement processes could not reasonably be utilized, in which case the emergency procurement shall be made with as much competition as practicable in light of the circumstances and, following the emergency procurement, the individual who made the procurement shall provide a written declaration to the purchasing agent detailing the procurement, including the cost of the emergency procurement, the circumstances necessitating an emergency procurement, and the procedures utilized in the emergency procurement. An emergency situation is an imminent threat to the public's health, welfare, safety, or when there exists an imminent and substantial risk of injury or loss to property under conditions which reasonably do not permit fulfilling all the purchasing requirements in



- this chapter. Before proceeding with procurement under this section, a purchasing agent must notify and receive approval from the City Administrator or Finance Director.
7. When products or services are reasonably available only from a single source, in which case prior to procurement the City shall document in writing the efforts that were taken to determine that the subject products or services were, in fact, reasonably available only from a single source;
  8. When a contractor is already on site;
  9. When due to an inventory of replacement or servicing parts which is compatible with existing specific equipment used by the City, the City has a contract or multiple contracts for the continual replenishment of the inventory;
  10. Professional services contracts including legal, engineering, accounting, financial services and architectural;
  11. When fewer than three (3) timely and responsive proposals are received by the City, in which case the purchasing agent may procure the goods or services from any source and in any legal manner which the purchasing agent determines to be in the best interests of the City; and
  12. Contracts for special investigatory or similar services or supplies for the Police Department where confidentiality is necessary.
- B. At the discretion of the purchasing agent, the City may utilize the competitive procurement process for any of the exceptions listed in subsection A of this section.

#### **SECTION 11: APPEALS:**

- A. An applicant may appeal an award of contract by filing a written notice of appeal with the City Recorder.
  1. The notice of appeal shall be filed by the applicant or its legal representative within ten (10) calendar days of the award of contract by the City and shall contain:
    - a. The name, address, email, and telephone number of the applicant;
    - b. Identification of the contract or procurement number;
    - c. A detailed statement of all legal and factual grounds for the appeal, including true and accurate copies of all supporting documentation;
    - d. A detailed explanation of the relief requested; and
    - e. The signature of the applicant or its legal representative.
  2. The purchasing agent shall issue a written decision within fifteen (15) calendar days after receiving the notice of appeal. The purchasing agent shall send the written decision to the applicant, as well as any other party which the purchasing agent determines may have an interest in the appeal. The written decision shall state the basis for the decision and either grant or deny the relief requested by the applicant.
    - a. If no written decision is issued within fifteen (15) calendar days after receiving the notice of appeal, the applicant's appeal shall be considered denied by the purchasing agent.



- b. The purchasing agent, in the agent's sole discretion, may conduct a hearing before rendering a decision on the applicant's notice of appeal. Notice of the hearing shall be provided to the applicant, as well as any other party which the purchasing agent determines may have an interest in the appeal. At the hearing, interested parties shall have an opportunity to be heard and to present evidence within the discretion of the purchasing agent.
    - c. The purchasing agent, in his or her sole discretion, may decide to postpone moving forward with the appealed procurement until the appeal has been resolved.
  - B. The purchasing agent's written decision may be appealed to the Mayor by any aggrieved party, including the City, by filing a written notice of appeal of the decision with the City Recorder.
    1. The notice of appeal shall be filed by the aggrieved party or its legal representative within ten (10) calendar days after the purchasing agent has issued the written decision and shall contain:
      - a. The name, address, email, and telephone number of the aggrieved party or its legal representative;
      - b. Identification of the contract or procurement number;
      - c. A detailed statement of all legal and factual grounds of the appeal of the purchasing agent's written decision, including true and accurate copies of all supporting documentation;
      - d. A detailed explanation of the relief requested; and
      - e. The signature of the aggrieved party or its legal representative.
    2. The Mayor or the Mayor's designee shall issue a written decision within fifteen (15) calendar days after receiving the notice of appeal. The Mayor or the Mayor's designee shall send the written decision to the aggrieved party, as well as any other party which the Mayor or the Mayor's designee determines may have an interest in the appeal. The written decision shall state the basis for the decision and shall either grant or deny the relief requested by the aggrieved party.
      - a. If no written decision is issued within fifteen (15) calendar days after receiving the notice of appeal, the aggrieved party's appeal shall be considered denied by the Mayor or the Mayor's designee.
      - b. The Mayor or the Mayor's designee, in his or her sole discretion, may conduct a hearing before rendering a decision on the aggrieved party's notice of appeal. Notice of the hearing shall be provided to the aggrieved party, as well as any other party which the Mayor or the Mayor's designee determines may have an interest in the appeal. At the hearing, interested parties shall have an opportunity to be heard and to present evidence within the discretion of the Mayor or the Mayor's designee.
      - c. The Mayor or the Mayor's designee, in his or her sole discretion, may decide to postpone moving forward with the appealed procurement until the appeal has been resolved.



