

manner with avoidance of any impropriety. All qualified vendors have access to City business. No bidder will be arbitrarily or capriciously excluded. It is the intent of the City that competition be sought to the greatest practical degree. The conditions of the contract shall be made clear in advance of the competition. Specifications shall reflect the needs of the City.

C. Purchasing of Goods

1. Each department head shall have the authority to purchase individual goods/services costing less than \$1,000 each as long as costs remain within the approved budget. Each department head is responsible to ensure that internal control procedures, including those issued by the City Manager, are followed.
2. Purchases for individual goods/services costing more than \$1,000 and less than \$5,000 each can be authorized by the City Manager as long as costs remain within the approved budget. The department shall make every effort to solicit a minimum of three competitive prices. These purchases are considered small purchases and can be handled using telephone quotes.
3. Purchases for individual goods/services costing more than \$5,000 and less than \$25,000 are generally bid through an informal bid process. These purchases are handled by written quotes/bids. An invitation to bid is the solicitation of written offers and/or pricing based on specification of the required equipment, material, and/or general service. These are neither publicly advertised in the newspaper nor opened publicly, but must be approved by the Mayor and City Council.
4. Purchases for individual goods/services costing more than \$25,000 are considered as formal sealed bids. They are advertised for a minimum of two (2) weeks prior to bid opening and the contract award must be approved by the Mayor and City Council. Bids are advertised in the legal organ and posted on the City's web site. A public bid opening is required for formal sealed bids.
5. Construction services are processed under the competitive bid process described for purchases of \$25,000 or more. Construction bidders are required to post performance and payment bonds in an amount equal to the contract award unless the contract is under \$40,000. Construction bidders are also generally required to post a 5% bid bond at the time of bid

submission. Evidence of liability and workmen's compensation insurance are also required prior to bid award. Any waiver of bonds will be noted clearly in the solicitation to bid.

6. Although authority may be delegated, the ultimate responsibility rests with the City Manager. Purchases must be monitored to assure compliance with City policy.
7. No contract of the City involving the expenditure of public funds shall be in violation of the City's "Ethics Ordinance."
8. Bids are awarded to the lowest responsive and responsible bidder. A responsive bid is one that conforms in all material respects to the needs of the City. Responsible means a bidder who has the capability to perform the requirements.
9. The City of Sky Valley will provide an equal opportunity for all businesses to participate in City contracts regardless of sex, race, color, religion, national origin, political affiliation, age, handicapped status, sexual orientation, sexual preference, or transgender status.
10. Ineligible Vendors – Any person, firm, or corporation who is in arrears to the City for taxes, or otherwise, will not be qualified to bid on any purchase until their debt to the City has been cleared. No purchase order will be approved for such vendors.
11. State Contracts – The City is authorized to use state contracts in lieu of issuing bids to vendors or buying locally when it is to the economic advantage of the City or deemed appropriate by the City Manager. The state contract price may be used to establish the maximum price for a good or service.
12. Back-up Policy and Emergency Purchases – In cases of emergency, a contract may be awarded without competitive bidding, but the procurement shall be made with as competition as the circumstances allow (i.e., informal quotes). An emergency is defined as a threat to life or property, or an unforeseen situation that curtails or greatly diminishes an essential service as determined by the City Manager. In the event of an emergency, the City Manager shall be contacted.

D. Purchase Order (PO)

A "Purchase Order" (PO) cannot be issued unless sufficient funds are available in the budget.

The following is the established City procedures for use of purchase orders: