



City of Independence Procurement Procedures Manual

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City of Independence

Procurement Procedures Manual

1. Introduction

The purpose of the procedures manual is to provide direction to procure commodities, equipment, contractual labor, services, and insurance, and disposal of surplus property, as required by the City Charter, Code, and Procurement Manual for the best value, cost, and quality available.

2. Solicitation Thresholds

\$0 - \$5,000 – Competition not required but strongly recommended

\$5,000.01 - \$100,000 – **Informal**

 \$5,000.01 - \$10,000 – Department may solicit written quotes/bids/proposals

 \$10,000.01 - \$100,000 – Procurement Division solicits quotes/bids/proposals

\$100,000.01 and above – **Formal**

Professional Services

\$0 - \$100,000 – Competition not required but strongly recommended

\$100,000.01 and above – competition required

3. Approvals

3.1 Over \$100,000, City Council approval is required on all purchases, change orders, cooperative purchases

3.2 Consent Agenda – Purchases where funds to be expended exceed \$100,000, including goods, services, construction, and professional services, are entered into Novus Agenda as a Consent Agenda item, which requires one reading

 3.2.1 Department will write and email background information to Procurement Division

 3.2.2 Procurement Division will enter item into Novus Agenda

 3.2.3 Purchase order or other contract type will be issued following approval by City Council

3.3 Ordinance – Purchases that require appropriation or re-appropriation of funds require approval through the ordinance process, which requires two readings

 3.3.1 Department will enter the ordinance into Novus agenda

 3.3.2 Department will notify Procurement when item is approved by Council and Procurement will issue purchase order or contract

3.4 The City Manager will provide a report of purchases between \$50,000 and \$100,000 to the City Council as requested

Solicitation Types Used by the City of Independence

4. Invitation to Bid (ITB)

4.1 Standard ITB Guidelines

4.1.1 Award is made to the lowest most responsive and responsible bidder who meets the minimum requirements and conditions in the Invitation to Bid

4.1.2 No negotiation is permitted on the Invitation to Bid; the Procurement Manager may consider exceptions if a single bid is received; exceptions to the terms and conditions of the ITB will not be considered

4.1.3 The Procurement Manager may use his/her judgement to determine compliance and to waive any minor ambiguities in the bid response

4.1.4 In the event of pricing discrepancies with unit priced items, unit price will prevail over total price

4.2 Informal - \$5,000.01 - \$100,000 – no public opening; does not require City Council approval

4.2.1 \$5,000.01 - \$10,000 – Department may solicit written bids

- 4.2.1.1 At least three written quotes required
- 4.2.1.2 Provide the same specifications to all bidders
- 4.2.1.3 Provide the City's standard terms & conditions to all bidders
- 4.2.1.4 Department conducts the bid opening
- 4.2.1.5 Attach documentation of bids received to the requisition in the financial system; Procurement Division will issue a purchase order, OR
- 4.2.1.6 Include bids with receipt attachment if paid with P-card
- 4.2.2 \$10,000.01 - \$100,000 – Procurement Division solicits bids
 - 4.2.2.1 Department submits requisition in the financial system to start the process
 - 4.2.2.1.1 Attach specifications to requisition
 - 4.2.2.1.2 Attach list of vendors to requisition
 - 4.2.2.2 Procurement Division will publish ITB on Public Purchase, the City's e-solicitation system
 - 4.2.2.3 A pre-bid conference may be held as determined by department and Procurement Division staff
 - 4.2.2.4 Procurement Division will open bids and provide bid tabulation to using department(s)
 - 4.2.2.5 Award will be made to the lowest bidder that met the minimum requirements of the ITB
 - 4.2.2.6 Procurement Division will issue purchase order and/or other contract type

4.3 Formal - \$100,000.01 and above – public bid opening required

- 4.3.1 Department submits requisition in the financial system to start the process
 - 4.3.1.1 Attach specifications to requisition
 - 4.3.1.2 Attach list of vendors to requisition
- 4.3.2 Procurement Division will publish ITB on Public Purchase, the City's e-solicitation system
- 4.3.3 A pre-bid conference may be held as determined by department and Procurement Division staff
- 4.3.4 Public bid opening is held at the specified date and time stated in the ITB
- 4.3.5 Procurement Division will open bids and provide bid tabulation to using department(s)
- 4.3.6 Recommendation for award will be made to the lowest bidder that met the minimum requirements of the ITB
- 4.3.7 A Notice of Intent to award will be issued five (5) business days prior to award
- 4.3.8 Council approval is required for all purchases \$100,000 and above
- 4.3.9 Procurement Division will issue purchase order or other contract type

5. Request for Proposal (RFP)

5.1 Standard RFP Guidelines

- 5.1.1 The purpose of the RFP is to identify and award to the supplier that is able to provide the best value to the City, not necessarily lowest price
- 5.1.2 Used if detailed specifications or scope of work cannot be defined, if more than one solution may satisfy the City's requirements, and when evaluation factors other than cost must be considered
- 5.1.3 Requesting department contacts the Procurement Division to discuss the development of the request, to ensure the RFP correct process is followed from inception
- 5.1.4 A background and scope of work must be written by the requesting department
- 5.1.5 Department submits requisition in financial system to start the process
- 5.1.6 Attach the scope of work and a list of potential proposers to the requisition
- 5.1.7 Procurement Division will write RFP
- 5.1.8 Evaluation criteria is written and used to determine the best value procurement; weighted numerical scoring is used; requirement of pricing from the proposers may be requested during negotiation rather than in the initial RFP criteria and scoring; this two-step process is disclosed in the RFP document
- 5.1.9 Procurement Division will write RFP and publish it on Public Purchase, the City's e-solicitation system
- 5.1.10 An evaluation team, ideally comprised of three to five members, is selected by the Procurement Division and the requesting department prior to issuance of the RFP
 - 5.1.10.1 It is critical that the same team members remain in place throughout the entire process to ensure that equal and fair evaluation occurs

5.1.10.2 Evaluation team members are required to sign a Statement of Confidentiality and Non-Conflict of Interest and Substantial Interests to serve on the team. A breach of confidentiality or conflict of interest or substantial interest is defined as any evaluation team member, whether position or financial interest, that would affect either the solicitation of proposals or the selection of the successful proposer. The statement ensures the confidentiality and integrity of the RFP process for each specific procurement

5.1.10.3 A Guidelines for Evaluation Team Members document is available on CityNet that provides details regarding the evaluation process

5.1.11 A pre-proposal conference may be held prior to RFP closing to answer questions from the prospective proposers and to provide clarification of the intent of the RFP

5.1.12 There is no public opening; when RFP closes, only the names of the proposers may be revealed; all other information remains confidential until award is made or all proposals are rejected

5.1.13 The Procurement Division provides copies of the proposals received and scoring forms to the evaluation team

5.1.14 Evaluation of proposals received:

5.1.14.1 Proposals are initially evaluated individually by team members; team members have agreed to keep all information confidential throughout the process

5.1.14.2 The evaluations are submitted to Procurement Division to aggregate scoring and evaluation comments prior to meeting of evaluation team

5.1.14.3 The evaluation team meets to review the scores and comments to determine the next steps for the RFP; the team may make a recommendation for award at this point without taking additional evaluation steps if appropriate information has been received to make that decision; or

5.1.14.4 A short list of proposers comprised of the highest scoring firms may be generated; proposers that are not included on the short list are notified by the Procurement Division

