

ADMINISTRATIVE ORDER NO. 97

Repealed 9.27.17

Pursuant to the authority granted to the City Administrator in BMCC Section 2-300, I hereby establish the following procedures regarding:

**"Purchasing for the City of Billings."**

The policy statement was adopted by the City Council via Res. 06-18388 on February 13, 2006.

Dated this 14th day of February, 2006.



-ss- Christina F. Volek  
Interim City Administrator

Repealed By

132



**CITY OF BILLINGS**  
**PURCHASING**  
**POLICY and PROCEDURES**

**January 2006**



## **Table of Contents**

### **Introduction**

#### **I. Purpose**

#### **II. Scope**

#### **III. Policy Statement**

#### **IV. Role of Purchasing**

- IV.1. Departmental Roles and Purchasing
- IV.2. Purchasing Roles

#### **V. Purchasing Procedures**

- V.1. Purchasing Procedures and amounts
- V.2. Competitive Sealed Bid Process
- V.3. Request for Proposal Process
- V.4. Legal Advertisement Requirements
- V.5. Sole Source Procurement

#### **VI. Purchasing Methods**

- VI.1. Central stores Procurement
- VI.2. Petty Cash
- VI.3. Procurement Cards
- VI.4. Purchase Orders
- VI.5. Blanket Purchase Orders
- VI.6. Voucher Payments/Recurring Purchases

#### **VII. Special Purchasing Cases**

- VII.1. Prevailing Wage Rates
- VII.2. State Tax
- VII.3. Acquisition of Property –Type of Appraisals
- VII.4. Used Equipment Procurement
- VII.5. Used Vehicle Purchases
- VII.6. Other Used Equipment Purchases
- VII.7. Emergency Purchases
- VII.8. Trial Basis Purchasing
- VII.9. Surplus Property Procurement
- VII.10. Surplus Property Disposal

#### **VIII. Delegations of Signing Authority for Purchase Orders**

#### **IX. Sale and Purchases of Real Property**



## **X. Supplier Agreement/Contract Process**

- X.1. Purchase Orders
- X.2. Contracts
- X.3. Signing Authority and Flow for Contracts

## **APPENDICES**

Appendix A – Equipment Replacement Plan (ERP), Capitalization Policy/CIP (CIP), Technology Replacement Plan (TRP)

Appendix B – Bid Quote Form

Appendix C – Bid Tabulation Sheet

Appendix D – Invitation for Bid (IFB) Template

Appendix E – Request for Proposal (RFP) Template

Appendix F – Purchasing Card Procedures

Appendix G – Acquisition of Property Policy –Resolution No. 93 - 16740

Appendix H – Sample Contract for Goods

Appendix I – Sample Contract for Services

Appendix J – Contract Routing Form

Appendix K – Purchasing Methods Chart



# **CITY OF BILLINGS**

## **PURCHASING**

### **POLICY**

**January 2006**



## **Introduction**

In order to provide an efficient purchasing program built on excellence and expertise it is important that all personnel (Citywide) function as a team with cooperation as the essential element. Those individuals whose duties require them to become a part of the purchasing cycle must be completely acquainted with the program and have a clear definition and understanding of its purposes, insofar as it applies to the procurement of materials, supplies, equipment and professional services at the lowest possible cost consistent with the quality needed for the operation of municipal departments.

## **Policy Summary**

The City of Billings Purchasing Policy establishes an efficient, fiscally responsible, centralized purchasing system, a program, which will effectively provide day-to-day service and support citywide. This policy recognizes and addresses the importance of the overall support mission and the need for maximizing and enhancing whenever possible, the value of each tax dollar expended.

The City of Billings requires departments, divisions, units and City personnel to cooperate fully in their adherence to policy and procedure related to the Purchasing Policy as adopted by the City Administrator and/or the City Council.

## **Personnel Behavior according to Purchasing Policy**

1. City of Billings personnel will govern themselves in a manner that is consistent with the Code of Ethics, City Codes and Resolutions.
2. The Purchasing Policy is created to promote and cultivate at all personnel levels within the City of Billings goodwill and good business relationships with vendors in order to establish equity and protect the public interest in such a way that enhances the City's reputation for impartiality, courtesy, ethical deportment, service, and economy.
3. The Purchasing Policy assures that all purchases receive the benefit of competition to the maximum extent practicable, through the use of formal sealed bids, quote bids, cost verification methods, and other recognized and professionally acceptable methods of procurement that accrues positive benefit to the City of Billings.



