

City of

Coon Rapids

Purchasing Policy

Adopted May 1, 2020



Community strength... for generations

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City of Coon Rapids Purchasing Procedures

Effective May 1, 2020

These purchasing procedures are intended to provide a consistent manner of purchasing goods and services Citywide. Employees should secure the best balance between quantity, quality, and price when purchasing for the City. **Please review Administrative Order 3.5 Goods and Services Payments.**

General Purchasing Procedures

- The City of Coon Rapids has a “centralized” purchasing program; however purchasing and adhering to annual budgets is the responsibility of each Department Director with Finance approval.
- The Finance Division processes payments once a week and invoices are paid by due date. All invoices must be submitted by 10:00 am on Thursday’s to ensure payment made on Friday if the invoice is due.
- New Vendors must have a W-9 on file before payment can be processed.
- Payments will be made only from invoices, check request forms, or employee reimbursement forms. **All invoices are required to be sent directly from the vendor to accounts payable at APinvoices@coonrapidsmn.gov** to be date stamped and disbursed to the department supervisors for final coding and approval. Invoices submitted for payment without the proper signatures will not be paid and will be returned back to the department for proper signatures and approval.
- Persons authorizing payments (department supervisors or assigned activity manager) are responsible for verifying that goods and services have been received, that they are necessary, and that no duplicate payments are made.
- Persons authorizing payments (department supervisors or assigned activity manager) are responsible for coding invoices and ensuring that correct account codes are used. If there are questions regarding coding, contact Finance.
- Finance will maintain a list of authorized signers. Invoices submitted without the proper signatures will be sent back for authorization.
- All contracts up to \$100,000 to which the City is a party shall be signed by the City Manager on behalf of the City and shall be executed in the name of the City, except when determined by City Manager that City Council and City Mayor should review.

- Generally accepted accounting principles will be followed. For the end of each year, invoices that are received early the next year which are for goods or services received the previous year will usually be charged against the previous year. The year to which an invoice will be charged is based on the financial statement/audit cut-off date and the materiality of the item. If you have any questions about this, please contact a member of the Finance team.
- Employees will not make any purchases for personal use through the City.
- Purchases required by emergencies that impair the City's ability to deliver services are outside the scope of this policy and are handled on a case by case basis.
- The City has a Purchasing Card program available for employees who frequently purchase items for the City. Minnesota Statute 471.382 allows for authorized City employees the use of City issued credit cards. Any credit card the City issues to an employee must be used for City business purposes only in conjunction with the employee's job duties. Employees with credit cards shall not use them for any non-city business, non-essential purpose, i.e., for any personal purchase or any other transaction that is not authorized or needed to carry out their employment duties with the City. A separate Purchasing Card Program manual and process is available. Contact Finance with specific questions.
- Online Purchases. Employees may only purchase from reputable vendors that use secure services for e-commerce. The City is sales tax exempt for most purchases. When ordering online make sure the purchase is sales tax exempt. You will need to submit a ST3 form to the Vendor, if you need assistance with this process contact Finance.
- Travel purchases should be made following the City's Travel and Travel Reimbursement Policy. **Please review Administrative Order 3.1 Travel Reimbursement.** Travel reimbursement form can be found on the employee website.
- Petty cash will only be given up to \$50. Over \$50 an Employee Reimbursement Form must be filled out and money will be reimbursed via ACH directly into employee's bank account.
- Purchase orders are required for all budgeted capital items. **See Administrative Order 3.8 Purchasing Procedures.**

Preferred Vendors and Obtaining Quotes

In an effort to promote fair purchasing practices, when the same Vendor is used for two or more years for the same services, new quotes should be obtained. These quotes should include a list of services, material costs and labor rates. This practice ensures that City employees are reviewing and protecting City resources for the benefit of public interest.