3. The administrative appeals procedure contemplated by this chapter shall be exhausted before other legal remedies may be pursued.
4. At all times, the party filing the appeal or lawsuit shall bear the burden of proof. A procurement decision made pursuant to this chapter shall be presumed valid unless the party can prove by clear and convincing evidence that any such decision is arbitrary, capricious, or illegal.

**SECTION 12: RELIEF DUE TO COMPUTATION ERROR:**

Any bidder who seeks to withdraw a bid may do so prior to the date and time set for the bid closing.

**SECTION 13: CONTRACT MATTERS:**

- A. Uniform contract clauses. All city contracts for supplies, services, professional services and construction shall include provisions necessary to define the responsibilities and rights of the parties to the contract. The Purchasing Agent may require contract provisions appropriate for any such supply, service, professional service or construction contracts, addressing among others the following subjects:
  1. Unilateral right of the city to order, in writing, changes in the work within the scope of the contract or temporary stoppage of the work, or delay of performance;
  2. Variations occurring between estimated quantities of work in a contract and actual quantities, when a contract consists of pre-determined unit prices;
  3. Liquidated damages;
  4. Permissible excuses for delay or nonperformance;
  5. Termination for default;
  6. Termination, in whole or in part, for convenience of the city;
  7. Assignment clauses;
  8. Identification of subcontractors by bidders in bids;
  9. Uniform subcontract clauses;
  10. Compensation;
  11. Payment terms;
  12. Term;
  13. Non-appropriation clause;
  14. Other such similar clauses as may be appropriate.
- B. Price adjustments. Adjustments in price shall be computed in one or more of the following ways or as otherwise specified in the contract:
  1. By agreement on a fixed price adjustment before commencement of performance;
  2. By unit price as specified in the contract or subsequently agreed upon;
  3. By the cost attributable to the events or conditions as specified in the contract or subsequently agreed upon;
  4. In any other manner agreed upon by the parties.



**SECTION 14: CONTRACT CHANGE ORDERS:**

- A. A City department head is authorized to approve change orders to a contract when the total amount of all such change orders is less than twenty-five thousand dollars (\$25,000.00).
- B. The Mayor or City Administrator is authorized to approve change orders to a contract when the total amount of all such change orders is between twenty-five thousand dollars (\$25,000.00) and one hundred twenty five thousand dollars (\$125,000.00).
- C. The City Council must approve change orders to a contract when the total amount of all such change orders exceeds one hundred twenty five thousand dollars (\$125,000.00).
- D. At their discretion, the Mayor or City Administrator may require a change order of any amount to be approved by the City Council.

**SECTION 15: PERFORMANCE AND BID BONDS:**

Performance and bid bonds may be required by the purchasing agent in such amounts as the purchasing agent determines are needed to protect the best interests of the City. The nature, form, and amount of such bonds shall be described in the notice inviting bids or in the request for competitive sealed proposals.

**SECTION 16: RECORDS MAINTAINED:**

The purchasing agent or department head shall keep records relating to procurement as required by the City's retention schedule.