5.1.14.5 Discussion and negotiation with proposers during the evaluation process is permitted only by the evaluation team

5.1.14.6 Next steps may include interviews with proposers, site visits, demonstrations, best and final offer (BAFO) to negotiate final pricing and contract terms, or any method necessary to determine best value and award

5.1.14.5 If pricing was not required in the initial RFP criteria, it will be required during negotiation with either the top scoring proposer or proposers, dependent on the RFP

5.1.15 A Notice of Intent to Award is issued with a five-day window to comply with the Right to Protest section of this policy; or all proposals may be rejected if it's in the best interest of the City

5.1.16 Council approval is required for any purchase over \$100,000

5.4.10 Upon approval of award, the Procurement Division will issue purchase order or other contract type

5.2 RFP for Consulting and Professional Services - Under \$100,000 – does not require City Council approval

5.2.1 Department submits requisition in financial system to start the process

5.2.2 Attach the scope of work to the requisition and negotiated contract with statement of work; the City's consulting and professional services contact template is on CityNet and is required

5.2.3 Council approval not required

5.2.4 Procurement Division will issue purchase order or other contract type

6. Request for Qualifications (RFQ)

6.1 The City uses the Request for Qualifications (RFQ) to prequalify vendors for services prior to contract negotiation

6.2 The Procurement Division will issue an RFQ when prequalification is needed to determine the most qualified respondent(s) for upcoming projects

6.3 Respondents must meet the minimum RFQ criteria requirements to be placed on the prequalified list, which is part of the City's Contract Listing posted on CityNet

6.4 Selection Process for a Project (non-A&E)

Department responsibilities

- 6.4.1 Develop a scope of services and pricing requirements for the project and issue a request only to the selected prequalified vendors from the listing
- 6.4.2 Enter a requisition into the financial system
- 6.4.3 Attach to the requisition all documentation including scope of work, statement of work, negotiated price, and signed contract; contract template is available on CityNet
- 6.4.4 If over \$100,000 submit background information to the Procurement Division to enter in the Novus Agenda system for Council Consent Agenda
 - 6.4.4.1 If fund appropriation is required, the Department will prepare an ordinance instead of Consent Agenda background, along with A&E contract and supporting documentation and submit on Novus Agenda
 - 6.4.4.2 When ordinance is approved, it is the department's responsibility to notify the Procurement Division to complete the procurement and contracting steps

6.5 Selection Process for A&E – Architects, Engineers, and Land Surveyors

The State of Missouri requires the RFQ process be used to prequalify architects, engineers, and land surveyors

Department responsibilities

- 6.5.1 Select the most qualified firm from the prequalified A&E listing on CityNet; the State requires selection of one but more be selected, dependent on the project; selection statement form is not required; the selected firm must have a valid prequalification on file in the financial system
- 6.5.2 Enter a requisition into the financial system
- 6.5.3 Attach to the requisition all documentation including scope of work, statement of work, negotiated price, and A&E contract (template on CityNet) signed by the selected firm
- 6.5.4 If over \$100,000 submit background information to the Procurement Division to enter in the Novus Agenda system for Council Consent Agenda
 - 6.5.4.1 If fund appropriation is required, the Department will prepare an ordinance instead of Consent Agenda background, along with A&E contract and supporting documentation and submit on Novus Agenda
 - 6.5.4.2 When ordinance is approved, it is the department's responsibility to notify the Procurement Division to complete the procurement and contracting steps

Procurement Division responsibilities

- 6.5.5 Procurement Division shall issue a purchase order or contract in the financial system, whichever is appropriate for the project
- 6.5.6 Procurement Manager shall execute the contract and all accompanying documents at the same time the purchase order or contract is issued in the financial system
- 6.5.7 Obtain proof of insurance and verify business license status

7. Request for Information (RFI)

- 7.1 The Request for Information (RFI) is issued when information is required for an upcoming solicitation and scope of work, specifications, or other information is unknown
- 7.2 Responses may include best practices, industry standards, technology issues, product descriptions
- 7.3 Cost is not required, although an estimated cost may be requested for budgetary purposes
- 7.4 No award is made

8. Bid and Proposal Submission Conditions

- 8.1 Any competitive solicitation issued on www.publicpurchase.com, the City's e-solicitation website, shall require responses to be submitted electronically on www.publicpurchase.com. Responses received late or via another method will be rejected and will not be returned to the bidder, proposer, or respondent
- 8.2 Bids, proposals, or responses may be withdrawn, modified, or revised prior to the close of the solicitation

- 8.3 Bids, proposals, or responses cannot be revised after they are opened; once opened, all documents become property of the City
- 8.4 Awards may be split among multiple vendors if it is in the best interest of the City
- 8.5 The Procurement Manager will make a recommendation of award in the event two or more bids or proposals are equal in cost or value
- 8.6 Non-responsive
 - 8.6.1 Any bid submitted that does not meet the minimum requirements set forth in the ITB including Terms and Conditions will be deemed non-responsive
 - 8.6.2 Any proposal that does not meet the minimum requirements set forth in the RFP will be deemed non-responsive; the proposer may request exceptions to terms and conditions of the RFP, which can be discussed during the negotiation phase of the RFP evaluation
 - 8.6.3 Any response that does not meet the minimum requirements set forth in the RFQ will be deemed non-responsive

9. Management Analyst Review

Prior to presentation to Council, the City Management Analyst must review all contracts valued at \$2,000,000 or more. The City Management Analyst must also review contracts where the cost is between \$500,000 and \$1,999,000, if they will be in effect for more than a year. The following information will be required:

- 9.1 Whether the solicitation was advertised (media used)
- 9.2 Number of vendors notified
- 9.3 Number of bids/proposals received
- 9.4 If fewer than three vendors responded, what efforts were made to learn why others did not respond?
- 9.5 Local companies represented on the vendor list
- 9.6 Accuracy of the bid tabulation and evaluation documentation
- 9.7 Whether the cost selected was the lowest cost bid or proposal; if not, why
- 9.8 How were the contract costs computed; was the methodology the most appropriate to identify the lowest most responsive and responsible bidder or best value
- 9.9 The difference or spread between the prices received
- 9.10 Process used to determine that all vendors were bidding or proposing on comparable units and similar assumptions
- 9.11 Did Legal Department staff review the contract
- 9.12 The contract period and possible risk to City if it is excessive
- 9.13 Renewal provisions in the contract
- 9.14 Termination provisions to allow the City to end the contract if necessary
- 9.15 Did staff determine whether there are alternative ways to obtain this service or commodity that might have cost less or yield greater benefits

10. Bonds

- 10.1 Bid Bond or Proposal Bond – Security requirement determined by the Procurement Manager
 - 10.1.1 Bid Bond or Proposal Bond - provided by a surety company authorized to do business in the State of Missouri
 - 10.1.2 Cashier's Check or Certified Check may be submitted in lieu of the bond; cash will not be accepted
 - 10.1.3 Failure to submit a bond as required in the solicitation will result in rejection of the bid or proposal
 - 10.1.4 If the bidder fails to honor the bid or proposal for any reason, the security may be retained by the City
 - 10.1.5 Value of security is equivalent to 5% of the bid or proposal price
- 10.2 Payment, Performance, and Maintenance Bond – Requirement determined by the Procurement Manager
 - 10.2.1 Provided by a surety company authorized to do business in the State of Missouri
 - 10.2.2 Issued in an amount up to 100% of the price specified in the bid or proposal