## **I. Purpose**

This policy establishes efficient procedures and guidelines to aid each department of the City of Billings in monitoring its own compliance and commitment to authorizing, approving and processing expenditures.

## **II. Scope**

- II.1. This policy supersedes all previous City of Billings purchasing policies. If future policies conflict with or supersede parts of this policy, the remaining sections of the policy will stay in effect.
- II.2. The policy applies to all City of Billings departments and divisions. It applies to ALL types of expenditures.
- II.3. Public procurement functions essentially share primary fundamental goals such as obtaining maximum value for each tax dollar expended and establishing systematic, consistent and fiscally responsible accountability and control over all purchases.
- II.4. The City of Billings Finance Department is responsible for maintaining overall control and implementation of the policy.
- II.5. The City Council approves the Purchasing Policy and the City Administrator establishes the Purchasing Procedures of the City of Billings through Administrative Order.

## **III. Policy Statement**

- III.1. It is the policy of the City of Billings to obtain maximum value for each tax dollar expended in the purchase of goods and services, and to establish systematic, consistent and fiscally responsible accountability and control over all City purchases.
- III.2. This policy applies to all activities, including the City's State and Federally-funded programs or grants and other entities under the authority of the City Administrator and/or City Council. It includes but is not limited to the acquisition of:
  - Equipment
  - Merchandise
  - Materials



- Professional services
  - Other services
  - Construction contracts
- III.3. This policy is in compliance with all Federal and State laws as they may apply.
- III.4. Those who fail to comply with this policy may be subject to disciplinary action.
- III.5. This policy will be used in conjunction with the policies in place for the Capitalization Policy/CIP, the Equipment Replacement Plan (ERP), and the Technology Replacement Plan (TRP). These policies are available for reference in Appendix A.
- III.6. Upon adoption of this policy, the City Council authorizes the City Administrator to establish any procedures and standards necessary for implementation.
- III.7. The City Administrator will review this policy at least every two years and make recommendations for changes to the City Council.

(NOTE: This policy has been adopted via Res. 06-18388 on 2/13/06).





# **CITY OF BILLINGS**

## **PURCHASING**

## **PROCEDURES**

**January 2006**



#### **IV. Role of Purchasing**

- IV. 1. Departments are responsible for drafting specifications with assistance from the Purchasing Agent, for all items advertised for sealed bids including construction and professional services.
- IV.2. The Purchasing Agent is responsible for the review and proper processing of all procurement acquisitions made by the City. Additionally, the Purchasing Agent will:
  - IV.2.1. As needed, purchase or assist in the purchases of all current materials, supplies and services needed by any user department;
  - IV.2.2 Discourage uniform bidding (prearranged bid rigging) and endeavor to obtain as full and open competition as possible on all purchases and sales;
  - IV.2.3. Continually appraise current developments in the field of purchasing, prices, market conditions and new products to secure for the City the benefits of research done in the field of purchasing by other governmental jurisdictions, national technical societies and trade associations having national recognition and by private businesses and organizations;
  - IV.2.4. Standardize and achieve volume procurement using collective buying, City warehousing, lead purchaser or other concepts, which produce the lowest price possible to the City for the quality of goods or services required;
  - IV.2.5. Prescribe and maintain such forms as he/she shall find reasonable and necessary;
  - IV.2.6. Explore possibilities of buying in bulk so as to take full advantage of discounts;
  - IV.2.7. Join with other governmental units and agencies in cooperative purchasing plans when the best interests of the City would be served;
  - IV.2.8. Advise and assist the Financial Services Manager and Administrative Services in the formulations and recommendations of policies and procedures in connection with the purchasing activities of the City;



- IV.2.9. Manage and maintain the Purchasing Card program;
- IV.2.10. Coordinate, solicit and award all bids with the aid of the respective department;
- IV.2.11. Maintain a list of all vendors who have expressed an interest in selling to the City of Billings. It will be the responsibility of the Purchasing Agent to assure all interested parties will be contacted;
- IV.2.12. Review purchase orders for compliance with the City of Billings Purchasing Policy;
- IV.2.13. Perform such other duties as may be required by the Financial Services Manager.