**SECTION 17: NO COLLUSION:**

- A. Collusion Among Bidders: Any agreement or collusion among bidders or prospective bidders is a restraint of freedom of competition and any agreement to bid a fixed price, or otherwise, shall render the bids of such bidders void. In addition to any criminal penalties that may be applicable, the City may pursue all other legal and equitable remedies against any individual or entity involved in such an agreement or collusion. Any individual or entity which the City determines to have engaged in any such agreement or collusion shall be disqualified from consideration in future procurement opportunities with the City. Any such agreement or collusion shall constitute a material breach of any contract which was obtained as a result of the agreement or collusion.
- B. Gratuities: The acceptance of any gift, benefit, or gratuity in the form of cash, merchandise by an official or employee of the City from a vendor or contractor, or prospective vendor or contractor would reasonably be expected to substantially influence the actions of the official or employee in favor of the giver in future procurements or negotiations and will be deemed to be a violation of this chapter and may be cause for removal or other disciplinary action.



### **SECTION 18: ETHICAL CONDUCT**

- A. Employee participation.
1. No employee of the city shall participate directly or indirectly in a procurement when the employee knows that the employee or any member of the employee's immediate family has a financial interest in the business seeking or obtaining a contract.
  2. This prohibition does not apply if the financial interest is held in a blind trust.
- B. Contingent fees prohibited.
1. It is unlawful for a person or business to be retained, or for a business to retain a person or business, to solicit or secure a contract upon an agreement or understanding that the compensation is contingent upon the award of the contract.
  2. The only exceptions to the prohibitions set forth in subsection (C)(1) of this section are the retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business; and persons or businesses which provide professional services in anticipation of the receipt of federal or state grants or loans.
- C. Contemporaneous employment. No employee of the city who is participating directly or indirectly in the procurement process can become or be, while employed by the city, an employee of any person or business contracting with the city.
- D. Waivers. The governing body of the city may grant a waiver from unlawful employee participation or contemporaneous employment if it determines that:
1. The contemporaneous employment financial interest has been publicly disclosed;
  2. The employee will be able to perform his or her procurement functions without actual or apparent bias or favoritism; and
  3. The employee participation is in the best interest of the city.
- E. Use of confidential information. No employee of the city or former employee may knowingly use confidential information for actual or anticipated personal gain or for the actual or anticipated personal gain of any other person.

### **SECTION 19: CONFLICTS PROHIBITED**

No person involved in making procurement decisions may have personal investments or derive any income from any business entity which may create a conflict between their private interests and their public duties.

### **SECTION 20: INELIGIBILITY:**

In addition to all other remedies permitted by law, the Mayor may declare a bidder or contractor ineligible to bid on City procurement and public works contracts for a period not to exceed five (5) years for any of the following grounds: two (2) or more claims of computational error in bid submission within a two (2) year period; an unjustified refusal to provide or execute contract documents; unsatisfactory performance of contract; unjustified refusal to perform or complete contract work or warranty performance; unjustified failure to honor or observe contractual obligations or legal requirements pertaining to the contract; or conviction under State or Federal Statutes for fraud, bribery, theft, falsification or destruction of records,



receiving stolen property or of any other similar crime or offense indicating a lack of business integrity and which would directly affect the reliability and credibility of performance of such a vendor or contractor with future contracts with the City.

**SECTION 21: PERSONAL PURCHASES:**

Procurements of goods and services ordered on City credit or paid for by the City which is for the personal use of an official or employee of the City shall not be delivered, or if delivered, shall be void or voidable at the City's option. Such personal procurements shall not be permitted and shall be considered cause for disciplinary action. Due to the tax exempt status of the City, City officers and employees may not purchase goods or services for personal use from suppliers on a City account.

**SECTION 22: COST PLUS PERCENTAGE OF COST CONTRACT PROHIBITED; EXCEPTION:**

Subject to the limitations of this section or other applicable law, any type of contract which will promote the best interests of the City may be used, except a cost plus a percentage of cost contract is prohibited. A cost reimbursement contract may be used only when a determination is made in writing by the Mayor, City Administrator, or the department head, that such contract is likely to be less costly to the City than any other type, or that it is impracticable to obtain the supplies, services or construction required except under such a contract.

