

Chapter 25 -- Expenditure of City Funds

25.010. Appropriations. In all cases where the City shall be indebted to any person, company, or corporation on any account, when the said account has been duly audited and approved for payment, a check for the amount of such indebtedness found to be due and owing shall be issued and shall be drawn upon the proper fund of the City in the proper bank, and shall be signed by the Mayor, and the City Clerk, provided that no such check shall be issued without authorization by the Board of Aldermen. The President of the Board of Alderman may sign in the absence of the Mayor, and the Deputy City Clerk may sign in the absence of the City Clerk.

A list of monthly recurring bills shall be presented to the Board of Aldermen yearly at the April meeting. Upon approval of the Board of Aldermen, these bills may be paid each month without further approval.

25.020. Receipts and expenditures. It shall be the duty of the Board of Aldermen, semi-annually in January and July of each year, to cause to be made out and spread upon its records a full and detailed account and statements of the receipts and expenditures and indebtedness of the City for the half-year ending December 31st and June 30th, preceding the date of such report, which account and statement shall be published in the legal newspaper and a local newspaper both of general circulation. No check shall be drawn on the City Treasury after the end of the month in which such financial statement should have been published, unless and until such statements have been published as above provided.

25.030. No checks drawn unless sufficient funds. No check shall be drawn upon the City Treasury, nor shall any approval appropriating money be given, unless there is an unexpended balance to the credit of the City in the fund in the treasury upon which such check is drawn to meet the obligation.

25.040. Payment of money, refer to treasurer. All payments of money shall be referred to the City Treasurer, or the person acting as Treasurer and having the custody of the City's funds, for his endorsement to the effect that there is a sufficient balance in the funds for such payments.

25.050. Checks, form. All checks drawn on any account of the City shall be drawn in favor of the person, company, or corporation to whom the amount shall be allowed, and of no other person, company, or corporation, and shall be in the regular and customary form required by this Chapter and accepted in general business practices.

25.060. Purchasing policy.

I. Purpose

A. The purpose of this policy is to establish purchasing guidelines. This policy is applicable to all purchasing for the City of Moscow Mills.

B. *Introduction.* The City's purchasing section was established to ensure that needed goods and services are obtained in a timely manner, at the lowest prices possible, consistent with acceptable quality standards, and within the

requirements of public purchasing laws.

- C. Consistent with these objectives, a part of the City's procurement activity is decentralized. In recognition of the cost of staff time and to reduce the cost of making small purchases, selected personnel as approved by the department head are allowed to make small purchases.
- D. Procedures which apply to purchases made directly by City staff are described below, along with the public purchasing law and ethical standards that shape the City's purchasing activities.
 - 1. *Governing laws and regulations.* Procurements by the City of Moscow Mills are governed by State and local laws and regulations. This policy establishes further requirements for the City's purchasing activities. The City policy, adopted by ordinance, along with the State Statute and the City's administrative policies and procedures describe basic procurement processes: e.g., public bidding, bid opening, bid evaluation and bid award.
 - 2. *Principles and ethics.* All employees of the City of Moscow Mills subscribe to the following principles and ethics:
 - a. We believe in the dignity and worth of the service rendered by government and our own social responsibility as trusted public servants. We consider, first, the interest of the City in all transactions and carry out and believe in the City's established policies and ordinances and the laws of the State of Missouri.
 - b. We keep the City informed, through appropriate channels, on problems and progress of the agency we serve, but keep ourselves in the background, by emphasizing the importance of the facts.
 - c. We are governed by the highest ideals of honor and integrity in order that we may merit the respect and inspire the confidence of the City and the public, which we serve.
 - d. We strive to stimulate competitive bidding in order to obtain goods and services at the lowest possible cost and to provide all interested vendors with the opportunity to offer their products to the City.
 - e. We strive to accord a prompt and courteous reception, so far as conditions will permit, to all who call on a legitimate business mission.
 - f. We believe that personal gain or benefit obtained through misuse of public or personal relationships is dishonest.
 - 3. *Conflict of interest.* No employee or official of the City shall participate in a transaction, contract, activity or service of the City in which they personally have a direct or predictable effect on their financial interests or the interests of an immediate family member.
 - 4. *Personal purchases.* It is prohibited for an employee or official to make purchases for their own personal purposes or to receive special pricing from a vendor using the City's name or reputation.

5. *Unauthorized purchases.* No individual has the authority to enter

purchase agreements or contracts on behalf of the City unless specifically authorized to do so by this policy.