## **V. Purchasing Procedures**

- V.1. The following procedures outline the Purchasing Process and define the involvement of Purchasing.
  - V.1.1. Purchases of \$100 and under, the preferred method is petty cash or purchasing card, but purchase orders may be created as well. (See Section VI.).
  - V.1.2. Purchases of \$100 to \$5,000 do not require price quotes or bids and the Purchasing Agent need not be involved. These purchases may be made through:
    - Purchasing Card
    - Purchase Order
  - V.1.3. Purchases from \$5,000 to \$50,000 requires three (3) written quotes. The lowest responsible bidder will be selected. Depending on the complexity of the project or quote requested, the Purchasing Agent may be involved. Vendors shall complete, sign and return a Bid Quote Form (see Appendix B) which subsequently will be attached to the Purchase Order. Catalog prices are acceptable when local vendors cannot be found.

**NOTE:** The lowest bidder does not have to be accepted if it is documented that a specific supplier in the past has been a



poor performer or has provided sub-standard goods. The City Administrator must approve this stated special circumstance upon signing of the contract (above \$10,000).

- V.1.4. Purchases for architectural, engineering and land survey services as well as miscellaneous consultant services for \$20,000 and above require a Request for Proposal (RFP), the involvement of the Purchasing Agent is optional and legal advertising is mandatory. A consultant selection committee is also required.
- V.1.5. Purchases for any automobile, truck, other vehicle, road machinery, other machinery, apparatus, appliances, equipment, materials or supplies, or for construction, repair or maintenance in excess of \$50,000 requires sealed bids (State Law MCA 7-5-4302). Purchasing Agent involvement is optional and a legal advertisement is mandatory. There are two additional guidelines that may apply to sealed bids:
- Performance Bond - As per City Code Sec.13-503, the City of Billings may require a performance bond for all services or supplies-based contracts over \$50,000 upon execution of a contract. Successful bidders are required to furnish an approved Performance Bond, Labor and Materials Bond, or Payment Bond in the amount of one hundred percent (100%) of the contract amount.
  - Insurance - If the contract requires work to be completed for the city by contractor, the City of Billings must require that the successful contractor maintain in full force and effect a Workers' Compensation Insurance Policy on its employees and an additional Comprehensive Liability Insurance Policy naming the City of Billings as primary additional insured in specified predetermined amounts, to provide protection to the parties to the agreement.

## V.2. Competitive Sealed Bid Process

- V.2.1. According to State law, MCA 18-4-303, an Invitation for Bid must be issued and shall include a purchase description and conditions applicable to the procurement.



As per State law, MCA 7-5-4302, sealed bids are used for purchases for any automobile, truck, other vehicle, road machinery, other machinery, apparatus, appliances, equipment, materials or supplies, or for construction, repair or maintenance in excess of \$50,000.

The City will give adequate public notice of the Invitation for Bids in a reasonable time before the date of the opening of the bid. A legal advertisement (i.e. publication in newspaper) must appear two (2) consecutive weeks prior to the bid opening.

NOTE: When Federal money is involved in the bid, then the legal advertisement must appear for three (3) consecutive weeks prior to the bid opening.

- V.2.2. Sealed Bids are received in the office of the City Clerk and are opened publicly at the time and place designated in the Invitation for Bid which is 2:00 PM on Tuesdays. A departmental representative and Purchasing Agent shall present to record bids on a Bid Tabulation Sheet (see Appendix C). Each bidder and any member of the public has the right to attend, and to examine and inspect all bids after they are opened. The Purchasing Agent and the user department shall evaluate and jointly agree on a recommendation of award if requested.
- V.2.3. Each bid must include bid security equal to 10% of the bid amount. Unsuccessful bidders shall be entitled to the return of the submitted security after a formal award has been made. A successful bidder, upon failure on his part to enter into a contract within the time specified after notification of the bid award, shall forfeit any surety deposited with the City of Billings.
- V.2.4. The name of each bidder and amount of each bid and other relevant information is recorded.
- V.2.5. Bids are unconditionally accepted, except bids without bid security.
- V.2.6. If a bid award is made, it is with promptness by written notice to the lowest bidder who has met all the requirements and specifications set in the Invitation for Bid. Also, the bid award recommendation is submitted for transmittal to the



City Council for their approval. The recommendation must include a list of all bidders, bid amounts and an explanation.

