

**Ordinance No. 2539 Summary**

On July 7, 2022, the City of De Soto, Kansas, adopted Ordinance No. 2539, amending the City Purchasing Policy to increase the spending authority of the City Administrator and Department Heads. A complete copy of this ordinance is available at [www.desotoks.us](http://www.desotoks.us) or at City Hall, 32905 West 84<sup>th</sup> Street, De Soto, Kansas. This summary is certified by Patrick G. Reavey, City Attorney.

**ORDINANCE NO. 2539****AN ORDINANCE AMENDING SECTION 1-905 OF ARTICLE 9 OF CHAPTER I OF THE CITY CODE TO INCREASE THE SPENDING LIMIT OF THE CITY ADMINISTRATOR AND DEPARTMENT HEADS**

WHEREAS, with recent increases in economic development activity within the City, and commensurate increased demands on the city administrator, department heads, and the city governing body, the governing body believes it is prudent to raise the spending limits applicable to the city administrator and department heads.

**NOW THEREFORE, BE IT ORDAINED** by the Governing Body of the City of De Soto, Kansas:

**Section 1.** The Governing Body hereby amends Section 1-905 of Article 9 of Chapter I of the City Code to read as follows:

**1-905. Purchase Policy.**

All purchases of goods and services made after the effective date hereof shall be subject to the above Sections 1-903 and 1-904, and the following guidelines and policy.

(a) **Petty Cash.** The Finance Officer is the petty cash custodian. Any expenditures from the petty cash fund must be matched to and accompanied by a receipt for the expenditure.

(b) **Purchases up to \$51,000 (No purchase order required).** Department head, or designee, can authorize purchases without prior authorization from city administrator or a purchase order if funds exist in the budget. When invoices are received for payment, the department head or designee shall:

- (1) Write the appropriate budget account number on the invoice.
- (2) Provide a description of the item(s) purchased on the invoice.
- (3) Initial the invoice and submit it to the finance office for payment.

(c) **Purchases from \$51,001 to \$12,000.** Department head must review appropriate budget to determine the availability of funds and, when practical, obtain three (3) verbal bids for the purchase. Department head must provide prior authorization by issuing an initialed purchase order indicating the amount approved for the purchase, the appropriate budget account number, a description of the item(s) to be purchased, and the name of the vendor. When an invoice is received it will be attached to

the purchase order, initialized by the department head, and submitted to the city administrator before being forwarded to the finance office for payment. Payment will be based on the amount indicated on the invoice.

(d) **Purchases of \$12,001 to \$510,000.** Department head must, when practical, obtain three (3) written bids for the purchase. City administrator must review appropriate budget to determine the availability of funds. Department head or designee must obtain prior authorization from city administrator and receive a signed purchase order indicating the amount approved for the purchase, the appropriate budget account number, a description of the item(s) to be purchased, and the name of the vendor.

When an invoice is received it will be attached to the purchase order, initialized by the department head, and submitted to the city administrator before being forwarded to the finance office for payment. Payment will be based on the amount indicated on the invoice. The governing body will be notified of any payments made for an amount over \$2,500, but such notices shall not include payments previously authorized by the governing body.

~~(e) **Purchases of \$5,001 to \$10,000.** The governing body must approve any project or item, and it expects that, when practical, the city administrator will obtain at least three written quotes. Upon receipt of the written quotes, the city administrator will proceed with the project or acquisition of item if it is within the amount approved by the governing body. If not within the approved amount, new figures will be presented to the governing body.~~

~~If the project or acquisition of an item is within the approved amount, the department head upon receipt of invoices shall submit a purchase order to the city administrator indicating the amount approved for the purchase, the appropriate budget account number, a description of the item(s) to be purchased, and the name of the vendor.~~

(ef) **Purchases of \$10,001 to \$50,000.** At least three written quotes must be obtained, when practical. Upon receipt of the quotes, the governing body will authorize the mayor, city administrator, or appropriate department head to enter into an agreement or a contract before a project begins or an item is purchased.

All items or projects will be assigned an identification number or descriptive title. All invoices must be accompanied by a purchase order. The purchase order shall indicate the project identification number or descriptive title, budget account number, description of items purchased, and be initialed by the department heads before submitting it to the city administrator.

(fg) **Purchases \$50,001 and over.** A sealed bid process should be followed, except for instances where the products, goods, equipment, or services cannot be directly compared due to differences in process, design, manufacturing, or proprietary components.