10.2.3 The City's preapproved form shall be used or the bond will not be accepted

11. Public Improvements

- 11.1 Public improvements are defined as new construction of public facilities, roadways, bridges, sidewalks, parking lots, etc. or newly constructed appurtenances for public use or benefit, paid wholly or in part out of public funds, in accordance with Article 11 of the City Charter
- 11.2 Public improvement bidding is processed through the Procurement Division office
- 11.3 Public Improvements are bid in accordance with the bidding procedures as defined in this policy as well as Chapter 20 of the City Code, with these added conditions:
 - 11.3.1 All public improvements over \$500 require competitive bids
 - 11.3.2 A 100% payment, performance, and maintenance bond is required for all public improvement projects over \$2,500
 - 11.3.3 All public improvement projects will be completed in compliance with the Missouri Prevailing Wage Law
 - 11.3.4 The standard Public Improvement contract (contract template on CityNet) may be used in addition to a purchase order that incorporates the awarded bid and all supporting documents
- 11.4 Purchases over \$100,000 require City Council approval

12. Project Delivery Methods

Design-Bid-Build, Design-Build, and Construction Manager at Risk are the project delivery methods used most commonly by the City. All departments requiring construction for the City should collaborate with the Public Works Department

- 12.1 Design-Bid-Build is the traditional method for project delivery with three separate, distinct steps: the design, the bid, and the construction step.

Design Step:

- 12.1.1 The design step is accomplished through the Request for Qualifications (RFQ) process in accordance with Missouri law, which requires prequalification of architects, engineers, and land surveyors (A&E)
- 12.1.2 Once prequalified by the City, the using department may select the most qualified firm to develop and scope of work and negotiate pricing
- 12.1.3 The department enters a requisition in the financial system and attaches the scope of work from the A&E, along with the A&E contract that has been signed by the recommended A&E firm
- 12.1.4 If over \$100,000, the Procurement Division will enter the item into Novus Agenda as a consent agenda item
- 12.1.5 When approved by Council, Procurement will issue a purchase order or contract, whichever is most appropriate
- 12.1.6 The A&E contract will be signed by the Procurement Manager to execute the contract

Bid Step:

- 12.1.7 The department will write the specifications for an Invitation to Bid (ITB) based on the design
- 12.1.8 The department enters a requisition in the financial system for this step and attach the bid specifications to the requisition
- 12.1.9 Procurement Division will publish ITB on Public Purchase, the City's e-solicitation system
- 12.1.10 A pre-bid conference may be held as determined by department and Procurement Division staff
- 12.1.11 Public bid opening is held at the specified date and time stated in the ITB
- 12.1.12 Procurement Division will open bids and provide bid tabulation to using department(s)
- 12.1.13 Recommendation for award will be made to the lowest bidder that met the minimum requirements of the ITB
- 12.1.14 A Notice of Intent to award will be issued five (5) business days prior to award
- 12.1.15 Council approval is required for all purchases \$100,000 and above
- 12.1.16 Procurement Division will issue purchase order or other contract type

Construction Step:

12.1.17 Once the bid has been awarded, the construction is performed; the bid documents may not be altered

12.1.18 Necessary permits must be achieved from all jurisdictional authorities to begin this step

12.1.19 If design changes are necessary during construction, whether initiated by the contractor or architect, the architect may issue written clarifications, and the contractor may be required to document "as built" conditions to the City

12.1.20 In most projects, nearly every component of a DBB project is supplied and installed by subcontractors

12.1.21 The general contractor may provide work with its own forces but the primary role is to manage the daily activity on the construction site

12.2 Design-Build means any project for the design, construction, alteration, remodeling or improvement of any buildings, facilities or other public improvements for which the design and construction services are furnished under one contract

12.2.1 Design-Build Team is comprised of the Design-Builder, the Design Consultant, and key subcontractors identified by the Design-Builder

12.2.2 Design-Builder is any individual, partnership, corporation, associates or other legal entity providing both design and construction services to the City for a design-build project

12.2.3 Design Consultant is a qualified, licensed design professional who is employed or retained by any firm under contract with Design-Builder, to furnish design services required under the contract documents. A Design Sub-Consultant is a qualified, licensed design professional who is not an employee of the Design Consultant, but is retained by the Design Consultant or employed or retained by any firm under contract to Design Consultant, to furnish design services required under the Contract Documents. Design services include architectural, engineering and land surveying services

12.2.4 Whenever design-build services are needed a Request for Qualifications (RFQ) shall be prepared, designed to ascertain the qualifications of design-build teams that may be interested in providing services for the proposed project. Qualifications may include, but are not limited to,

12.2.4.1 The specialized experience and technical competence of the team with respect to the types of services required including experience in design-build projects of similar function and scope

12.2.4.2 The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project

12.2.4.3 The past record of performance of the firm with respect to such factors as estimating accuracy and meeting project budgets, quality of work, and ability to meet schedules

12.2.4.4 List of people available to provide required design and construction services including the Licensed Professional Engineer, Architect and/or Land Surveyor, who will be responsible for Professional Services associated with this project

12.2.3 A selection process will be established for each given project and included in the RFQ. A second step in the process may be used, depending on the project, in which an RFP is issued to the three to five short-listed design build teams from the RFQ step

12.2.4 The City may also choose to pay a stipend to any unsuccessful design build teams, depending on the project. If a stipend is paid to and accepted by an unsuccessful team, the City may keep and use any documents or information and any intellectual property submitted by the team accepting the stipend. If a team does not accept the stipend when offered, the City will have no right to keep or use any documents, information or intellectual property of that team

12.2.5 Contracts for preliminary and final design-build services shall be negotiated with the selected design-build team for the types of design and construction services required at fair and reasonable prices. If a satisfactory preliminary contract cannot be negotiated with the selected team, negotiations with that team shall be terminated. Negotiations shall then commence with

the second rated team until agreement has been reached or negotiations are terminated. This process will continue until an agreement has been reached with one of the teams or no selected teams remain. If no agreement is reached with any of the selected teams, the scope of the design-build services, project schedule and other requirements outlined in the RFQ shall be reevaluated and appropriate revisions may be made. The selection process may be initiated again based on the revised RFQ or other project delivery methods may be considered

12.2.6 Council approval is required for all purchases \$100,000 and above

12.3 Construction Manager at Risk (CMAR) means a sole proprietorship, partnership, corporation, or other legal entity that assumes the risk for the construction, rehabilitation, alteration, or repair of a project at the contracted price as a general contractor and provides consultation to a political subdivision regarding construction during and after the design of the project

12.3.1 Whenever construction manager at risk services are needed, a Request for Qualifications (RFQ) or Request for Proposal (RFP) shall be prepared, depending on the project, requesting, at a minimum, the following from each construction manager that may be interested in providing services for the proposed project:

12.3.1.1 Fees for overhead and profit (for a RFP process only)

12.3.1.2 Reimbursable costs for reimbursable items as defined in the City's request for Proposal (for a RFP process only)

12.3.1.3 Qualifications (for both RFQ and RFP processes)

12.3.1.4 Demonstration of ability to perform projects comparable in design, scope and complexity (for both RFQ and RFP processes)

12.3.1.5 Demonstration of good faith efforts to achieve compliance with federal, state and local affirmative action requirements, if applicable (for both RFQ and RFP processes)

12.3.1.6 References of owners for whom construction management services have been performed (for both RFQ and RFP processes)