Environmentally Preferable Purchasing (EPP) Guidelines

The City shall make every effort to procure environmentally friendly products whose quality, function, and cost are equal or superior to more traditional products in an effort to:

- conserve natural resources
- minimize pollution
- reduce the use of water and energy
- eliminate or reduce environmental health hazards to staff and our community
- support strong recycling initiatives
- reduce materials that are landfilled
- increase the use and availability of environmentally preferable products
- create a model for successfully purchasing environmentally preferable products that encourages other purchasers in our community to adopt similar goals
- support locally produced goods and services
- educate ourselves, our vendors, and our end users

Paper Products: Per Minnesota Statute 16C.073 and the Federal Environmental Protection Agency's (EPA) requirements, the City will endeavor to purchase paper products containing the highest post-consumer content practicable, but no less than 30% recycled-content for copy paper (which is the minimum recycled content standard established by the EPA Comprehensive Procurement Guidelines).

Waste Minimization: The City will buy in bulk whenever practicable to reduce packaging and emissions from shipments. Packaging that is reusable, recyclable, or compostable is preferred when suitable uses and programs exist. The City should purchase other products made with recycled material whenever possible and economically feasible.

Energy and Water Saving Products: Appliances and products for which the U.S. EPA Energy Star certification is available and which meet Energy Star certification, when practicable, shall be procured. When Energy Star labels are not available, consider energy-efficient products that are in the upper 25% of energy efficiency as designated by the Federal Energy Management Program. Water saving products and fixtures will meet the WaterSense certification when such products are available and financially feasible.

Cleaning Products: Whenever feasible, cleaning products will meet the Green Seal, EcoLogo, and/or U.S. EPA Design for the Environment cleaning product standards if such products are practicable, available, and perform to an acceptable standard.

Resources:

<https://www.ul.com/resources/ecologo-certification-program>

<https://www.energystar.gov/>

<https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>

<https://www.epa.gov/watersense>

<https://greenseal.org/>

<https://www.revisor.mn.gov/statutes/cite/16C.073>

Purchase Orders

Please Review Administrative Order 3.8 Purchasing Procedures

In accordance with the City Charter, the City Manager is authorized to make purchases or enter into contracts up to \$100,000.

It is the responsibility of the City Manager to enforce the provisions of the budget. The City Manager will only authorize purchases for appropriations in the budget for which there are sufficient funds. No employee of the City shall place any order or make any purchase except for the purpose and within the amount authorized in the approved budget. It is the responsibility of the Purchasing Agent and Department Directors to observe the following guidelines to ensure that the best value is obtained for the City.

Requirements for Purchase Orders

A purchase order must be obtained from Purchasing for all purchases of budgeted capital acquisitions even when in the approved budget for that year. All capital outlay items shall be specifically identified in the budget.

When submitted to Purchasing, the purchase order request must include:

1. Quotes. Purchases over \$25,000 must have two quotes required by state statute and kept on file for one year. Purchases \$5,000 - \$25,000 should also have two quotes required by city policy when possible. If not possible, reason should be documented when requesting the purchase order. All quotes must be submitted to Purchasing to be kept on file.
2. Description of item and what item it will be replacing if applicable.
3. State contract number or cooperative purchasing contract information if used.
4. Budget code and budgeted amount. If over, may require additional approval.
5. When purchase will be made and when expected to arrive.

General Purchases

Purchase orders are not required for general purchases. If a Vendor requests a purchase order for a specific order one may be obtained. It is the responsibility of the individual department supervisors to monitor and adhere to their annual approved budgets.

Purchase Orders That Exceed Budget

All purchase orders exceeding the budgeted amount by 20% or greater, capped at a maximum of \$5,000 must be approved by the City Manager. Purchase orders that exceed the budgeted amount by more than \$5,000 must be approved by the City Council.

Quick Reference Chart - Procurement Methods

Value of Purchase	Construction, Contracted Services, Goods & Services Contracts
\$0-\$50	Open market. Petty cash can be used.
\$50 - \$5,000	Open Market or Direct Negotiation. PO's required for capital acquisitions.
\$5,000 - \$25,000	Open Market or Direct Negotiation (at least two quotes when possible) PO's required for capital acquisitions.
\$25,000 - \$175,000	Sealed Bids or Direct Negotiation or (at least 2 written quotes) RFPs (Best Value Alternative optional), or Cooperative Purchasing Contracts that comply with bidding process (if applicable) PO's required for capital acquisitions.
Over \$175,000	Sealed Bids, Best Value Alternative or Cooperative Purchasing Contracts that comply with bidding process (if applicable) PO's required for capital acquisitions.

- Quotes must be kept on file for at least one year.
- Contracts over \$175,000 that **include labor** require a performance and payment bond – See Appendices B & C
- Refer to Competitive Bid Requirements in Administrative Order 3.8 for more information.
- All contracts over \$100,000 must be reviewed by City Manager and City Council.

Value of Purchase	Professional or Consultant Services Contracts
\$0 - \$25,000	Open Market or Direct Negotiation (at least 2 quotes when possible)
\$25,000 - \$175,000 and above	Open Market or RFP's (at least 2 written quotes required)

Quick Reference Guide – City Forms and Contracts

The following are general guidelines. Manager discretion and case-by-case consideration may be needed. If you are unsure of which contract to use, ask your department director or contact the City Attorney. Contracts for these items can be found in Appendices A through K of this document.

Please do not use the consultant letter as an exhibit in any contract. Scope of services may be pulled out of a consultant letter and used in the contract as an attached exhibit, but the consultant letter itself may contain legal wording and should not be used. A City contract with the City’s wording and legal requirements should be used.

Type of Service	Dollar Amount	Contract Required	Location
Construction:			
Large Construction Projects Examples: Road, Utility or Building Construction Public Works/Engineering/Facilities/Parks	175,000 & Over	Engineering Agreement	Appendix A
Performance Bond			Appendix B
Payment Bond			Appendix C
Notice of Award			Appendix D
Notice to Proceed			Appendix E
All Other Construction Projects:			
	Under 175,000	Standard Construction Contract	Appendix F
Performance Bond (Optional)			
Payment Bond (Optional)			
Contract for Goods and Services:			
Contractors for City Projects and Services Use for Preferred Vendors Example, Furnace, HVAC, Painting, Mowing, Cleaning	Under 175,000	Standard Agreement for Contract Services <i>Attach Prices and list of Services as Exhibit A.</i>	Appendix G
Consultants:			
<i>Consultants for Outside Projects</i> Example, Transportation, Water Resources, Utilities, Public Works/Engineering	Any Amount	Master Consulting Agreement	Appendix H
Professional Services:			
<i>Professional Services for Inside Projects</i> Example, Auditors, Lawyers, Architects, Engineering	Any Amount	Professional Services Contract	Appendix I
Surplus Equipment:			
Donation of Surplus Equipment to Nonprofit	Any Amount	Surplus Equipment Donation Form	Appendix J

Construction, Contract Services, and Goods and Services Contracts

Supplies, Materials, Equipment or Equipment Rental, and
Construction, Alteration, or Repair & Maintenance of Property

This section pertains to the purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property. For professional services including but not limited to audit services, legal services, and engineering services, see the Professional Services section of this document.

Depending on the amount of the purchase, the following procedures should be followed as according to State Statute 471.345 Uniform Municipal Contracting Law:

Less than \$50.00

Petty cash can be used. For petty cash purchases, return a receipt with account codes, authorizing department supervisor signature, and reason for the purchase to Finance. For purchasing card purchases, follow the City's purchasing card procedure. Employee reimbursements over \$50 will be paid by ACH deposit directly into employee's account. To get set up for ACH payments contact Finance.

\$50 to \$5,000

Purchases may be obtained through open market or direct negotiation. Purchase orders must be obtained for purchases of capital acquisitions.

\$5,000 to \$25,000

Purchases may be obtained through open market or direct negotiation, with two quotations obtained when possible. Quotations must be kept on file for at least one year. Purchase orders must be obtained for purchases of capital acquisitions.

\$25,000 to \$175,000

Purchases may be obtained through sealed bids, request for proposals, cooperative purchasing contracts, or direct negotiation, with two quotations obtained when possible. Quotations must be kept on file for at least one year. Purchase orders must be obtained for capital acquisitions.