II. General rules

All purchases or contracts for services of any kind or description, payment for which is to be made from funds of the City of Moscow Mills, shall be, without exception, in the following manner:

1. *Items five hundred dollars (\$500.00) and under.*
 - a. Items in this category may be purchased from the nearest vendor without Board of Alderman approval. Splitting of invoices to maintain this figure will not be allowed.
2. *Items over five hundred dollars (\$500.00) and up to two thousand five hundred dollars (\$2,500.00) used on a day to day basis.*
 - a. Items in this category, used on a day-to-day basis, may be purchased by the department head without competitive bidding or Board of Alderman approval on each item. However, even on these items, periodic telephone checks should be made to be certain the purchases are secured from a local source at the lowest cost for the quality needed. Splitting of invoices to maintain this figure will not be allowed.
3. *Items over five hundred dollars (\$500.00) and up to two thousand five hundred dollars (\$2,500.00) not used on a day to day basis.*
 - a. For all items over five hundred dollars (\$500) and up to two thousand five hundred dollars (\$2,500.00) that are not routinely purchased, it is required to obtain three (3) written informal bids to ensure that the lowest best bid is received. If the recommended bid is not the lowest, a detailed explanation should be provided.
 - b. Bid award for items in this category shall be made by the Board of Aldermen, based on department head recommendation, at a regularly scheduled Board meeting along with the expenditure authorization.
4. *Items over two thousand five hundred dollars (\$2,500.00) to ten thousand dollars (\$10,000.00).*
 - a. Purchases or contracts for services for the sum of two thousand five hundred dollars one cent (\$2,500.01) to ten thousand dollars (\$10,000.00) shall be secured on competitive bid basis. This must be accomplished by securing at least three (3) written informal bids or through the formal bid process utilizing thorough advertisement and specifications, whichever is most advantageous to the City.
 - b. When seeking written informal bids, all bids must be tabulated in detail. If the recommended bid is not the lowest, a detailed explanation must accompany the bid's submission to the Board of Alderman.

- c. Bid award for items in this category shall be made by the Board of Aldermen,

based on department head recommendations, at a regularly scheduled Board meeting along with the expenditure authorization.

5. *Over ten thousand dollars (\$10,000.00).*

- a. Any item(s) or services in this category shall be purchased through the formal bid process. Formal bids shall be secured by advertisement in the legal newspaper and a local newspaper both of general circulation.
- b. The responsibility for the advertising of formal bids will be that of the City Clerk. It will be the responsibility of each department head to provide the City Clerk with any specifications or advertisement notices to be used in this formal bidding process. It is required that an advertisement for formal bid is placed in the newspaper at least ten (10) days prior to the bid opening.
- c. The City Clerk shall be given sufficient notice by the department head in order that deadlines for the purchase of any equipment or services by bid may be met.
- d. Bid award for items in this category shall be made by the Board of Aldermen, based on department head recommendations, at a regularly scheduled Board meeting along with the expenditure authorization.

6. Prior to entering into any contract for general insurance needs, the City of Moscow Mills will submit to informal competitive bidding at least every six years.

7. Prior to entering into any contract for health insurance, the City of Moscow Mills will submit to informal competitive bidding at least every three years.

8. Regardless of dollar amount, formal or informal bidding will be utilized as required by state or federal grants, and under the issuance of revenue or general obligation bonds.

III. Invitations for bid

A. *Formal Bid Process.* All formal bid purchases or contracts for services shall be advertised in the legal newspaper and a local newspaper both of general circulation and bid procedures shall be as follows:

- 1. All notices and solicitation of bids shall state the time and place of opening. It is required that the request for bid is placed in the newspaper at least ten (10) days prior to the bid opening.
- 2. Notices and solicitations of bids shall include information that these are sealed bids and that they should be so identified (as bids) on the envelope.
- 3. Notices and solicitation of bids shall plainly state to whom the sealed bid(s) should be addressed.
- 4. Performance bond(s), in cash or otherwise, shall be requested if in the

best interest of the City in such an amount as may be deemed sufficient to secure the execution of the contract or furnish supplies.

5. The City of Moscow Mills, Missouri, reserves the right to reject any and all bids and waive any informality. The City of Moscow Mills also reserves the right to select the lowest and/or best bidder as determined by the City in its sole discretion.

B. *Competitive Buying.* City policy requires quotes or bids to be obtained from as many providers as possible to insure a competitive marketing atmosphere and advantageous pricing. A minimum of three (3) bids must be obtained. Bids will be solicited when required by policy and also when it is found to be advantageous to do so. Any qualified provider may respond to a City request for quote or bid.

C. *Maintenance Agreements.* If the need for a maintenance agreement is anticipated at the time of purchase, the terms of the agreement must be included in the bid specifications. If the agreement was not anticipated at the time of purchase or the original agreement has expired, normal bidding requirements apply.

D. *Negotiated Bids.* The contract shall be let by the lowest and best bidder. It is the right of the City to reject any and all bids and resolicit bids as deemed appropriate by the Board of Alderman. If the bids received are unreasonable, unacceptable to terms and conditions, non-competitive, or the low bid exceeds the budget appropriation and it is determined by the Board of Alderman that the essence of time will not permit a resolicitation of bids, a negotiated contract may take place provided that each vendor who submitted an original bid is given the opportunity to submit a new and final bid. It is required that the transaction is documented as to the reason bids were not re-solicited and the negotiated bid is lower than the lowest and best bid under the original solicitation.

IV. Award of bid(s)

A. Unless the City/Board of Aldermen exercise their right of rejection of bids, purchase(s) or contract(s) shall be made from/with the lowest and best bidder, unless otherwise specified by State Statute, for any article or for the entire purchase(s) or contract(s). In determining the lowest and best bidder, the following shall be considered:

1. The ability, capacity and skill of the bidder to perform the contract or provide the item/service required.
2. Whether the bidder can perform the contract or provide the item/service promptly or within the time specified without delay or interference.
3. The character, integrity, reputation, judgment, experience and efficiency of the bidder.
4. The quality of performance of previous contracts, services or items.
5. The previous and existing compliance by the bidder with laws and ordinances relating to the contract, service or item.
6. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.

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 of the contract/bid.
9. The number and scope of conditions attached to the bid.

B. Bids requiring Board of Alderman approval will be submitted at a regular or special meeting of the Board of Alderman.

V. Emergency purchases

A. In the event of an apparent emergency that requires immediate purchase of supplies or contractual services, the Mayor is empowered to authorize the department head to secure from the nearest vendor, at the lowest obtainable price, any supplies or contractual service regardless of the amount of the expenditure. A full report of the circumstances of an emergency purchase shall be filed by the Mayor with the Board of Aldermen and shall be entered into the official records of the Board. In the absence or unavailability of the Mayor, the President of the Board may authorize the emergency purchase. In the absence or unavailability of the Mayor and the President of the Board, the department head may authorize the emergency purchase, and will document to the Board of Alderman the surrounding circumstances.

B. An emergency purchase is constituted as an immediate need of a good or service which was unable to be anticipated, which time is a crucial factor and would be a disservice to the citizens of the community of Moscow Mills if the item is not purchased.

VI. Exclusive service or product

A. In the event that there is only one (1) firm or company or individual capable of providing a particular service or commodity, referred to as a sole source vendor, and such services or commodities cannot be secured from any other person(s) or company(ies), then the department head may secure one bid. The department head must attach a detailed explanation as to why this is the only feasible person/company from which to purchase/contract.

B. In the event that it is advantageous to stay with a particular brand or manufacturer in order to match or fit with equipment already on hand or in use, bids may be secured only from person(s) or company(ies) that carry that brand. The department head must attach a detailed explanation as to why it is advantageous to stay with a particular brand or manufacturer. When possible, three (3) bids should be obtained.

VII. Exemptions from the public bidding process

A. The public bidding process shall not apply to professional services and the requirements shall not be mandatory in the employment of professional services. Professional services include, but are not limited to, the following:

1. Attorneys, bond counsel, certified public accountants, consultants, engineers, land surveyors, architects, financial advisors, physicians, and real estate brokers.

- B. Contract made with other governmental agencies.

- C. Contracts based on current contracts awarded by another public agency. i.e. under State of Missouri contracts

- D. Change orders, unless required under grant or bonding requirements.

VIII. Waiver of procedure

The Moscow Mills Board of Aldermen shall have the power to waive any and all of the above requirements of this purchasing policy if, in the opinion of the majority of its members, it is beneficial or expeditious for the City to do so.

IX. Records

Original bids and agreements for contractual services shall be filed with the City Clerk. It is suggested that the departments also keep a copy as appropriate for their own records.

X. Petty Cash

Petty cash reimbursements shall be limited to a maximum of fifteen dollars (\$15.00).

Adopted by Ordinance 6/14/93. Amended by Ordinance #506, 12/8/08. Ordinance #745, 7/11/16.