CITY OF GUSTAVUS, ALASKA
Resolution CY14-26

A RESOLUTION OF THE GUSTAVUS CITY COUNCIL ESTABLISHING POLICY AND PROCEDURE FOR SMALL PROCUREMENT UNDER $10,000 WITHIN A DEPARTMENT OR COMMITTEE BUDGET

WHEREAS, the Gustavus City Council adopted FY14-15, An Ordinance for the City of Gustavus Adopting a Major Revision for Title 4.17, Contracts and Purchasing on April 14, 2014, and

WHEREAS, Title 4.17 requires further guidance for routine small procurements between the City administration and the City departments and committees, and

WHEREAS, fiscal control, consistency, transparency, accuracy and economy are essential to the sustainability and reputation of the City of Gustavus, and

WHEREAS, these processes were found to be less than adequate in the audit conducted by the City for fiscal year 2013, and

WHEREAS, it is the desire of the Gustavus City Council that prior practices be clarified and corrected, ensuring that the City maintains a sound financial footing, and now therefore be it

RESOLVED, the Gustavus City Council adopts this current Policy and Procedure for Small Procurement under $10,000 within a Department or Committee Budget.

PASSED and **APPROVED** by the Gustavus City Council this 11th day of August, 2014.

Mayor, Sandi Marchbanks

Attest: Noël Farevaag, City Treasurer

Attest: Lori Ewing, City Clerk

CITY OF GUSTAVUS, ALASKA
Policies and Procedures

Title: Procedure for Small Procurement under $10,000 within a Department or Committee Budget

POLICY:

This policy and procedure provides guidance for routine small procurement by the central administrative office and City departments and committees.

Fiscal rigor, control, consistency, transparency, accuracy, and economy are essential to the sustainability and reputation of the City of Gustavus. The City Treasurer is the custodian of all municipal funds and is responsible for their management. The City Treasurer oversees, controls, and approves all City Department accounting systems and purchasing activities. The City Treasurer shall develop, maintain, and control financial records, systems and procedures.

All City purchases must represent good value for the City, be within Council-approved budgets, be individually pre-approved as required for the purchase dollar amount, and be documented with a purchase order and an invoice or receipt. Documentation must be presented to the City Treasurer in a timely manner so as to keep accounts up-to-date and to assure prompt payment of accounts payable.

All purchases shall be made on the open market with such competition as is reasonable and practicable for the level of purchase. All qualified and reputable vendors and service providers shall be treated fairly, equitably and without favoritism.

Purchases may not be split for the sole purpose of getting under purchase authority limits.

The scope of this policy and procedure is general small purchasing by the central administrative functions in City Hall and by departments. Large purchases, such as for projects, construction, or major maintenance, and contracting for professional services, shall be addressed in separate policy and procedure documents.

PROCEDURES:
General:

- Plan ahead when making purchases. Consider your needs for at least the next two months and especially before the purchase cut off period May 15-June 30.
- Obtain competitive prices when possible as required for the dollar amount.
- Obtain a purchase order (PO) in advance.
- A purchase order may be used as a contract to provide specific professional services for small projects.
- Make no purchases between May 15 and July 1 without clearance from the City Treasurer.

- Make City on-line purchases only through City accounts. Make no purchase using any personal on-line account (e.g. personal eBay or Amazon accounts).
- Use only City credit cards for City purchases. Do not use personal credit cards for City purchases, except for approved City business travel, or when specially approved by the City Treasurer.
- Obtain a receipt, invoice, or other appropriate documentation for all purchases and submit it within three work days to the City Treasurer. Immediate submission is best.
- For vehicle fuel purchases identify the vehicle or equipment (e.g. Engine 27, BobCat, brush cutter, etc.) on the receipt before submitting to the Treasurer.
- The term "personal property" as used herein means everything that is subject to ownership by the City not coming under the denomination of real estate, and normally being movable.