Greater than \$175,000

Sealed bids solicited by public notice are **required**. Contracts must be awarded to the lowest responsible bidder. Obtain authorization from the City Council to prepare plans and specifications. The Public Works Director, City Engineer, or City Attorney must review the plans and specifications including the contract prior to advertisement for bids. Cooperative Purchasing Contracts or Letters of Engagement issued under approved Master Contracting/Consulting Agreements should be considered for contracts over \$25,000 and may be used in lieu of sealed bids.

Advertisement for sealed bids must be published in the City's Official Newspaper and on the City's website at least ten days before the last date for submission of bids.

The published notice must contain the following:

- A description of the project or the purchase.
- The availability of specifications including the location, for example, Office of the City Engineer, etc.
- The last day for submission of bids and the place where they are due.
- The time and place for opening bids.
- A statement reserving the right of the City to reject all bids.

The bids must be opened and tabulated at the time and place specified in the newspaper. Preferably this should be completed about 21 days after initial ad publication and 7-10 working days in advance of the City Council meeting to allow for a thorough review and re-tabulation of the bids and to allow for reference checks as appropriate.

A recommendation can then be made to the City Council and the City Council will award or deny the contract by Resolution.

Bids rejected by Council must be kept on file for 6 years.

For Engineering/Public Works projects, Instructions to Bidders may be found on the City's website: <https://www.coonrapidsmn.gov/Engineering>

Over \$175,000 with labor - Performance and Payment Bond

For contracts over \$175,000 that include labor (ex. road construction and the purchase and installation of playground equipment), a performance and payment bond in an amount not less than the contract price is required from the vendor. If change orders substantially increase the amount of the contract, the City Council has the option to increase the amount of the contractor's bond.

Awarding Contracts

For contracts procured through sealed bids or multiple quotes, the City must award the contract to the lowest responsible bidder. The bidder who submits the lowest bid or quote in dollars is not necessarily the "lowest responsible bidder." Responsibility in bids means financial responsibility, but also integrity, skill, and the likelihood of the bidder doing faithful and satisfactory work. A contract must be awarded to the lowest responsible bidder unless the "Best Value" alternative set forth below is followed.

Other Bidding Requirements

- A City cannot avoid bidding requirements by splitting a contract into several contracts, each of which is below the minimum amount requiring bids.
- Specifications may not be written so as to exclude all but one type or kind of supplies or equipment.
- The City may not accept a bid that includes a number of items when the advertisement called for separate bids for each item.

- The City must re-bid when they make a material change in the specifications of the contract, even if the change would not affect the rank order of the bids received.
- Minnesota Statutes Chapter 429 (local improvement code) applies to all public improvement contracts (i.e., sewer, water and streets) being financed with special assessments.

Change Orders

Change orders may occur due to City driven changes, errors and omissions, field directives, unforeseen/hidden conditions, regulatory requirements or changes that are contractor driven. Changes that need to be made during construction need to be addressed and approved in a timely manner in order to keep the project on schedule.

Any change order that exceeds 10% of the contract amount or exceeds \$100,000 must be approved by City Manager and at his discretion may also need City Council approval. Change orders less than 10% must be approved by the City Manager or the department head designated by the City Manager.

Withholding Certificates

Before the City makes a final payment to a contractor under a contract requiring employment for wages, it must make sure the contractor and any subcontractors have complied with withholding tax laws. Contractors and subcontractors must show compliance by submitting a withholding affidavit to the MN Department of Revenue. This can be done electronically or by mailing a completed Form IC134, "Withholding Affidavit for Contractors." If a contractor or subcontractor has withheld taxes as required, the Department of Revenue will return an electronic confirmation or sign and return the Form IC134, certifying compliance. The City must receive this certification of compliance before a final payment can be issued.

Covered contracts are only those under which a contractor undertakes to supply labor or a combination of labor and materials for specific construction, repairs, rehabilitation or improvements. It does not apply to contractors for maintenance services or dealers, merchants and suppliers who supply materials only. The Dept. of Revenue requires the form IC -134 only be submitted in connection with contractors on construction projects. Others are not required to submit the form so this paragraph only needs to be used on construction contracts.

Leases and Lease Purchases

All lease agreements need approval through the finance and legal departments prior to initiating lease. Two quotes should be obtained to ensure the best financing rates.

Federal purchases

Under uniform grant guidance (2 CFR 200.317–326) there are additional procurement requirements that need to be considered when making purchases related to a federal program. All federal grant purchases need to follow compliance requirements for each specific federal grant. Please notify the Finance department when federal grants are awarded.

Construction and Contracted Services legal compliance. The following information must be collected and stored for each contract to ensure legal compliance and for auditing purposes.

Quick Reference Chart – Legal Compliance

Value of Contract	Compliance Requirements
\$0-\$25,000	<p>Purchases may be obtained upon quotation or in the open market. At least two quotes should always be obtained when possible. Quotes should be kept on file for one year.</p> <ul style="list-style-type: none"> • Quotes
\$25,000-\$175,000	<p>Purchases may be obtained through direct negotiation, with a minimum of two quotes obtained when possible, cooperative purchasing contracts, or the sealed bids RFP process. If sealed bids, the competitive bidding process for RFP’s should be followed. Documents for accepted bids, quotations, specifications and RFPs should be kept on file for ten years after completion of the project. Documents for bids, quotations, specifications and RFPs not accepted should be kept on file for six years.</p> <ul style="list-style-type: none"> ▪ Copy of Request for Proposals and all Specs ▪ Newspaper article or website posting ▪ Copies of all quotes obtained ▪ Bid Tabulation ▪ Signed Notice of Award and Signed Agreement for Services ▪ Copy of Valid Certificate of Insurance ▪ Copy of signed Contract Renewal (when applicable)
\$175,000 and Over	<p>Sealed bids required. Documents for accepted bids, quotations, specifications and RFPs should be kept on file for ten years after completion of the project. Documents for bids, quotations, specifications and RFPs not accepted should be kept on file for six years. Bids and specifications for capital improvement projects (ACCEPTED) shall be retained permanently. Affidavit of Publication, Resolutions, Bid Tabulation, and Contract Documents. The term “Contract Documents” means and includes any of the following:</p> <ul style="list-style-type: none"> • Advertisement for Bids • Information for Bidders • Bid • Bid Bond • Agreement • General Conditions • Modification of General Conditions • Performance Bond • Payment Bond • Notice of Award • Notice to Proceed • Change Order(s)

Before Final Payment and Project Close Out
Please review Administrative Order 3.4 Contractor Payments

All requests for reduction in retainage withheld from contractors will be reviewed and approved by the City Manager or designee.

The Public Services Director has the authority to stop work on a project if an extension of the contract completion date is anticipated. The City Manager and the City Council are to be notified of such order along with the reasons for ordering the stoppage.

Staff recommendations for final payment or release of retainage shall contain a summary of the following:

1. Completion date as contained in the contract;
2. Date of substantial completion;
3. Date of final completion; and
4. Staff recommendation regarding assessment or waiver of liquidated damages.

All reductions of retainage are to be approved by the company that furnished the performance bond. All final payments shall have the following:

1. Approval of the bonding company;
2. A completed Minnesota Tax Department Form 134; and
3. A letter to the City from the contractor indicating that all materials and subcontractors have been paid in full or satisfactory arrangements for such payments has been made.

Professional Service & Consultant Contracts

Accountants, Architects, Engineers, Lawyers, Training, Technical/Scientific Services

State Statute does not require advertisement of bids or sealed bids for professional services such as those of engineers, lawyers, architects, accountants, and other services requiring technical, scientific, or professional training. It is recommended that proposals be obtained through a request for proposal (RFP) process when such a process would provide the City with increased quality or a decreased price.

Request for Proposal (RFP)

The City may follow an RFP process when soliciting professional consulting services.

Recommended sections to include in a RFP:

- Background and scope of project.
- Specifications of the professional services desired.
- Contract terms.
- The last day for submission of proposals and the place where they are due.
- Include requirement for attendance at a pre-proposal meeting to answer vendor questions regarding the RFP. This provides fairness to all participants when questions are answered with all participants present. Request that questions be submitted in advance.
- Proposal evaluation and selection criteria.
- Format required for submitted proposals to provide for consistent submittals.
- Profile questionnaire to obtain general information about the vendor.
- A statement reserving the right of the City to reject all proposals.

The City attorney must review the RFP before it is sent to selected vendors. RFPs should be sent to a reasonable/manageable number of vendors.

After the submittal deadline, review Proposals by using a rating sheet and rate each Proposal based on the specifications and general information. Follow up with reference checks as appropriate. Select a vendor and make recommendation to the City Manager or City Council as needed.

Standard Professional Services & Consultant Agreement

The City's "Professional Services Contract" or the "Master Consulting Agreement" should be used for all professional service agreements depending on the specification and scope of the project. **See Appendix I and Appendix J.**

These Agreements outline the consultant obligations including insurance and liability coverage requirements, audit disclosure, subcontractors, and termination processes.

Cooperative Purchasing Procedures

Cooperative purchasing contracts provide an opportunity for the City to purchase goods and services at reduced costs. Employees do not need to obtain bids if a purchase is made through the State of MN Cooperative Purchasing Venture (CPV) or through a national municipal association purchasing alliance or a cooperative created by a joint powers agreement (of which the City is a member) that purchases items from more than one source on the basis of competitive bids or quotations that complies with State Statute 471.345, Subd. 15.

State of MN Cooperative Purchasing Ventures (CPV)

Minnesota Statute 471.345, Subd. 15 requires cities to consider the State of MN Cooperative Purchasing Venture (CPV) for contracts estimated to exceed \$25,000.

The City of Coon Rapids participates in the State of Minnesota Cooperative Purchasing Venture (CPV). This enables the City to buy goods and services under the terms of contracts already negotiated by the State of Minnesota.

The Department Director or Purchasing Clerk can direct employees to the releases and listings of the products/services that can be purchased on the state contract. If it is determined that a product/services is on a state contract, vendors should be told that the purchase will be made using that contract.

Vendors will often contend that the City can purchase from them without bidding because they are on the “state contract” or they will sell at the state contract price. **Beware of these approaches.** Verify both the vendor and the specific product/service is listed on the state contract. It is likely that not all of a vendor’s products/services have been selected to be on the state contract. If a vendor is not on the state contract, but will match the state contract price, this action does not exempt the City from following the competitive bidding laws.

Beyond the state contracts, there are many other options for Cooperative Purchasing agreements. For a complete updated list of Cooperative Purchasing Ventures contact the Finance department.

“Best Value” Procurement Alternative

Minnesota Statute 412.311 allows the City to use a “Best Value” alternative instead of awarding the bid to the lowest responsible bidder. As an alternative to the procurement method for Contracts over \$175,000, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28 Subd. 1a. Ask your department head to contact the City Attorney if you wish to use the Best Value alternative. See State Statute 471.345 Subd. 3a and Subd. 4a.

Public Purpose Expenditures

Please review Administrative Order 3.6 Public Purpose Expenditures

The following items are deemed to be valid City expenditures by the Coon Rapids City Council, provided there are funds available for these expenditures. These public purpose expenditures may be considered additional compensation for employees.

Meals and Refreshments

The City Council recognizes there are times when City business occurs during meal hours. Additionally, there are public and employee meetings and events where refreshments add to the success of the meeting or event. The following items are deemed to meet the Council definition of public purpose expenditures pertaining to food and meals.