12.3.1.7 Financial strength (for both RFQ and RFP processes)

12.3.1.8 Qualifications of personnel who will manage and support the project (for both RFQ and RFP processes)

12.3.1.9 Demonstration of successful management systems which have been employed for the purposes of estimating, scheduling and controlling costs (for both RFQ and RFP processes)

12.3.2 A selection process will be established for each given project and included in the RFQ or RFP. For an RFQ process a second step in the process may be used, depending on the project, in which an RFP may be issued to the top three to five short-listed construction managers from the RFQ step

12.3.3 The City may also choose to pay a stipend to any unsuccessful construction managers, depending on the project. If a stipend is paid to and accepted by an unsuccessful construction manager, the City may keep and use any documents or information and any intellectual property submitted by the construction manager accepting the stipend. If the construction manager does not accept the stipend when offered, the City will have no right to keep or use any documents, information or intellectual property submitted

12.3.4 The City staff may negotiate a contract for construction manager at risk services with one or more construction managers thus selected. If City staff is unable to negotiate a contract for the type of services required with any of the construction managers selected for a project at a price determined by City staff, subject to City Council approval, to be fair and reasonable, City staff shall reevaluate the necessary construction manager at risk services, including the scope and reasonable fee requirements, and again advertise for construction manager at risk services with revised terms or other project delivery methods may be considered.

12.3.5 Council approval is required for all purchases \$100,000 and above

13. Construction Contractor Qualification Requirements – Contracts Exceeding \$300,000

13.1 The City shall investigate and examine the qualifications of all contractors and, upon determining that a contractor meets the requirements of this policy and is in all respects responsible, qualified and

competent for the class, character and magnitude of the work the applicant proposes or intends to perform under the proposed contract, shall then be determined to be qualified to be awarded a bid

13.2 In determining the acceptability of a contractor for the purpose of qualification, the City shall investigate and consider at least the following:

13.2.1 Financial responsibility

13.2.2 The character, quality and availability of the contractor's equipment

13.2.3 The performance record of the contractor in the performance of other contracts for public or private improvements

13.2.4 The nature and extent of other contract commitments involving the use of contractor's machinery, equipment and personnel

13.2.5 The reputation for reliability and integrity

13.2.6 History of compliance with applicable State and Federal laws

13.2.7 Compliance with applicable MBE/WBE (minority business enterprise/women business enterprise) policies

13.2.8 The source of any labor involved in the project

13.2.9 Any other fact, which would materially affect the ability of the applicant to properly, adequately, expeditiously and satisfactorily perform such work as might be awarded to such contractor

13.3 To be determined qualified, the contractor must provide or participate in each of the following for the benefit of its employees and in addition, the contractor will certify that all subcontractors under their control will comply with the following:

13.3.1 An ERISA-qualified medical welfare benefit plan or health insurance in some form

13.3.2 A training program approved by and registered with the U.S. Department of Labor's Bureau of Apprenticeship and Training or equivalent

13.3.3 A ERISA-qualified pension plan or a retirement benefit program

13.3.4 Under no circumstances shall a contractor be qualified who fails to provide or participate in any of the aforementioned programs

13.4 The City Manager may require such documentation or verification by the person or firm claiming to be using local labor, as is deemed necessary to establish the requirements

13.5 Each solicitation shall include a statement that reflects the preferences and vendor qualification provisions set out in Section 8.06.003 of the City Code

14. Easement Acquisitions

Notwithstanding anything to the contrary found in existing ordinances and resolutions of the City, the City Council may authorize the City Manager or designee to accept or approve, on behalf of the City, all easement documents, deeds of dedication, contract work orders and utility relocation and right-of-way certifications and agreements

15. Preferences

Section 8.06.003 (E) of the City Code includes provisions for preferences. These preferences must be followed when procuring manufactured goods or commodities as well as when entering into any contract that exceeds \$300,000 involving labor

15.1 United States Products. Manufactured goods or commodities shall be purchased which have been manufactured, assembled, or produced in the United States, unless:

15.1.1 The purchase, lease, or contract involves an expenditure of less than \$5,000

15.1.2 Only one component of a particular good or product is manufactured, assembled, or produced in the United States

15.1.3 The specified products are not manufactured, assembled or produced in the United States in sufficient quantities to meet the City's requirements or cannot be manufactured, assembled, or produced in the United States within the necessary time in sufficient quantities to meet the City's requirements; or

15.1.4 Obtaining the specified products manufactured, assembled or produced in the United States would increase the contract cost by more than ten percent (10%)

15.2 Missouri Products. Materials, products, supplies, provisions and other needed articles shall be purchased which are produced, manufactured, compounded, made or grown within the State of Missouri, when they are found in marketable quantities in the State and are of a quality suited to the purpose intended and can be secured without additional cost over products of other states; provided, however, that quality and fitness of articles shall be considered in procuring or letting contracts for articles herein mentioned

15.3 When entering into any contract which exceeds \$300,000 involving labor or hiring any labor for public contract work, preference may be given to contractors, mechanics, artisans or other laborers of any class, who shall have actually resided in Jackson County for a period of six months preceding the start of their engagement

15.3.1 A contract or purchase may be awarded to a bidder utilizing local labor where the bid by such bidder is, in all material respects, comparable to the lowest responsible bid not utilizing local labor if the amount bid (labor, materials, and other services) by such bidder does not exceed the lowest bid not utilizing local labor by more than the following percentage, unless such an award is contrary to State or Federal law or regulation, or unless the Council, at its discretion, determines prior to giving notice soliciting bids that the provisions of this section shall not apply to the contract or purchases:

15.3.1.1 \$0 to \$300,000 – No preference

15.3.1.2 \$300,000 to \$1,000,000 – 5 percent on the first \$300,000 and adjustment for the amount between \$300,000 and \$1,000,000

15.3.1.3 \$1,000,000 and greater – 5 percent higher on the first \$300,000 and 2.5 percent on amount between \$300,000 and \$1,000,000

15.3.1.4 No additional adjustments for amounts in excess of \$1,000,000

15.3.2 The amount of any preference awarded will be based on the maximum preference awarded for size of the contract multiplied by the percentage of local labor compared to the total labor for the work

16. Exceptions to Competition Requirements

16.1 Sole Source

16.1.1 Sole source, as determined by the Procurement Manager, is defined as only one vendor that possesses the unique and singularly available capability to meet the requirement of the procurement

16.1.2 Documentation from the manufacturer for commodities is required from the requesting department to justify a sole source procurement

16.1.3 Documentation from the service provider is required to justify a sole source procurement

16.1.4 Purchases over \$100,000 require City Council approval

16.2 Single Source

16.2.1 A particular commodity or service that is proprietary or standardized by the City

16.2.2 Written justification for procurement as a single source is required from the requesting department

16.2.3 Purchases over \$100,000 require City Council approval

16.3 Cooperative Purchases

16.3.1 Commodities or services purchased through contracts established by a government procurement entity or cooperative pursuant to RSMo.70.220, or generally accepted governmental procurement practices through the competitive bidding process

16.3.2 Purchases over \$100,000 require City Council approval

16.4 Waiver of Competition

16.4.1 Any purchase in which the City Manager determines that a waiver is in the best interest of the City and not in violation of federal, state, or local law

16.5 Public Art

16.5.1 Public art to adorn public buildings and property in the City of Independence, limited to an amount equal to 1% of the estimated cost of construction, reconstruction, or remodeling of a

Municipal building and with approval of the Mayor's Commission on the Visual Arts, pursuant to City Resolution Bill No. 17-746

17. Grants and Federal Funding

Purchases made with grant funds or federal funding must follow the guidelines of the grant as well as the Procurement Policy, City Code, and City Charter

18. Sustainable Purchasing

It is the general policy of the City to support the purchase of products that will minimize negative environmental, health, and social impacts of City operations and support markets for sustainably-produced products. Consideration of the full life cycle cost of a good or service is encouraged. Purchase of these products is preferred whenever they perform satisfactorily and are available at a reasonable price.

19. Requisition

- 19.1 A requisition must be entered into the financial system to begin the purchase process
- 19.2 The requisition and attached documentation will communicate to the Procurement Division:
 - 19.2.1 Description of the goods or services to be purchased
 - 19.2.2 Projected amount or budget for the purchase
 - 19.2.3 Approval by all appropriate approvers through financial system workflow
- 19.3 When solicitation is complete and award is made, the Procurement Division will issue a purchase order or contract from the requisition, which closes the requisition

20. Requisition for Fleet

- 20.1 All requisitions for purchases for vehicles or fleet equipment (e.g. cars, trucks, SUV's, backhoes, tractors, mowers, etc.) must be entered into the financial system using the specific object code 5404 to ensure compliance with the City's fleet policy
- 20.2 This requisition process is the same as other requisitions with one exception: workflow will route requisitions for fleet purchases to Public Works for approval to adjust the City's fleet

21. Requisition for Computer Hardware, Software, Accessories, Maintenance

- 21.1 All requisitions for purchases for computer hardware, software, accessories, and maintenance must be entered into the financial system using one of these specific object codes to ensure compliance with the City's technology policy and requirements:
 - 21.1.1 5224 – S/W Maintenance Agreements
 - 21.1.2 5302 – Computer S/W & Supplies
 - 21.1.3 5402 – Computer Equipment
- 21.2 This requisition process is the same as other requisitions with one exception: workflow will route requisitions for computer hardware, software, accessories, maintenance, etc. through Technology Services

22. Purchase Order

- 22.1 Purchase orders are generated from requisitions by the Procurement Division
- 22.2 A purchase order will be generated only after all solicitation and award criteria are satisfied
- 22.3 The final purchase order will be available in the financial system and will post in VSS for vendor access
- 22.4 Invoices related to a purchase order may be paid with a P-card

23. Purchase Order Change Order

- 23.1 May be used to delete, substitute, or add items or services and to increase or decrease pricing
- 23.2 All changes must be authorized by the Procurement Manager prior to vendor notification
- 23.3 Department enters a purchase order change order in the financial system
- 23.4 Justification verbiage in the general notes to describe the changes, justify the changes, and the total revised cost

- 23.5 Change orders that exceed the amount allowed for change approved by City Council require additional City Council approval
- 23.6 A request for a change order that exceeds \$100,000 will require City Council approval if the change order amount has not already been approved by Council
- 23.7 The Procurement Division will process the change order
- 23.8 Change will appear in the financial system and on VSS

24. Term and Supply Contracts

- 24.1 Established by the Procurement Division through competitive solicitations to eliminate recurring and redundant solicitation and to take advantage of economies of scale (lower price for higher volume of purchases)
- 24.2 Generally issued for a one year period with the possibility of additional multiple one-year extensions
- 24.3 Issued for and may be used by all City departments
- 24.4 Listing on CityNet; updated twice monthly
- 24.5 Requisitions must be entered into the financial system by the using department; include the contract number
- 24.6 The Procurement Division will issue a purchase order from the requisition

25. Contract Administration

Responsibilities of the requesting department include but are not limited to:

- 25.1 Monitoring timelines for completion
- 25.2 Administering Prevailing Wage requirements as needed including management of certified payrolls
- 25.3 Addressing billing/payment issues
- 25.4 Documenting compliance issues and steps taken to address with the vendor; include dates, names, etc.

26. Contract Change Order

- 26.1 May be used to delete, substitute, or add items or services and to increase or decrease pricing
- 26.2 All changes must be authorized by the Procurement Manager prior to vendor notification
- 26.3 Department enters a contract change order in the financial system
- 26.4 Justification verbiage in the general notes to describe the changes, justify the changes, and the total revised cost
- 26.5 Change orders that exceed the amount allowed for change approved by City Council require additional City Council approval
- 26.6 A request for a change order that exceeds \$100,000 will require City Council approval if the change order amount has not already been approved by Council
- 26.7 The Procurement Division will process the change order
- 26.8 Change will appear in Munis TCM and on VSS

27. Emergency Purchases

- 27.1 An emergency purchase is made to alleviate a situation in which there is a threat to health, welfare, or safety, under certain conditions defined below, that does not allow time for normal, competitive procurement procedures. Department directors are responsible for determining an emergency purchase situation. Some examples are:
 - 27.1.1 The operation of the department would be seriously hampered
 - 27.1.2 The protection or preservation of public property would not be possible by following normal procurement procedures
 - 27.1.3 Normal bidding procedures are not required but the department is encouraged to solicit three quotes when possible
- 27.2 Emergency Purchase Procedures
 - 27.2.1 The department may make the necessary purchase

- 27.2.2 Use P-card to pay for the purchase as the preferred method; or
- 27.2.3 Enter a requisition in the financial system
- 27.2.4 DO NOT use the "Emergency" selection
- 27.2.5 Type in the word "Emergency" in the description field
- 27.2.6 Enter justification in the general notes
- 27.2.7 Attach supporting documentation to the requisition
- 27.2.8 The Procurement Division will issue a purchase order to the vendor
- 27.2.9 Emergency purchases greater than \$100,000:
 - 27.2.9.1 Departments submit written justification and background to the Procurement Division
 - 27.2.9.2 The Procurement Division will enter the item in Novus Agenda as an information item to City Council

28. Signature Authority

- 28.1 City Manager or his/her designee has the authority to sign contracts
- 28.2 Procurement Manager or designee signs all contracts and purchase orders no matter the value, as delegated by the City Manager
- 28.3 Finance & Administration Director or designee has authority to sign contracts as delegated by the City Manager
- 28.4 Department Director or designee may approve and sign contracts up to \$5,000

29. Vendor Evaluations

- 29.1 Departments are encouraged to communicate positive evaluations about vendors to the Procurement Division
- 29.2 Departments are responsible to communicate with the Procurement Division when an issue arises that requires remediation at the contract level
- 29.3 Department must provide supporting documentation to the Procurement Division that includes dates, times, contact persons via email
- 29.4 Procurement Division will issue a cure letter to resolve negative issues
- 29.5 If necessary, the Procurement Division will schedule a meeting with the department and the vendor to seek a resolution
- 29.6 The Procurement Manager will make any decision to terminate a contract

30. Freight

- 30.1 When departments are obtaining pricing from vendors, the freight charge should be a separate line item from the cost of the goods; pre-pay and add
- 30.2 Small package shipments
 - 30.2.1 Ship via UPS for freight/packages up to 150 pounds that meet UPS dimensional requirements
 - 30.2.2 Give department UPS shipper number to the vendor and instruct the vendor to ship UPS – Bill Receiver – and include appropriate reference information in Shipper Field 1. The following routing instruction should be included on the requisition to carry over to the purchase order:
 - 30.2.3.1 "The City uses UPS for all small package deliveries. Please ship UPS – Bill Receiver – using shipper number XXXXXX and reference this purchase order number in Shipper Field 1. Failure to follow this routing instruction may result in a charge-back to your company"
- 30.3 Large shipments or less than truckload (LTL)
 - 30.3.1 Shipments over 150 pounds, use the City's current contract for LTL shipping and tell vendor to bill third party collect
 - 30.3.2 Enter this statement on the requisition and purchase order:
 - 30.3.2.1 "Do not add shipping to this order. The City uses a third party freight provider to coordinate shipment of this order. Bill third party collect"

- 30.3.3 Enter the name, contact information, phone number, and email address of the current third party freight provider
- 30.4 Express or expedited shipping should be kept to a minimum

31. Right of Protest

31.1 The Procurement Manager, or appointed designee, will accept written protests regarding the solicitation of any goods, services or commodities, with a dollar value of \$100,000 or less, within five (5) business days of the bid opening. For purchases over \$100,000, a Notice of Intent to Award will be posted on the Internet at www.publicpurchase.com. Any protest must be filed within five (5) business days of the date of posting of the Notice. Neither the City nor www.publicpurchase.com shall be responsible for directly notifying bidders of the Notice of Intent to Award.