**SECTION 23: SALES OF GOODS OR SERVICES TO CITY BY OFFICIALS OR EMPLOYEES:**

City officials and employees may sell goods or services to the City under the following conditions:

- A. An employee or the employee's spouse, parent, children or siblings may not sell goods or services to the employee's department unless the sale is first approved in writing by the department head and either the Mayor or City Administrator.
- B. All such transactions are subject to applicable provisions contained in Utah Code Annotated regarding ethics of Municipal officials and employees.

**SECTION 24: PARTICIPATION BY BIDDER WHO SUPPLIES SPECIFICATIONS:**

A person other than a City employee who has prepared specifications used substantially by the City in determining from which bidder or proponent it wishes to purchase goods or services may participate in a bid or proposal procurement where the purchasing agent determines in his or her reasonable discretion that such participation will be in the best interest of the City.

**SECTION 25: PERIOD OF TIME FOR CONTRACT OF SUPPLIES OR SERVICES:**

- A. Unless otherwise provided by law, a contract for supplies or services may be entered into for any period of time deemed to be in the best interests of the City; provided, that the term of the contract and conditions of renewal or expansion, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting.



Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds by the City Council.

- B. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled. The contractor may apply for reimbursement for the reasonable value of any nonrecurring costs incurred, but not amortized in the price of the supplies or services delivered under the contract, which may be awarded in the reasonable discretion of the purchasing agent. The cost of cancellation may be paid from any appropriations available for that purpose.

**SECTION 26: FAILURE TO COMPLY:**

The failure to follow any provision of this chapter shall not render procurement invalid, nor give a bidder or proponent a claim or right against the City or the employee responsible for such failure.

**SECTION 27: E-VERIFY PROGRAM:**

All bidders and contractors under this chapter shall be required to participate in the e-verify program.

**SECTION 28: PURCHASING CARD**

For purchases made with a City issued purchasing card, please refer to the Purchasing and Credit Card Manual for policies, procedures and purchasing limits.



**AMERICAN FORK**  
**PURCHASING INFORMATION**  
**BOOKLET**

Attachment: Purchasing Policy -AF (current) (Procurement Policy)

Finance Department  
51 East Main Street  
American Fork, UT 84003  
(801) 763-3000

January 24, 2017

This handbook has been prepared as a brief introduction to acquaint you with the purchasing procedures of American Fork City, Utah. Familiarity with these procedures will aid you in expediting your acquisition needs by following correct purchasing procedures.

Should you have any questions that are not answered herein, please call our Finance Director at (801) 763-3000 ext. 120, e-mail: [tcoombs@afcity.net](mailto:tcoombs@afcity.net) or visit our office at 51 East Main Street, 2<sup>nd</sup> Floor, American Fork, Utah 84003.

Sincerely,



Trevor A. Coombs  
Finance Director

### **Purchasing Division Objective Declaration**

To maintain a Centralized Purchasing System consisting of the procurement and control of materials, which is designed to maximize the effectiveness of the tax dollar, while providing timely and adequate support of the City's needs for materials and service?

### **Code of Ethics**

Purchasing is a basic business function. Sound purchasing practices are integral to credibility and reliability in the everyday activities of government. Purchasing activities are of public interest and a matter of public record. The City Finance Department is governed by the highest ideals of honor and integrity in all public and personal relationships in order that we may merit the respect and inspire the confidence of the agency and the public, which we serve.

### **Prohibited Practices**

It shall be unlawful for any officer, agent or employee of the City, or any outside party or entity dealing or seeking to deal with the City, to:

1. Engage in collusion among bidders or prospective bidders to fix or in any way rig prices or bids.
2. Disclose in advance of the opening of bids of the amount or content of one bid to another bidder or potential bidder.
3. Tender or accept any gratuity in the form of cash, merchandise or other thing of value by a bidder, vendor or contractor, before or after a bid, which could influence performance of duties.
4. Purchase of supplies or equipment for the personal use of an officer, agent or employee of the City in the name of the City, whether part of a City purchase or contract or separate, and whether paid for with City funds or personal funds of the purchaser. Sole exception shall be where the item or items purchased are required parts of a worker's equipment or uniform and necessary to the successful performance of his duties as a City officer or employee, although personally owned by him.

### **Procurement Policies**

Purchasing is guided in its procurement procedures by several established policies.

These policies are:

1. To conduct all procurement in accordance with the Utah State Law and the American Fork City Purchasing Ordinance.
2. To obtain the required quantity and quality of materials at the most cost effective price.
3. To maximize competition, and provide interested and qualified individuals or firms with the opportunity to offer their products or services to the City.

### **Hours of Business**

The Finance office is open for business from 7:00 a.m. to 5:30 p.m., Monday through Thursday with the exception of Holidays. Visitors may visit the Finance Director without appointment, but appointment will guarantee availability. Appointments may be made by telephoning (801) 763-3000.

### **Vendor Information**

The evaluation of bids and/or quotations and the determination of supplies, materials, or services, offered shall be the responsibility of the City and will be based on the information furnished by the bidder, as well as other information reasonable to the City. The City reserves the right to purchase on the basis of what is most advantageous to the City.

### Vendor Selection

Evaluation criteria may include but not necessarily be limited to: (1) product performance and quality, (2) delivery and maintenance considerations, (3) ratings by professional reports and trade journals, (4) compatibility with existing City equipment, (5) cost, (6) and any other factor that would be advantageous to the City.

### Individual or Firm

Should an individual or firm fail to meet any requirements of a bid specification or purchase order, they can be cited for non-performance. Each non-performance will be evaluated based on the circumstances surrounding each violation. The City may terminate the contract for default if it is in the best interest of the City. An individual or firm may be suspended from doing business with the City for a period of up to one year for not conforming to the terms of the City's contracts or purchase orders.

### Cooperative Purchasing Contracts

The State of Utah institutes and administers cooperative purchasing agreements among governmental agencies and political subdivisions. The City actively participates in these agreements for many of the commonly used items or will use as one of the three (3) bids for items requested. To obtain information concerning these contracts, log onto the website at <http://www.purchasing.state.ut.us/> or contact the City's Finance Department.

### Informal Bid Procedures

Those purchases that are under \$1,000 are encouraged to obtain three (3) bids, but aren't required to have (3) bids with bidding procedures. Those that are over \$1,000, but less than \$10,000 will be solicited by three (3) bids submitted to or attained by the Finance Department. Those that are over \$10,000 will be solicited by three (3) bids submitted to or attained by the Finance Department and the City Administrator's will also approve requisition. Those purchases that are over \$25,000 will be solicited by three (3) bids submitted to or attained by the Finance Department, approved by the City Administrator and will be approved by Mayor and City Council.

There are different options available to the employee for purchasing under the informal bidding procedures. They are as follows:

#### **For purchases under \$1,000 that you order/pick up: (Department Purchase Requisition)**

Determine best price

Go to vendor

- Purchase item with Department Purchase Requisition
  - The Department Purchase Requisition (DPRs) are a system-utilizing field purchases less than \$1,000. The entire order is complete when the employee picks up the goods and sends the DPO copy and invoice to Accounts Payable.
    - Adequately describe item on DPR.
    - Code the DPR with the proper General Ledger (GL) code.
    - DPR should be signed by purchaser and supervisor (Department Head).
    - Attach invoice to DPR and send to Accounts Payable.
- Purchase item using City Credit Cards/Purchase Cards

- Keep copy of sales slip (receipt) and attach receipts to credit card statement.
- Meals purchased with credit card need to document business purpose, number people served and name and location of restaurant.
- When receiving your statement, code the purchase with the correct GL code, attach sales slip and forward to your approving authority (Department Head).
- Forward approved credit card statement to Accounts Payable.