- a. Coffee, rolls, and juice for the City's annual Cleanup Day event;
- b. Dinner for commission members, staff members, and their guests who attend the biennial Commission Appreciation Dinner;
- c. Meals and refreshments provided for officials at the City/County annual meeting or the Council/staff annual goal-setting workshop;
- d. Recognition events for departing Councilmembers prior to a Council meeting;
- e. Meals provided to guests attending Mutual Aid meetings;
- f. The annual Police Reserves dinner;
- g. A dinner meal for staff during the performance of election duties on Election Day;
- h. Refreshments during periodic staff training sessions;
- i. Light breakfast for annual all employee meeting and recognition event;
- j. Meals during meetings when it is necessary or appropriate for conducting business over meal times.

Special Events

The City Council approves of expenditures for special events such as Night to Unite, Safety Camp, Fourth of July celebration, volunteer recognition dinners, and any other events that involve and invite participation by the general public. Expenditures may include meals, participation fees, T-shirts, and other sundry items of nominal value.

Membership and Dues

The City Council has determined that the City may fund memberships and dues in professional and community organizations when the purpose is to promote or improve the City's interests and not personal interest or gain.

Ethics and Acceptance of Gifts

Please review Employee Handbook Item 14.5 Gifts and Gratuities

City employees must only use City funds for public purpose expenditures. City employees are obligated to conserve and protect City resources for the benefit of public interest.

Employees and Council Members authorized to make a sale, lease, or contract in an official capacity must not have a personal financial interest in that sale, lease, or contract, or personally benefit financially from it. (See Minn. Stat. § 471.87)

Disposition of Surplus Assets and Equipment

Identify Surplus Equipment Department supervisors are responsible for monitoring their equipment and shall identify Surplus Equipment on at least an annual basis. Every attempt to use that equipment by another City department or to sell at public auction according to MN Statute 471.345 Subd. 17 should be made. If attempts at use or sale of items is not successful, refer to the City Policy for Donation.

Government to Government Sales

The City may transfer real and personal property to another governmental entity if agreed upon by both Cities and if approval from the City Manager is obtained. Sealed bids or quotes are not required.

Trade-ins

Department supervisors must approve the disposal of equipment via trade-in (put toward the purchase of new equipment). This approval can be done as part of the approval of the purchase of new equipment.

Electronic Sales

Minn. Stat. 471.345, subd. 17 states that “a city may contract to sell supplies, materials, and equipment which is surplus, obsolete, or used, using an electronic selling process in which purchasers compete to purchase the items at the highest purchase price in an open and interactive environment.”

Restrictions

According to City policy, no employee of the City who is a member of the administrative staff, department head, a member of the Council, or an advisor serving the City in a professional capacity may be a purchaser of property sold under this Section. Other City employees may be purchasers if they are not directly involved in the sale, if they are the highest responsible bidder, and if at least one (1) week's published or posted notice of sale is given.

Donation

If all attempts have been made to put to good use, transfer, trade-in or sell surplus city assets and equipment, donation to a non-profit organization can then be done. See the Policy for Donation and Surplus Equipment Donation Form.

Policy for Donation of Surplus Equipment to a Nonprofit Organization

Purpose

The purpose of this Policy is to establish procedures for the Donation of Surplus Equipment by the City to a Nonprofit Organization as required by Minnesota Statute § 471.3459.

Scope

This policy applies to all City departments that generate Surplus Equipment and governs the actions of all City employees and officials.

Definitions

“Nonprofit Organization” means an organization formed under Section 501(c)(3) of the Internal Revenue Code.

“Policy” means this Policy adopted by the City Council.

“Surplus Equipment” means equipment used by the City’s various departments, cellular phones and emergency medical and firefighting equipment and etc. that is no longer needed by the City because it does not meet industry standards for is no longer deemed needed and has minimal or no resale value.

“Surplus Equipment Form” means the form attached as Appendix K to this Policy that must be filled out by and approved the City Manager.