31.2 Protests must be received in the office of the Procurement Manager and must contain the following information:

- 31.2.1 Company name, address, phone number and signature of the authorized representative
- 31.2.2 Solicitation number
- 31.2.3 Detailed statement describing the grounds for the protest
- 31.2.4 Supporting evidence or documents to substantiate the claim

31.3 The Director of Finance and Administration will review the information provided and he/she or designee will issue a written decision within five (5) business days of receipt of the protest; this decision shall be final

32. Procurement Cards (P-card)

32.1 The mandated method of payment for the City. The P-card should be used whenever possible as the first and primary choice for payment of any purchase or invoice, as long as processing fees are not added that may increase the total price of the purchase. The exception would be for a vendor who does not take P-cards. Other payment methods may include check, wire transfer, ACH, and are handled by the Accounts Payable Division of the Finance Department

32.2 See the Procurement Card Manual, available on CityNet, for complete information on the use of the P-card

33. Vendor Self Service (VSS)

To do business with the City, all vendors must set up an account in the financial system through the VSS portal at URL <https://independencemo.munisselfservice.com>. All purchase orders, contracts, and other supporting documents are filed in the financial system so the vendor so access these documents at any time. Purchase orders and contracts are not mailed, emailed, or faxed due to this efficiency feature.

34. Surplus, Scrap, Obsolete Property

Property purchased with City funds that is no longer functional in its current role that requires redistribution, disposal, or scrapping as determined by the Procurement Manager

34.1 Non-Fleet Surplus

34.1.1 The Procurement Division will evaluate non-fleet surplus and determine method of disposition and value of surplus property based on:

- 34.1.2 Department must list items to be surplussed on the non-fleet surplus form available on CityNet; submit to surplus@indepmo.org
- 34.1.3 These items may be offered for internal transfer without cost
- 34.1.4 Items not transferred internally will be sold, scrapped, or other method

34.2 Fleet Surplus

- 34.2.1 Departments shall contact the Public Works Department to determine changes and surplus of fleet assets
- 34.2.2 The Public Works Department will determine the value of the fleet asset for transfer to another department
- 34.2.3 Assets that are not transferred to another department shall be sold or scrapped

- 34.3 Donation
 - 34.3.1 Letter or email from a not-for-profit/ government agency/utility requesting specific surplus goods must be submitted to the Procurement Manager
- 34.4 Trade-in
 - 34.4.1 Purchase order number for new equipment purchase must be referenced on surplus form
 - 34.4.2 Attach quote/bid for the new item to the requisition in the financial system to show the trade-in allowance for the Accounting Division and asset management
- 34.5 Retirement service weapon for Police employees
 - 34.5.1 Retiring personnel submit surplus form to Procurement Division with letter of recommendation from Police command staff
 - 34.5.2 Retiring personnel is provided current value of weapon for purchase
 - 34.5.3 Retiring personnel submits payment and signed surplus paperwork to Finance Department cashier
 - 34.5.4 Copy of all paperwork is provided to retiree

Appendix A – Definitions

1. A&E – Architects, Engineers, & Land Surveyors – per State of Missouri law, A&E providers must be prequalified prior to selection for bids, proposals, and contract award.
2. Accept – To receive with approval or satisfaction (i.e., accept delivery of material at receiving).
3. Accounts Payable – A debt owed that arises in the course of a business transaction (e.g., invoices, claims, and bills for materials received, but not yet paid).
4. Accounts Receivable – A claim against a debtor, usually arising from sales or services rendered.
5. Addenda – Plural form of addendum.
6. Addendum – Any written modification or revision to a bid document or contract document.
7. Agent – A person authorized by someone else, called the principal, in dealing with third parties.
8. All or none – A term used in bidding when a vendor qualifies the bid by stipulating that it will only accept an award for all items or a group of items in the bid.
9. Alternate bid – A bid that invites for consideration one or more offers of an option or choice based upon equipment or satisfactory performance by user (e.g., such a bid is only acceptable when the variance is deemed to be immaterial).
10. Any quantity price – The price charged regardless of the purchase volume.
11. Appropriation – Legislative sanction to use public funds for a specific purpose. Money set apart for a specific use.
12. Artisan’s lien – The lien of a mechanic or other skilled worker in connection with something on which he has bestowed labor or materials giving him a right to retain possession of it until paid ("Mechanic's Lien").
13. As is – Term describing goods offered without guarantee or warranty, in present condition, with all risk assumed by purchaser without recourse to the vendor.
14. Asset – any property purchased by the City.
15. Assignment – Transference of some property right or title to another party.
16. Auction – A public sale of property to the highest bidder (a practice used by many government agencies to dispose of surplus property).
17. Authorized price list – A price list of the products and/or services covered in a contract, which contains essential information needed for placing orders.
18. Award – The presentation of a purchase agreement or contract to a bidder; the acceptance of a bid or proposal.
19. Back order – The undelivered part of an order, which the vendor agrees to ship later.
20. Batch – A quantity of materials or parts made in one operation or lot.
21. Bid – A competitive price offer made by an intended seller, usually in reply to an invitation to bid. A price offer made at a public auction.
22. Bid bond – An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event a specific bidder fails to sign the contract as bid. See bid deposit.
23. Bid deposit – A sum of money or check, deposited with and at the request of the government to guarantee that the bidder (depositor) will, if selected, sign the contract as bid. If the bidder does not sign the contract, the deposit is forfeited in its entirety.
24. Bidder – Vendor that responds to an Invitation to Bid or Quick Quote.
25. Bid opening – The formal process in which sealed bids are opened, usually in the presence of one or more witnesses, at the time and place specified in the invitation for bids. The amount of each bid is recorded, and bids are made available for public inspection.
26. Blanket order – Used to purchase repetitive or routine products; generally, includes specific prices, terms, conditions and the period covered; does not necessarily specify a quantity.
27. Budget – A forecast of receipts and planned allocations of expense for a given period of time.
28. Buyer – An assistant to the Procurement Manager or officer. The buyer is generally responsible for bidding or negotiations with the vendors, while the Procurement Manager or officer gives full approval.
29. Certified check – A check whose value is guaranteed by the bank on which the check is drawn.
30. Change order – Purchaser’s written modification, addition, or deletion to a purchase order.
31. Check – A bill of exchange or draft drawn on a bank and payable on demand.

