


CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 700-09	HISTORY	
	DATE: August 10, 1999	FILE #	DATE
	FILE NUMBER: 66256	85077	10/27/15
	DEPARTMENT: PURCHASING		

SUBJECT: DELEGATION OF PURCHASING AUTHORITY

PURPOSE: To provide guidelines for the proper delegation of authority to City employees to obtain price quotations or bids or to make purchases of goods in an amount of up to \$2,500.

POLICY:

1. The Purchasing Agent shall provide training in legal requirements, policies, and procedures covering the preparation of requests for quotations from potential vendors of goods for use by the City. This training shall include applicable City Charter and Code provisions and training as to the applicable rules and policies relating to purchases. No employee shall be authorized to act under the authority of Section 1.504 of the City Code or this policy until that employee has successfully completed the training provided for by the Purchasing Agent.
2. Purchases made pursuant to City Code Section 1.504 (2) and this Policy shall be made, unless permission to use another method is sought, and obtained, in writing or electronically from the Purchasing Agent, by soliciting quotations from potential vendors. The lowest responsive quotation (all costs considered) that meets the standards set by the initiating Department and communicated to all of the potential vendors contacted shall be accepted as the basis for a purchase. If an election is made to make a purchase from a vendor other than the lowest responsive vendor as set out in this policy, written or electronic authorization must be obtained by the Director of the Department making the purchase from the Purchasing Agent. For purposes of this Policy, a quotation is defined as "a statement of price, terms of sale, and description of goods offered from a potential vendor, signed by the potential vendor and on the vendor's letterhead." Any employee or department wishing to solicit bids rather than quotations shall consult with the Purchasing Agent.

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3. Records kept or required to be kept in connection with a purchase under this Policy shall be kept by the Department making the purchase in accordance with the City's records retention schedule.
4. Competition in pricing is required by the City Charter and must be solicited and documented. Approval for purchases from a sole supplier shall be obtained from the Purchasing Agent prior to a purchase being made. For purposes of this subsection, a 'purchase' shall include any contact with a potential vendor or supplier which results in an order being placed, a purchase made or the acquisition by the City or an employee of goods for use by the City. Quotations submitted in response to a City invitation to submit a quotation shall be in writing. The quotation accepted as the basis for a purchase shall be in a form submitted by the vendor from whom the purchase is made. This written quotation from the vendor shall be attached to the purchase authorization or other document recording the purchase by the employee making or authorizing the purchase. The quotation accepted may be delivered to the City by facsimile, email, or in hard copy form. All quotations other than the one or ones accepted may be recorded in writing by the employee making the purchase and need not be in a form submitted by the vendor. The writing, unless submitted directly by a proposed vendor, shall be recorded by a City employee who shall identify himself or herself and who, by recording the quotation received, shall certify its accuracy. The intention of this subsection is that the quotation from the vendor from whom the purchase is being made shall be in writing and shall be prepared by the vendor and transmitted to the City for attachment to the document recording the purchase. All other quotations may be taken verbally, or by other appropriate means, and recorded by the City employee as set out in this subsection.
5. The provisions of Section 1.504 of the City Code, as implemented by this policy, may be used only where the City does not have an existing contract, open purchase order, term purchase order, or other existing arrangement for the purchase of the good under consideration. Existing arrangements shall be utilized where they exist.
6. The Purchasing Agent shall certify to the City Manager the names of those employees who successfully complete the training necessary to use the process established by Section 1.504 and implemented by this Policy. Upon receipt of notification that an employee has received the necessary training, the City Manager may authorize a trained employee to exercise the authority provided for. The City Comptroller is authorized and directed to deliver a procurement card to any employee who has successfully completed the training necessary to use this process and who has been authorized by the City Manager to use such a card. No employee shall exercise any authority under this Policy unless that employee is delegated the appropriate authority to act by the City Manager. Either the Purchasing Agent or the City Manager may

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limit the authority granted to any employee to a particular amount or as otherwise determined appropriate by the Purchasing Agent or the City Manager.

7. A monthly report of all purchases made pursuant to this Policy shall be prepared by using the City's management information systems and submitted to the Purchasing Agent for transmittal to City Manager.
8. All applicable Charter provisions, City Code provisions and City Commission policies with regard to purchases – including but not limited to – those relating to equal opportunity, affirmative action, diversity and inclusion and the involvement of minority and women business enterprises – shall be observed and documented. Information regarding such provisions and policies shall be available from the Purchasing Agent and/or the Diversity and Inclusion Office. All employees are directed to make reasonable efforts to include minority and women business enterprises in each solicitation made under this policy.
9. Employees are permitted to use the provisions of City Code Section 1.504 and this Policy only as follows:
 - a. Repeated purchases of the same or similar items are not permitted under this provision. In each case where a second or subsequent purchase of the same or a similar item is contemplated within the same fiscal year, the Purchasing Agent must be contacted before quotations are solicited and before a purchase is made. A second or subsequent solicitation or purchase shall only be made if approved by the Purchasing Agent in writing or electronically. In the case of a true emergency, this authorization may be verbal. If verbal authorization is sought and obtained, the employee seeking and obtaining the authorization shall document the transaction at the first available opportunity and shall transmit the documentation to the Purchasing Agent.
 - b. No quote shall be obtained nor shall any purchase be made in which the overall cost or price to the City is divided or 'fragmented' to cause the amount of the individual parts or items of the purchase to be, or appear to be, lower. This prohibition shall apply when the parts or 'fragments' involved are or may be used in conjunction with each other, when it may appear that the parts or 'fragments' may be used in conjunction with each other, or where the price of a single item or group of items is divided. Any employee considering such a quote or purchase shall contact the Purchasing Agent prior to initiating such an action and obtain authority prior to commencement of the action.

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- c. It is the intention of this provision that not only will improper actions be avoided but also that actions – proper in themselves, but which could appear to be improper – will be avoided. This provision is intended to cover all situations in which it can reasonably be anticipated that several purchases under the amount provided for in 1.504 (2) are for the same or similar items or where dissimilar items are purchased separately but used together or in conjunction with one another.
10. Each employee acting under the provisions of Section 1.504 and this Policy shall be accountable for acting in accordance with the provisions of the City Charter, the City Code and of this Policy. It shall be the responsibility of the Department Director of the Department making the purchase to ensure compliance with Section 1.504 and this Policy. The Director of any Department receiving goods purchased pursuant to Section 1.504 and this Policy shall also be responsible for ensuring compliance with this Policy. Failure to comply with the terms of the Code, of the rules, regulations and procedures adopted pursuant to Section 1.504, or of the terms of this Policy shall subject an employee to disciplinary action up to and including discharge.