Procedure

The City shall determine all Surplus Equipment and may offer it for Donation in conformance with the following guidelines:

1. **Identify Surplus Equipment.** Department supervisors are responsible for monitoring their equipment and shall identify Surplus Equipment on at least an annual basis. Every attempt to use or sell at public auction according to MN Statute 471.345 Subd. 17.
2. **Determine the Fair Market Value of Surplus Equipment.** The Purchasing Clerk shall work with City staff to determine the Fair Market Value of the Surplus Equipment.
3. **City Manager Declaration.** The Purchasing Clerk will forward a list of the Surplus Equipment with each item’s Fair Market Value to the City Manager who shall approve or deny the Surplus Equipment as eligible for Donation. The City has no obligation to make a Donation of Surplus Equipment. Surplus Equipment that is not donated may be recycled or discarded at the discretion of the City Manager.
4. **Donation.** After the City Manager has determined the Surplus Equipment is eligible for Donation, the Purchasing Clerk is responsible for coordinating the Donation of the Surplus Equipment in accordance with the terms of this Policy.

5. Transfer between Departments. All Surplus Equipment must first be considered for transfer between departments for the benefit of the City.

6. Advertisement. The City may contact and use reasonable means to notify Eligible Organizations about the availability of Surplus Equipment.

7. Surplus Equipment Form. If an eligible organization is interested in Surplus Equipment the Purchasing Clerk shall fill out a Surplus Equipment Form and submit the form to the City Manager.

8. Approval of Donation. The City Manager shall approve the Donation to an Eligible Organization, subject to review by the City Council. If the Surplus Equipment has a Fair Market Value greater than \$5,000, the City Council must approve the donation by a majority vote of the City Council.

9. Prioritization of Donations. If more than one Eligible Organizations requests a Donation for the same Surplus Equipment, the City shall consider factors it deems relevant including how the Surplus Equipment will be used, the benefit to the Eligible Organization, the impact on the City, how the Donation will accomplish goals of the City, and any previous Donation to the Eligible Organization.

10. Conflict of Interest. All City employees and officials are prohibited from taking possession of any *Surplus Equipment on behalf of an Eligible Organization unless specific authorization is given by City Council*.

11. As Is. A Donation of Surplus Equipment is made “as is” with no warranty, guarantee or representation of any kind, express or implied, as to the condition, utility, or usability of the Surplus Equipment offered. The Surplus Equipment may be defective and cannot be relied upon for safety purposes.

12. Title. The Purchasing Clerk shall cause any title or other ownership documents to be transferred to the Eligible Organization at the time of transfer. Any fees required to transfer the Surplus Equipment are the responsibility of the Eligible Organization.

13. Transportation. In the Surplus Equipment Form, the Eligible Organization must provide a plan and be responsible for transporting the Surplus Equipment from the City to the Eligible Organization. The Eligible Organization must pay all expenses associated with the transportation of the Surplus Equipment.

15. Documentation. The Purchasing Clerk shall document the Donation of all Surplus Equipment and shall keep such records in accordance with the City’s Records Retention Schedule.

The City’s “Surplus Equipment Donation Form” should be used for donations to non-profit organizations. **See Appendix J.**

Link to Appendices (Contract and Form Templates)

Appendices and templates can be found as stand-alone files on the City's Citywide Shared U: drive.

[U:\Contract Templates](#)

Contract templates in the above folder are the most up-to-date documents approved by the City Attorney. Always start with the templates available here, rather than a copy of a previous vendor contract, which may have outdated wording or terms of agreement.

Please do not save changes to the contracts on the U: drive, as all City employees' access these versions. Save a copy to your own drive and then make changes. Please make sure changes you make are approved by your Department Director or the City Attorney.

Please contact Finance if you have any questions.



Acknowledgement of Purchasing Policy

Updated September, 2023

Acknowledgement

I acknowledge I have received a copy of the City's Purchasing Policy. I understand the Policy can be found on the Employee Web, or obtained by requesting a hardcopy from Finance. I understand it is my responsibility to read and comply with the most recent version of the Purchasing Policy in its entirety.

I understand that the purpose of the Policy is to provide employees with information regarding purchasing and contracting for the City of Coon Rapids. The City reserves the right to supplement, revise, or delete any provisions of this policy at any time, without notice.

Employee

Print Name: _____ **Signature:** _____

Date: _____

Supervisor

Print Name: _____

Signature: _____

Date: _____

Please return signed form to Human Resources