32. Claim – The aggregate of the operative facts which serve as a basis for a demand for payment, reimbursement, or compensation for injury or damage under law or contract, the assertion of such a demand.
33. Collateral – Security placed with a creditor to assure performance of an obligation.
34. Commodity – An article of trade; something that is bought or sold; any moveable or tangible item that is produced or used as the subject of barter or sale.
35. Competitive Bidding – The offer of firm bids by individuals or firms competing for a contract, privilege, or right to supply specified supplies, materials or services.
36. Confirming order – A purchase order restating the same terms originally placed orally.
37. Construction – Includes construction, reconstruction, improvement, enlargement, alternation, initial painting and decorating, or major repair.
38. Construction Manager at Risk – A sole proprietorship, partnership, corporation, or other legal entity that assumes the risk for the construction, rehabilitation, alteration, or repair of a project at the contracted price as a general contractor and provides consultation to a political subdivision regarding construction during and after the design of the project.
39. Contract – An agreement, enforceable by law, between two or more competent parties, to do or not to do something not prohibited by law, for a consideration; any type of agreement or order for the procurement of supplies or construction.
40. Contract date – The date on which all parties accept a contract.
41. Covenant – A promise in writing under seal often used as a substitute for the word contract.
42. Cure Notice - A written notice that is issued to correct poor contractor performance. It documents performance issues and provides the contractor with an opportunity to remedy the situation. See Show Cause Notice.
43. Damages – Compensation for injury to goods, person or property that is the fault of someone else.
44. Delivery terms – Conditions in a contract relating to freight charges, place of delivery, time of delivery, and method of transportation.
45. Design-Bid-Build – Consists of a design phase provided by a prequalified A&E provider, and the construction phase provided a contractor independent of the A&E provider.
46. Design-Build – Any project for the design, construction, alteration, remodeling or improvement of any buildings, facilities or other public improvements for which the design and construction services are furnished under one contract.
47. Discount – Vendor’s deduction from the selling price, usually upon some cost-reducing condition such as prompt payment.
48. Dual award – The award of separate contracts to two bidders for the same commodities, where the award to a single vendor may not be advantageous to the City.
49. Emergency purchase – A purchase made to alleviate a situation in which there is a threat to health, welfare, or safety without following the required purchasing procedure for competitive bidding, as defined in Chapter 8 of the City Code.
50. Encumbrance – A term used to describe the commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.
51. Escalation clause – A contractual clause, which allows the seller to increase the price of supplies, materials, or services, based upon predetermined conditions.
52. Escrow clause – An agreement under which a grantor places a sum of money or the instrument upon which he is bound with a third person, called escrow holder, until the performance of a condition or the happening of an event stated in the agreement permits the escrow holder to make delivery of the money or instrument to the grantee.
53. Evaluation of bids – The process of examining a bids after opening to determine the bidder's responsibility, responsiveness to requirements, and other characteristics of the bid. Selection will be based on the lowest and best bid.
54. Firm bid – A definite price proposal as differentiated from an "estimated" bid. Binds the bidder until a stipulated time of expiration.
55. Fixed-price contract – A contract that provides for a firm price. Contractor bears the full responsibility for profit or loss.

56. FOB – A shipping term (Free On Board) used in conjunction with an identified physical location to determine the responsibility and basis for payment of freight charges and the point at which title passes from seller to buyer. Commonly used terms are:
 - A. FOB SP (Shipping Point) – Buyer pays the freight and takes title to goods when they are placed on carrier for delivery.
 - B. FOB SP/PP/ADD (Shipping Point, Pre-Pay and Add to Invoice) – Freight is paid by seller but will be added to the invoice to the buyer. Buyer takes title to goods when placed on carrier for delivery.
 - C. FOB SP/PP/ALLOW – Freight is paid by seller and will not be charged to the buyer. Buyer takes title to goods when placed on carrier for delivery.
 - D. FOB Destination – Seller pays the freight, and buyer takes title when goods are delivered and accepted.
 - E. FOB Destination PP and ADD – Freight is paid by seller and will be added to invoice. Buyer takes title upon delivery and acceptance.
57. Forfeiture (of deposit or bond) – A loss by omission, negligence or misconduct for the performing of or a failure to perform a particular act (e.g., not accepting a contract when award is made; breach of contract). See Bid Bond, Bid Deposit.
58. Formal advertising – The placement of a notice in a newspaper or other media, according to legal requirements, to inform the public that the government is soliciting bids on specific purchases it intends to make. See Legal Notice.
59. Gratuity – Something given voluntarily or beyond obligation, usually in return for or in anticipation of something, e.g. a payment, loan, subscription, advance deposit of money, services, or anything of more than nominal value.
60. Informal bid – A request for price quotations for supplies, materials, or services that does not require a sealed bid, public opening or reading of bids.
61. Invitation to Bid (ITB) – A written request to prospective suppliers requesting price quotations and other criteria to be met. The term includes all documents that are attached or incorporated. Negotiation is not permitted.
62. Invoice – Seller’s itemized document stating prices and quantities of goods and/or services delivered, and sent to buyer for payment.
63. Lead time – The reasonable amount of time, after the date ordered, that it would take the supplier to prepare the goods for delivery.
64. Lease – A contract conveying from one person to another real estate or property for a term in return for a specified rent or other compensation.
65. Lease Purchase Agreement – An acquisition contract in which the lease's periodic payments or parts thereof are applied both to fulfill the lease obligation and as installments for equity and eventual ownership of the commodity upon completion of the agreement.
66. Legal notice – The notice required by law. Legal notice for some purchases may be the posting of an announcement of the purchase in a public place, the notification to the appropriate bidders from the bidders list, a formal advertisement in a newspaper or a combination of the three.
67. Line item – A procurement item specified in the invitation for bids and which, under terms of the invitation, may be subject to a separate contract award. Identified separate items on a purchase order.
68. Lowest Most Responsive and Responsible Bidder – The bidder who is awarded a contract because the bid in unit price, total cost of operation, or value per dollar is lower than any of the bidders; whose bid meets the minimum requirements of an ITB; and whose reputation, past performance, and business and financial capabilities are such that they would be judged by the appropriate authority to be capable of satisfying the government's needs for the specific contract. Virtually the same as "lowest and best bid", "lowest responsive and responsible bidder" and "most advantageous bid, price and other factors considered".
69. Maintenance and repair – Maintenance or repair, but not the replacement, of existing facilities when the size, type or extent of the existing facilities is not thereby changed or increased (routine maintenance, not a major repair). This is not a public improvement.