- V.2.7. Rejection of Bid -All bids received in response to an advertisement may be rejected. The Purchasing Agent, if involved in the bid, and user department, together, may recommend rejection of all bids for an item, group of items or the entire scope if such action is determined to be necessary and in the best interests of the City. An example of when such action would be appropriate is incomplete or incorrect specifications. Rejection is documented by means of an explanatory letter from the Purchasing Agent to the City Administrator and the City Council. The Purchasing Agent will notify unsuccessful bidders.
- V.2.8. A contract is executed upon an award of bid including the terms and conditions and specifications set forth in the Invitation for Bid.
- V.2.9. All bid materials will become the property of the Purchasing Agent, for filing, future reference and maintenance for historical purposes and updating as needed for new procurements.
- V.2.10. In the event two (2) or more bidders offer identical bids, all factors considered, new bids may be invited or award made by the drawing of lots, witnessed by the Purchasing Agent and the applicable bidders.
- V.2.11. Any bidder protests of award recommendations and/or bid specifications must be filed within seven (7) days of bid opening.

Upon receiving a written protest, the Purchasing Agent determines if the protest has sufficient merit and if so, schedules an informal hearing with the protesting bidder and the user department.

At this hearing, all parties discuss the basis of the protest and attempt to resolve the dispute based on fact. If the protesting party is not in agreement with the results of the informal hearing, they may appeal to the City Administrator. Ultimately, final decisions rest with the City Council.



V.2.12. An Invitation for Bid (IFB) shall include the following: (See Appendix D)

- Bid submission requirements
- Purchase description/scope of services
- Evaluation criteria
- Contract terms and conditions
- Non-collusion statement
- DBE Statement for Airport and MET Transit Departments

V.2.13. Residency Preference Law – Pursuant to State law, MCA, §18-1-102(a), a reciprocal preference is required in statute for bidders for the purchase of goods, construction, repair, and all kinds of public works. A contract must be awarded to the lowest bidder without regard to residency. However, a resident bidder must be allowed a preference on a contract against the bid of a non-resident bidder from any state that enforces a preference for resident bidders and where federal dollars are not involved. The preference given to resident bidders of this state must be equal to the preference given in the other state.

Also, a resident bidder shall complete a Bidder Affidavit to verify resident eligibility and this must be on file with the General Services Division, a Montana State division before a bid award can be made.

### V.3 Request for Proposal (RFP) Process

V.3.1 According to State law, MCA 18-8-812, Request for Proposals are utilized for most services (architects, engineering, land surveying), especially professional consulting, and all complex projects (i.e.; office supplies supplier consolidation, software packages) over \$20,000 and must be accompanied by a legal advertisement.

V.3.2. It is imperative that the Purchasing Agent is involved in the RFP creation and solicitation for professional services (except engineering), facilities, and any other complex projects. If the Purchasing Agent is involved, the Purchasing Agent will send out all RFP's, receive all RFP responses and distribute accordingly. An RFP can be sent and received electronically, as long as a Non-collusion Form is signed and



faxed back prior to receiving the proposal. (One can be found within the RFP in Attachment D, Appendix E).

V.3.3. Each response to a Request for Proposal shall be accompanied by bid security equal to 10% of the proposal amount except for Professional Services. Unsuccessful bidders shall be entitled to return of that bond after a formal award is made. A successful bidder, upon failure on his part to enter into a contract within the time specified after notification of the bid award, shall forfeit any surety deposited with the City of Billings.

V.3.4. Request for Proposals shall include the following (See Appendix E)

- Purchase description
- Scope of Work/Services
- Evaluation Criteria
- Contract Terms and Conditions
- Proposal submission requirements
- Non-collusion statement
- DBE statement for Airport and MET Transit Departments

#### V.4. Legal Advertisement Requirements

V.4.1. A legal advertisement is required for all bids and Request for Proposals.