The following shall apply to each purchase for \$50,001 or over:

- (1) Notice of Inviting Bids. Notices inviting sealed bids shall include a general description of the article(s) or services to be purchased or supplied, shall state where bid forms and specifications may be obtained, and the time and place for opening bids. The notice shall specify the amount and form of the bidder's security deposit if required. The notice shall state that bids shall be submitted and contracts awarded pursuant to the provisions of this Policy and any other applicable rules, regulations or conditions. The notice shall state that the governing body may reject any and all bids for any reason.

Notices inviting bids shall be published on an electronic plan distribution room of general use within the contracting community in the region. A notice shall also be posted on the city's website. This does not preclude, when deemed advantageous, the use of any other means of notice.

- (2) Bid Opening. Sealed bids shall be submitted as set forth in the published notice, and shall be identified as "bids" on the envelope and opened by the city administrator, or their designee, at a time and place stated in the published notice. A tabulation of all bids received shall be open for public inspection at the De Soto City Hall.
- (3) Bid Rejection, Re-advertisement. The governing body may, in its discretion, reject any and all bids and may re-advertise for bids pursuant to the procedures prescribed by this Policy.
- (4) Tie Bids. If two or more bids are received for the same total amount or unit price and all other applications being found equal, the governing body may accept either bid.
- (5) Performance Bond. The City of De Soto may require a performance bond in such amount as it may deem necessary to protect the interests of the City and the form and amount of such bond shall be specified in the notice inviting bids.
- (6) Security Deposit. In transactions where sealed bids are required, the governing body or the city administrator may require and specify the amount and form of the bidder's security deposit in the call for bids. The City Attorney may review such security agreements.

The security deposit of the successful bidder shall be held to secure the capacity, readiness, and willingness of the successful bidder to execute the contract. The successful bidder shall forfeit the deposit of bid security upon refusal or failure to execute the contract within ten (10) days' notice, unless otherwise specified, of award of the contract.

The governing body may, on refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsible bidder, the amount of the previous successful bidder's security may be applied by the City to the difference between the initial failed bid and the next lowest responsible bid; and the surplus, if any, shall be forfeited as the reasonable cost to the City of De Soto for delay and/or administrative cost involved in re-letting the contract.

- (7) Special Services and Equipment. Recognizing that acquisition of some goods, services, or professional services, are of such a unique or complex nature that a structured competitive bid process based solely upon the lowest price would detract from the City's ability to acquire the most appropriate goods or services, the city administrator and/or the governing body may determine that is in the best interest of the City of De Soto to base the expenditure upon criteria other than the lowest cost. In such cases, the city administrator or their designee may prepare requests for proposals, and such proposals may be accepted, rejected, or negotiated prior to final contract approval by the governing body.

(gh) **Exceptions**. Exceptions from the purchasing policy will be made for the following items or circumstances:

- (1) For emergency maintenance of structures, city infrastructure, and equipment that cannot be postponed until action can be taken by the governing body.

- (2) Fuel, oil, chemicals, or other commodities for which budget accounts have been established.
- (3) Regular monthly utility payments.
- (4) For Professional Services which are selected based on qualifications rather than price.

**(hi) Change Order Policy.** If a change order or price change occurs for a project or item that has been approved by the governing body, the city administrator may be authorized to approve change orders within 10% of the approved project/item cost if the revised amount does not exceed the amount budgeted for the project/item and the revised amount does not exceed \$5,000.

If the change order or price change exceeds 10% of the approved amount, exceeds \$5,000, or exceeds the amount budgeted for the project/item, the city administrator will bring the project/item back to the governing body for reconsideration.

**(ij) Procedures for Issuance of Checks and Payments.** City checks will only be prepared for signatures by the city finance officer, or their designee, upon presentation of an invoice, statement, or other writing by the city administrator or department head for a previously approved expenditure. No check shall be valid unless it is signed by any three (3) of the following individuals, who are the only persons authorized to sign checks: Mayor, city council president, city administrator, and city clerk.

A record of all payments (via check or Automated Clearing House), and associated budget codes or accounts, shall be made available to the governing body at each regularly scheduled council meeting, and the council will authorize and approve such payments by passage of an Ordinance (“the Pay Ordinance”).

**Section 2. Repealer.** Existing Section 1-905 of Article 9 of Chapter I of the City Code is hereby repealed.

**Section 3. Effective Date.** This Ordinance shall take effect upon its adoption by the City Council, approval by the Mayor and publication in the City’s official newspaper.

ADOPTED BY THE GOVERNING BODY OF THE CITY OF DE SOTO, KANSAS  
AND APPROVED BY THE MAYOR ON THE 7<sup>th</sup> DAY OF JULY 2022.

(seal)

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RICK WALKER, Mayor

ATTEST:

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BRANDON MILLS, City Clerk

APPROVED AS TO FORM:

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PATRICK G. REAVEY, City Attorney