Purchases over $10,000:

- Council approval is required
- Generally competitive bidding is required
- See the separate policy and procedure for such purchases

Purchases exceeding $5000 but under $10,000 for personal property, supplies, contracted services, and professional services:

- Specific Council approval is required only if the item or service is not provided for in the approved annual budget.
- In emergencies the Treasurer and Mayor must both authorize if Council has not met to approve.
- Generally credit cards will not be used for purchases in this range.
- Purchase will be made by the City Treasurer (not by a Department head or Committee members), using a purchase order with payment of invoice by check.
- Requester (Department Head or Committee Chair) shall:
    - Obtain multiple written or oral competitive quotations or prices for personal property items or contracted services, if possible. If a potential supplier declines to quote or offer the product or service, indicate "no quote" from that supplier as the quote.
    - For professional services, such as legal or architectural or engineering get one or more proposals from qualified professional consultants.
    - Confirm funding availability in budget.
    - Provide a written request to the Treasurer for the purchase, using the purchase order request form (Appendix A) with product or service specifications, reason for purchase, recommended source, price, record of competitive offers if received, and shipping means.
    - Notify the Treasurer upon receipt of items or conclusion of service work, and approve the invoice if requested.

Purchases up to but not exceeding $5,000 for personal property, supplies, contracted services, or professional services:

- Specific Council approval is required only if the item or service is not provided for in the approved annual budget.
- For professional services, such as legal or architectural or engineering get one or more proposals from qualified professional consultants.
- For purchases of personal property make a reasonable attempt to check prices from several sources so as to demonstrate the best value for City funds.
- City credit cards may be used for purchases in this range.
- Requestor (Department Head or Committee Chair) shall:
    - Identify product or service needed and the best price found.
    - Confirm funding availability in budget.
    - Provide a written request to the Treasurer for the purchase, using the purchase order request form (Appendix A) with product or service specifications, reason for purchase, recommended source, price, record of competitive offers if received, and shipping means.
    - Get direction from Treasurer as to means of payment if not indicated on the PO. If a City credit card is to be used, generally the Treasurer will make the purchase.
    - Make purchase as indicated on the PO.
    - Provide receipt or invoice to Treasurer as soon as possible but within at least three work days of purchase.
    - Approve invoice if requested by Treasurer.

Business Travel:

All staff, personnel or volunteers traveling on City business, or using city funds in any manner shall follow the following guidelines:

- Travel must be pre-authorized by the Mayor.
- Personal credit cards may be used for reimbursable travel expenses when not paid for directly by the Treasurer.
- Lodging and travel reservations
    - The Treasurer will book reservations for lodging and travel.
    - Purchase orders are required in advance of booking.
    - Signed invoices (with detailed charges) at check-out are required and must be turned in to City Hall upon return to Gustavus.
    - Personal charges will not be covered by the City.
- Travelers will retain receipts for eligible expenses for submission with an expense report (Appendix B) at the end of the trip.
- Eligible reimbursable expenses include:
    - Fares for air, ferry, or train travel in coach or economy class or the lowest available fare (generally pre-booked and paid by the Treasurer).

- Cost of standard accommodations in mid-priced hotels, motels or similar lodgings (generally pre-booked and paid by the Treasurer).
- Meals up to the maximum Federal meal per diem daily rate for the city being visited, when traveler is away from home on City business overnight.
- Car rental fees, only for compact or mid-sized cars.
- Fares for shuttle or airport bus service, where available, costs of public transportation for other ground travel.
- Taxi fares.
- Reasonable and customary tips for bag handlers, shuttle drivers, hotel services, etc. No receipt required.

Sami Marinkovich — Aug. 11, 2014

Signed — Mayor of the City of Gustavus — Date

City of Gustavus

Purchase Order / Payment Request

Dept: _____ Budget Line Item: _____

Todays Date: _____ Purchase Date: _____

Grant #: _____ Project: _____

☐ Check ☐ Credit Card ☐ On Account Total Amount: _____

*Please check the payment method you are requesting once purchase is complete and item has been received

Description:
Quantity: Unit Price:
Freight or postage/shipping:
Quote Attached: ☐ yes ☐ no Quote Number:

Vendor Information:

Vendor: _____

Address: _____

_____

_____

Phone: _____

Email: _____

Contact Person: _____

All information is needed. Please do not submit this form without all required information.
If additional information is needed, please submit via email for attachment to this form.

_____ _____

Department Manager/Committee Chairperson Signature Date

_____ _____

Treasurer Signature (proof of funds available) Date

This portion to filled out by Treasurer

PO#: _____ OK to pay given by: _____

Check #: _____ Date: _____

Credit Card used: _____ via: ☐ phone ☐ email ☐ in person

Treasurer Notes: _____

_____

Reference: City of Gustavus Ordinance 4.17
Adopted by Resolution CY14-26

insert appendix b