V.4.2. The City Clerk coordinates all LEGAL advertising for the City's equipment purchases, service procurement and meeting notices.

V.4.3. Legal advertising is done on a weekly basis, with publication taking place on Thursdays of each week.

V.4.4. Ad copy and specifications are due to the City Clerk by Noon on Tuesday during the first week of publication.

V.4.5. Legal ads and specifications should also be submitted electronically (email) to the City Clerk to facilitate website posting.

V.4.6. Legal ads generally must be published once/week for two consecutive weeks, with at least SIX (6) days separating the publications. This rule applies unless there is a specific





advertising/notice requirement unique to the circumstances. For example, if the project or purchase will be utilizing Federal funds, there may be specific advertising requirements over and above the basic requirements named above.

V.4.7. Legal ads must contain the following information at a minimum:

- The name of the project
- The submittal deadline and place and the opening day, date, time and place for sealed bids, or the submittal deadline day, date, time and place for requests for proposal
- The name, physical address and phone number of a person to contact for additional information
- Information on the day, date, time and place of a pre-bid meeting (if one is being held) and whether attendance is mandatory
- The dates of publication
- Standard bidding or RFP language

V.4.8. The advertising and opening dates should be coordinated in advance with the City Clerk's office.

V.5. Sole Source Procurement

V.5.1. State law, MCA 18-4-306, states that a contract may be awarded for a supply or service item without competition when there is only one source for the supply or service item. This bidding exception may only apply when the department head or designee determines in writing that there is only one source for the required supply or service item.

V.5.2. The Purchasing Agent must receive an explanation in writing attached to the Purchase Order that only one practical source exists.

V.5.3. Examples of sole source items:

- Patented items
- Copyrighted materials
- Secret processes
- Utilities- items for compatibility/standardization
- Specialized proprietary equipment



## **VI. Purchasing Methods**

See Appendix K for a Quick Reference Chart for Purchasing Methods

- VI.1. Petty Cash – Some departments maintain a petty cash fund that is used for small dollar amount purchases, less than \$100. An Administrative Order adopts the City of Billings Petty Cash Policy.
- VI.2. Purchasing Cards – The Purchasing Agent manages the City's Purchasing Card Program. Purchasing cards will be issued to departments that request them. The cards are used much the same as debit or credit cards and are assigned to a specific person with a specific limit. The types of purchases are limited as well. The Purchasing Card Policy is found in Appendix F.
- VI.3. Purchase Orders – Purchase orders are commonly used to initiate the purchasing process and in some circumstances to confirm an order already placed with a vendor. It identifies the vendor, the purchasing department, price, quantity, and account number to be charged.

Encumbrance Payment Request Forms must be used for order and encumbrance payment requests.

- VI.4. Blanket Purchase Orders – For repetitive purchases of clerical supplies, repair parts, hardware, photo service, printing and other similar items, blanket purchase orders are created for a specified time (usually one month) to selected vendors.

Blanket Orders can be created by the Finance Department for the whole City or Departments can create their own departmental Blanket purchase order. Upon receiving the invoice, the designee should check the order for accuracy and completeness before signing. Each department will enter their own invoice or delivery slip against the blanket P.O.

For City Blanket Orders, all invoices for the month are received against the blanket order by the 5th business day of the following month. The vendor statement is balanced to the computer software and invoices. Accounts Payable then makes authorization for payment. Before the current month's blanket order expires, Accounts Payable sends the vendor a new Blanket Purchase Order as well as the department designees.

- VI.5. Voucher Payments/Recurring Purchases - Recurring purchases are those for periodically billed services and various other types of payment as determined by the Financial Services Manager.



Vouchers are also used for Jury for Municipal Court/jury witness fee reimbursement, Municipal Court Witness Fee reimbursement, Petty Cash reimbursement, refunds for one time vendors, accounts receivable refunds and Public Works Utilities refunds, and Finance Petty Cash reimbursements.

The Financial Services Manager or his designee verifies, reviews and approves the documentation for the payment of vouchers.