70. Mechanic's Lien – A lien in favor of those who have performed work or furnished materials for the construction of a building; is attached to the land as well as to the building in order to secure payment (Artisan's Lien).
71. Misrepresentation – A manifestation by words or other conduct that, under the circumstances amounts to an assertion not in accordance with facts.
72. Munis – The City's financial system (Tyler Munis).
73. Negotiate - To communicate or confer with another party to reach an agreement or compromise to settle some matter.
74. Negotiation - Conferring, discussing, or bargaining to reach agreement in business transactions. A bargaining process between two or more parties, each with its own agenda and objectives, seeking to reach a mutually satisfactory agreement on, or settlement of, a matter of common concern. A process of planning, reviewing, and analyzing used by a buyer and a seller to reach acceptable agreements or compromises. The Invitation to Bid does allow for negotiation unless there is a single bid received or other conditions that enable negotiation as determined by the Procurement Manager.
75. Net price – Price after all discounts, rebates, and allowances have been deducted.
76. No bid – A response to an invitation to Bid stating that bidder does not want to submit an offer. It mutually operates as a procedures consideration to prevent suspension from the bidders list for failure to submit bids.
77. Non-responsive bid – A bid that does not conform to the mandatory or essential requirements of the Invitation to Bid. See non-conformance.
78. Partial payment – The payment authorized in a contract upon delivery of one or more complete units called for in the contract, or upon completion of one or more distinct items of service called for there under.
79. Penalty clause – A clause in a contract specifying a sum of money to be paid if the contractor defaults on the terms of the contract, particularly in respect to time. Courts have generally disallowed penalty clauses in public contracts, but have allowed a liquidated damages clause that meets legal criteria for mutual agreement and reasonable amount.
80. Per Diem – By the day.
81. Point of origin – The location at which a shipment is received by a transportation line from the shipper.
82. Pre-bid conference/ Pre-proposal conference – Meeting held with prospective bidders/ respondents prior to solicitation of bids or proposals, to recognize state of the art limits, technical aspects, specifications, and standards relative to the subject and elicit expertise and bidders'/ respondents' interest in pursuing the project.
83. Prepaid – Term denoting that transportation charges have been or are to be paid at the point of shipment.
84. Prevailing Wage - The rate of wages, including fringe benefits, paid to a majority of the workers in a geographic area for the same type of work on similar projects. Required in the State of Missouri.
85. Priority purchase – A purchase made while following the required purchasing procedure for competitive bidding as defined in Chapter 8 of the City Code, but sooner than the normal time frame identified for processing regular requisitions within the Procurement Procedures Manual. To be used to obtain, goods or services quickly when the operation of the department would be seriously hampered and when cost would be increased greatly by not doing so.
86. Procurement Specialist – See Buyer.
87. Progressive payments – Payments made in advance of full delivery, as specified percentages of the total purchase are delivered, or certain stages or work performance are achieved.
88. Proposer – Person or firm that responds to a Request for Proposal.
89. Proposal – an offer made in response to a Request for Proposal.
90. Public Improvement – construction of new public facilities, roadways, bridges, or newly constructed appurtenances for public use or benefit, paid or wholly or in part out of public funds.
91. Public Works – All fixed works constructed for public use or benefit or paid for wholly or in part out of public funds. Also includes any work done directly by any public utility company when performed by it pursuant to the order of the public service commission or other public authority whether or not it be

- done under public supervision or direction or paid for wholly or in part out of public funds when let to contract by said utility.
92. Purchase – To procure property or services for a price; includes obtaining by barter.
 93. Purchase order – A purchaser’s written document to a supplier formally stating all terms and conditions of a proposed transaction, i.e., a description of the requested items, delivery schedule, terms of payment, and transportation.
 94. Quantity – Total amount or number.
 95. Quantity discount – Reduction in the unit price offered for large contracts.
 96. Quick Quote – Generally, an Invitation to Bid that includes price, sales terms, and conditions, a price statement as an offer; a bid but used for purchases where statutes do not require formal sealed bids, but is considered good business practice to establish price competition.
 97. Receiving of goods – The unloading of goods, checking quantity and quality, and taking them into stores.
 98. Reorder point – The established point at which orders are placed to replenish the stock of goods.
 99. Request for Information (RFI) – A solicitation method used to receive information regarding a commodity or service for the purpose of developing an Invitation to Bid or Request for Proposal.
 100. Request for Proposal (RFP) – A solicitation method used when it is expected that negotiations with one or more respondents may be required. Other factors will be considered in the selection of the contractor in addition to price.
 101. Request for Qualifications (RFQ) – A solicitation method used to prequalify firms or vendors for specific types of work. Does not include pricing. Used when prequalifying architects, engineers, and land surveyors (A&E) or other procurements where prequalification is required prior to obtaining bids or proposals.
 102. Requisition – An internal document by which a department requests the Procurement Division initiate procurement. Must include details of needed supplies, materials, or services.
 103. Respondent – Person or firm that responds to a Request for Qualifications or Request for Information.
 104. Response – The response to a Request for Qualifications or Request for Information.
 105. Responsible bidder – A bidder whose past performance, business and financial capabilities are such that he would be judged by appropriate authority to be capable of satisfying the government’s needs for a specific contract.
 106. Responsive bidder – A bidder whose bid does not vary from the specifications and terms set out by the government in the invitation for bids.
 107. Scrap – Material that is damaged, defective, or deteriorated to the extent that it has no value except for its basic material content.
 108. Sealed bid/proposal/response – A bid submitted in a sealed envelope or other sealed mechanism to prevent dissemination of its contents before the deadline for the submission of all bids from an Invitation to Bid; usually required by the procurement authority on major procurements to ensure fair competition among bidders. Sealed proposals are received in response to a Request for Proposal; sealed responses are received in response to a Request for Qualifications or Request for Information.
 109. Show Cause Notice - A written notice issued to a contractor when termination for default appears to be appropriate or imminent. It provides the contractor with an opportunity to explain why the contract should not be terminated for default. If the contract breach or poor performance is not corrected, the entity may subsequently issue a termination for default. See Cure Notice.
 110. Single source procurement - A procurement decision whereby purchases are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.
 111. Sole source procurement – Only one vendor possesses the unique and singularly available capability to meet the requirement of the solicitation, such as technical qualifications or the ability to deliver at a particular time; a situation where a particular supplier or person is identified as the only qualified source available to the requisitioning authority.
 112. Specification – A description of the physical or functional characteristics, or the nature of a supply, service or construction item; the requirements to be satisfied by a product, material or process indicating, if appropriate, the procedures to determine whether the requirements are satisfied. A specification may be a standard, a part of a standard, or independent of a standard.

113. Spot purchase – A one-time purchase made in the open market out of necessity or to take advantage of a bargain situation.
114. Standard – A characteristic or set of characteristics for an item that, for reasons of quality level, compatibility with other products, etc., is generally accepted by the manufacturers and users of that item as a required characteristic for all items of that sort.
115. Stock – A supply of material maintained on hand at storage points in an inventory system to meet anticipated demands.
116. Stores – Space for the safekeeping of goods.
117. Subject to prior sale – A clause frequently inserted in quotations for spot goods and, in this case, that a would-be buyer might purchase the goods provided that they have not been sold elsewhere in the meantime.
118. Supply – Furnishing or providing supplies, materials, or services that are needed to sustain an organization.
119. Surplus property – Property in excess of the needs of an organization and not required for its foreseeable need. Items may be new or used, but should possess some value. This does not include real property.
120. Terms and conditions – A phrase generally applied to the rules under which all bids must be submitted.
121. Term and Supply Contract – A contractual agreement in which a purchaser contracts with a vendor to provide the purchaser's requirement for a commodity or service at a pre-determined price. Usually it involves a minimum number of units or assurance that all orders for the commodity would be placed with the vendor that holds the agreement.
122. Tyler Munis – the City's financial and HR management system.
123. Unit price – The price of a selected unit of good or service (e.g., pound, ton, labor hours, foot, etc.).
124. Unsuccessful bidder – A vendor whose bid is not accepted for reasons of price, quality, failure to comply with specifications, etc.
125. Value – Includes, but is not limited to, price, performance, and quality.
126. Vendor – One who sells something; a seller.
127. Vendor Self Service (VSS) – The portal made available to vendors to the City's Munis financial system.
128. Voucher – A written certification usually documenting a transaction and denoting payment due the payee.