**For purchases requisitions \$1,000 to \$10,000:**

- Complete a purchase requisition form.
  - Send to Finance
  - Adequately describe the item(s); providing all-inclusive specification or special requirements.
  - Code the purchase requisition with the proper GL code(s).
  - Ensure that authorized signatures are on the requisition; supervisor/Department Head.
  - Include vendor (name, address, and phone) for bid excepted.
  - Include three (3) bids submitted with accepted bid listed on the purchase requisition form.
  - Include address where you want item(s) delivered.
  - Wait to order until a hard copy of the purchase order is received and a copy can be given to the vendor.

**For purchasing requisitions \$10,000 to \$25,000:**

- Complete a purchase requisition form
  - Send to Finance
  - Adequately describe the item(s); providing all-inclusive specification or special requirements.
  - Code the purchase requisition with the proper General Ledger (GL) code(s).
  - Ensure that authorized signatures (Department Head and/or Authorized Agent) are on the requisition.
  - Include vendor (name, address, and phone) for bid excepted.
  - Include three (3) bids submitted with accepted bid listed on the purchase requisition form.
  - Include address where you want item(s) delivered.
  - Purchase Requisition will be approved by Department Head and Finance Director will get City Administrator for approval.
  - Wait to order until a hard copy of the purchase order is received and a copy can be given to the vendor.

**For purchasing over \$25,000.00:**

- Complete a purchase requisition form
  - Send to Finance
  - Adequately describe the item(s); providing all-inclusive specification or special requirements.
  - Code the purchase requisition with the proper General Ledger (GL) code(s).
  - Ensure that authorized signatures (Department Head and/or Authorized Agent) are on the requisition.
  - Include vendor (name, address, and phone) for bid excepted.

- Include three (3) bids submitted with accepted bid listed on the purchase requisition form.
- Include address you want item(s) delivered to.
- Purchase Requisition will be approved by Department Head, Finance Director and City Administrator. The Finance Director will present to the Mayor and City Council for approval.
- Wait to order until a hard copy of the purchase order is received and a copy can be given to the vendor.

### **For change orders or Discrepancies**

Change orders to any purchase order needs to be run through Finance. Any discrepancies in the actual goods or services from those ordered should be noted. For example: if item x271 was received instead of item x261 because x271 has replaced x261, note it on the same copy of the purchase order before sending it to the Finance office –Accounts Payable.

Discrepancies with products vs. orders will be individually worked out with the vendor by the office originally making the order with the assistance of Finance.

### **Formal Bid Procedures**

Bids will be solicited by a Notice for Bids document. Normally being advertised at least once in a newspaper or a publication designed for giving public notice, of general circulation in the City at least five (5) days before the date of opening bids. Generally, the advertisement will state the date the offers are due, the general nature of the goods or service to be purchased, where the bid forms may be obtained and the time and place bids will be opened.

The formal competitive bidding process from the issuance to opening generally takes approximately three (3) weeks. After bids are opened the evaluation and approval process generally takes an additional two (2) weeks before an award is made.

A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) days after the bid opening.

### **Exceptions to Bidding Requirements**

Contracts, which by their nature are not adapted to an award by competitive bidding, such as:

- Contracts for “Trust” obligations; such as Cash Performance Guarantee Bonds, Utility Deposits, and so forth;
- Contracts for items available from a single source only;
- Contracts for repair and maintenance of equipment already owned by the City, which may be most efficiently performed by the originator of the equipment or its agent;
- Contracts for the purchase of used equipment or items that are unique as to quality, condition and price or contracts for a particular brand of equipment or product, which is uniquely suited to the City's needs by reason of training of its personnel or compatibility with existing equipment, shall not be subject to the competitive bidding requirements of this ordinance.
- Contracts already vetted, reviewed, and approved by the State of Utah Division of Purchasing & General Services.

<http://purchasing.utah.gov/purchasing/statecontractsearch.html>

Auctions, Close Outs, Bankruptcy Sales. If the City Administrator determines that supplies, materials or equipment can be purchased at any public auction, close out sale, bankruptcy, foreclosure, or other similar sale, and if the Mayor and City Council makes a finding that such purchase can be made at a cost below the market cost in American Fork City, the purchase may be made without complying with the competitive bidding requirements of this article if otherwise allowed by law.