## **VII. Special Purchasing Conditions**

- VII.1. Prevailing Wage Rates - As per State law, MCA 18-2-401, for construction projects where the cost will exceed \$25,000, there must be a statement calling for the contractor to pay the prevailing wage rate as established by the State of Montana and a copy of wage rates included in the bid documents.
- VII.2. State Tax - One percent (1%) contractors' tax must be deducted from all payments on construction contracts totaling over \$5,000 and paid to the State.
- VII.3. Appraisals - The City Council has adopted a policy resolution that establishes criteria for appraisals when the City purchases land. The current Appraisal Policy can be found in Appendix G.
- VII.4. Used Equipment Procurement - All used equipment which would have a value, if new, of \$5,000 or more must be included in the Equipment Replacement Plan or Technology Replacement Plan, or be specifically approved by the City Administrator.
- VII.5. Used Vehicle Purchases - All purchase orders for used vehicles are substantiated by at least two (2) quotes of other comparable vehicles to include mileage, condition, and auxiliary equipment of each vehicle quoted.

The vehicle selected is inspected by a City mechanic at the Motor Pool and approved by the Motor Pool. Airport and Public Works Utilities are not required to obtain approval by Motor Pool as they have their own mechanics, but they are required to have either Motor Pool mechanics or their own mechanics inspect and approve any used vehicle before they purchase it.

The head of the department that is purchasing the used vehicle shall approve the purchase order as to procedure and shall submit it, along with (a) the comparable price quotes described above and (b) the Motor Pool



or other city mechanic approval, to the Financial Services Manager and the City Administrator for approval before commitment is made to the vendor to purchase the vehicle.

The Motor Pool will arrange for picking up the vehicle and processing the title as the County Treasurer's Office will only accept the City Clerk's signature on title applications.

The Purchasing Agent will send the application for title and registration receipt made out in the name of "City of Billings," to the City Clerk. Information will be provided as to the equipment number and new plates if needed, or if an old plate is being transferred to the newly purchased vehicle. If there is a trade-in, the City Clerk will sign off on the title and send it to Motor Pool to transmit it to the proper agency.

- VII.6. Other Used Equipment Purchases - In order to purchase a used item exceeding \$1,500, it must be in excellent condition and a good buy. In certain cases, there are no comparable used equipment items which can be purchased (mowers, specialty equipment, fire trucks, etc.). In these cases, the cost of a new piece of comparable equipment will be obtained and qualified by Motor Pool or departmental maintenance people who will inspect the equipment and state in writing to the Purchasing Agent why the City should purchase the equipment. When a comparable item can be found, the price of these units must be shown and an explanation given for the recommended purchase.

For clarity and definition, a qualified expert's opinion would be discounted by the Purchasing Agent if, for example, the purchase order originator solicited an opinion from the company who is selling the item.

- VII.7. Emergency Purchases - Emergency authority is to be used "in cases of extreme and immediate necessity where materials, services or equipment are needed for a situation where the health, safety or welfare of the public is endangered or the City is exposed to serious cost consequences if immediate corrective or preventive action is not taken".

If an emergency does occur, the Purchasing Agent will provide support for expediting and determining the best purchasing method.

All emergency purchase orders will be signed by the department head or designee and will have a brief explanation of the emergency attached.

Emergency purchases over \$20,000 require the City Council by resolution to declare the emergency and record it in the minutes of the council



meeting. The requirements for sealed bids can be waived, and the purchase made in the fastest possible manner. (MCA 7-5-4303)

- VII.8. Trial Basis Purchasing - Often opportunities arise in the form of an offer to use and try materials and/or products from 10 to 90 days before requiring the City to purchase.

These orders will be placed in the usual manner. Submit a purchase order to the Finance Department and clearly indicate that it is on a term basis only. Place the order accordingly and advise the user when the time comes to either purchase or return the merchandise.

This will prevent the City from incurring obligation for payment if the order is not returned in time, or if it is lost or damaged in the mail.

- VII.9. Surplus Property Procurement – In reference to MCA 18-5-201, a Montana state agency is designated for federal surplus property.

- VII.10. Surplus Property Disposal - The Purchasing Agent is designated as Surplus Sales Officer. He/she is responsible for disposing of all surplus property, obsolete and scrap material of any type that belongs to the City of Billings in a manner and on terms that are in the best interest of the City, provided that the procedure and the terms are in accordance with State statute and in compliance with existing City policies.

Surplus, worn-out or obsolete material and equipment may be disposed of in any of the following ways:

- By selling or donating to other City departments through surplus property.
- By cannibalizing. (Use parts for other equipment).
- By trading in on new equipment.
- By advertising for sale and selling at auction, or by advertising and obtaining sealed bids and selling to the highest responsible bidder.
- By selling as scrap.
- By special Council approval.

- VII.11. Auction or Sealed Bid Proposal - The owner department will furnish the Purchasing Agent with a written statement on item or materials that are



surplus or obsolete indicating that it is not now and will not be in the foreseeable future, of any use to the department.

The Purchasing Agent will compile a list of all surplus or obsolete items and circulate among all City departments to determine if the items are of use to them.

Once the list has been finalized, the Financial Services Manager will notify the City Administrator of the surplus/obsolete items and ask that he/she obtain approval from City Council to dispose of the items.

Once the approval is granted, the Purchasing Agent will arrange for the sale at auction or by bid of these items and furnish a list to the Financial Services Manager so that the Fixed Assets Schedule can be updated.

All proceeds from the sale of these items will be deposited with the department that last had possession of the items.

#### **VIII. Delegations of Signing Authority**

Approvals of Purchase Orders—The Purchase Orders are required to be approved as follows in this order:

##### **\$0 - \$1000**

→ Department Designee → Purchasing Agent

##### **\$1,000 to \$10,000**

→ Department Designee → Purchasing Agent → Financial Services Manager

##### **\$10,000 and above**

→ Department Designee → Purchasing Agent → Financial Services Manager → City Administrator

#### **IX. Sales and Purchases of Real Property**

IX.1. As per Billings Montana City Code (BMCC) Sec. 22-902, it is not necessary to advertise for or obtain formal or sealed bids from qualified buyers before real property belonging to the City is sold, but the following requirements shall be satisfied:

- a. The City Administrator, or his or her designee, must publish in the legal newspaper of the City that the City Council will be considering whether to sell, lease or dispose of certain lands, giving the public the opportunity



to be heard regarding such action. Said notice shall describe the land being considered for sale, lease or disposition and state the date, time and place of the City Council meeting at which the question is to be decided by the Council. Said notice shall be published fifteen (15) days in advance of the date of the public hearing.

Notify, by mail, all property owners within three hundred (300) feet of the exterior boundaries of the property subject to sale, lease or disposal fifteen (15) days in advance of the time, date, place of the public hearing and the existing and proposed use. Said notice shall describe the land being considered for sale, lease or disposition and state the date, time and place of the City Council meeting at which the question is to be decided by the Council. Said notice shall be published fifteen (15) days in advance of the date of the public hearing.

A resolution shall be passed by a vote of no fewer than six (6) of the City Council members present at the meeting at which the question of sale, lease or disposition of the land is considered.

#### **X. Supplier Agreement/Contract Process**

Generally, whether it is for goods or services, suppliers will be engaged through a written document. This can either be a purchase order or contract. Contracts are required for all goods and services over \$10,000.

- X.1. Purchase Orders – Purchase Orders are issued by each respective City department and approved through the Delegation of Signing Authority levels. (See Section VIII.)
- X.2. Contracts – Contracts include all documents including, for example, bid specifications which create obligations on the part of the City of Billings and the contracting party.

##### **X.2.1. Execution of contracts – As per City Code, BMCC, Sec. 13-502:**

(a) Within ten (10) working days after the acceptance of a bid, the bidder and the City shall make, execute and deliver to each other in duplicate a contract in accordance with the bid; provided, that the parties to the contract may extend the period for execution.

(b) The City Administrator, or designee, is authorized to execute amendments or change orders to all contracts executed by the Mayor if the changes are:

- (1) Within the scope of the project or purchase, provided however that increases in the scope of street improvement projects



to add improvements requested and paid for by adjacent property owners are permissible; and

(2) Executed in writing; and

(3) Any increase in contract amount does not exceed ten (10) percent of the contract price, or one hundred thousand dollars (\$100,000.00), or the budgeted contingency, whichever is less.