### **Emergency Purchases**

In case of an actual or apparent emergency, which requires immediate procurement of supplies or contractual services, the affected Department Head may approve acquisition at the lowest attainable price without further compliance to the bidding procedures. In such event, however, a full report of the circumstances of the emergency shall be filed by the department with the Finance Director and City Administrator.

An “emergency” is any fact, circumstance or situation, which threatens injury or damage as the result of any happening or circumstance, which would delay the work of the City in such manner as to vitally affect life, health, or convenience of the public.

### **Professional Services**

Solicitations for professional services may be solicited using the bidding process. Those contracts to be established that are in excess of \$10,000 shall be awarded at the discretion of the City Administrator, including but not limited to auditing, banking, insurance, legal, engineering and similar professional consultation.

### **Rejection of Bids**

American Fork City reserves the right to reject any or all bids and to waive any informality in any bid submittal. Any provision, which if waived would effectively change the bid cannot be waived. The City reserves the right to accept or reject any specific item or group of items on a bid unless the vendor states it’s an “all or nothing bid”.

### **Penalty**

The City may take administrative action with regard to an employee, and impose sanctions against a contractor or purchaser such as a refusal to deal with him further, or avail itself of any other right, that it may have by law or otherwise

### **Mayor and City Council**

Staff will provide to the City Council members an accounting of all the bills to be approved, the manually prepared checks, and purchase requests over \$25,000 to the Council no later than the end of the Thursday prior to the Council meeting in which they are being requested to be approved. It would be the responsibility of the Council to review those items and meet with staff to ask any questions and concerns prior to the City Council meeting on that Tuesday night; and that the approval be under action items rather than being on the common consent agenda.

Procurement Limits  
Survey of Other Cities

City	No bids	Approvals	3 oral quotes	Approvals	3 written bids	Approvals	Formal Bidding	Approvals	Other	Approvals
Sandy City	<\$2,000		\$2,001-\$5,000		\$5,001-\$40,000		>\$40,001			
Lehi City	<\$5,000				\$5,001-\$25,000	Department Head; must be previously appropriated in budget	>\$25,001	Mayor or City Administrator; previously appropriated	>\$125,000/ construction	Council
Eagle Mountain	<\$1,000	supervisor	\$1,000-\$5,000	Department Head	\$5,000-\$40,000	City Administrator	>\$40,000	City Council		
Highland City	<\$5,000				\$5,000-\$25,000	City Administrator	>\$25,000	City Council		
Rio Rancho	<\$5,000		\$5,000-\$10,000		\$10,000-\$20,000		>\$20,000			
Orem	<\$3,500	director	\$3,500-\$10,000	director	\$10,000-\$25,000	director	>\$25,000	City Administrator		
Mapleton	<\$5,000	director no PO	\$5,000-\$10,000	Director w/ PO	\$10,000-\$25,000	City Administrator	>\$25,000	Council		
Springville	<\$5,000	supervisor	\$5,000-\$10,000	director	\$10,000-\$25,000	Finance	\$25,000-\$100,000	City Administrator	>\$100,000	Mayor
Heber City	<\$1,000	supervisor	\$1,000-\$30,000	Department Head	\$30,000-\$50,000	City Manager	>\$50,000	Council		
American Fork (Proposed)	<\$2,500	supervisor	\$2,500-\$5,000	Department Head or designated supervisor	\$5,000-\$50,000	Department Head & Finance Director; City Administrator signs over \$25,000; must be previously appropriated in budget	>\$50,000	Ratified by Council	>\$125,000/ construction	Council
American Fork (Current)	<\$1,000	supervisor	\$1,000-\$10,000	Department Head & Finance Director	\$10,000-\$25,000	City Administrator	>\$25,000	Ratified by Council		

Attachment: Survey of purchasing limits (Procurement Policy)