(c) The total amount of all change orders or amendments on any given project will be cumulatively combined and when any single amendment or change order exceeds the limit under subsection (b) of this section the proposed change must be presented to the City Council for approval. However, where the size of the contract makes it probable that administrative change order authority will be quickly exhausted, the City Council may, upon recommendation of the City Administrator, extend the aggregate limits of subsection (1)(b) of this section upon initial award and approval of the particular contract .

X.2.2. Sample Contract for Goods – See Appendix H.

X.2.3. Sample Contract for Services – See Appendix I.

### X.3. Signature Approval Flow for Contracts

X.3.1 Council Approved Contracts - Department representative must send a draft contract to the Legal Department to review before having the contractor sign. The contractor then signs the legally reviewed and approved two (2) copies of the contract, and sends the contracts back to the department representative. The department representative then sends the contracts to the Legal Department for final review and sign off. The Legal Department will send the contract to the City Clerk for the Mayor to sign which is the final signature. The City Clerk attests the Mayor's signature. The original copy of the contract is retained by the City Clerk and the remaining signed original contract is forwarded to the department representative to send to the contractor. Use the Contract Routing Form for every contract.(See Appendix J)

Signature Flow: Contractor (Supplier) → Legal → City Clerk/Mayor

X.3.2. Non-Council Approved contracts - Department representative must send a draft contract to the Legal Department to review before having the contractor sign. The contractor then signs the legally reviewed and approved two (2) copies of the contract, signs and sends the contracts back to the department representative. The





department representative then sends the contracts to the Legal Department for final review and approval. The Legal Department will send the contract to the City Clerk for the City Administrator to sign which is the final signature. The original copy of the contract is then retained by the City Clerk and the remaining original signed contract is forwarded to the department representative to send to the contractor. Use the Contract Routing Form for every contract. (See Appendix J)

Signature Flow: Contractor (Supplier) → Legal → City Clerk/City Administrator



**Appendix A –  
Equipment Replacement Plan (ERP),  
Capital Improvement Plan (CIP), Technology Replacement Plan (TRP)**



C:\My Files\Equip Rpl  
Plan Policy Final Revis



C:\My Files\  
Capitalization Policy-z



C:\My Files\  
Technology Replacem



## City Of Billings

### *Equipment Replacement Plan*

- The City of Billings Equipment Replacement Plan identifies replacement and funding guidelines for vehicles and equipment with a useful life in excess of three years and a cost of \$5000 or more. Stationary equipment which is part of a facility Such as compressors, generators, air conditioners, etc. are exempt.
- On an annual basis the Equipment Replacement Committee will review vehicles and equipment scheduled for replacement, make required changes and submit recommendations for current or future replacements to the City Administrator.
- Equipment replacement guidelines are not intended to be an automatic replacement indicator. Guidelines are an indicator for consideration to recommend equipment for replacement. Because a piece of equipment is scheduled for replacement in a certain year, does not necessarily mean that it will automatically be replaced. Likewise, because a piece of equipment falls within the age and meter/miles guidelines does not necessarily mean that it will be recommended for replacement. Extended use options will be considered.  
Departments are required review and adjust replacement schedules annually, prior to committee review. Departmental review for replacement consideration include: Meter/Miles, Age, Usage, Condition, Cost, Obsolescence, Safety and Change of operations.
- The replacement plan will cover a 20-year time period and will be reviewed and updated annually. This would require many pieces of equipment to be replaced several times over the 20 years.
- Each piece of equipment will be assigned a replacement year, salvage value, and replacement cost.
- Salvage value is determined by past market analysis as a percentage of purchase price varied by equipment class. Average salvage values range from 15 to 20% of purchase price. Some exceptions will apply to obsolete, low demand, and high demand equipment.
- Estimated Replacement costs are determined by manufacturer average annual percentage increases ranging from 3 to 5%. Some exceptions will apply.
- Departments should ensure that replacement cost estimates are accurate. The amount entered in the Equipment Replacement Plan (ERP) must match the annual budget request amount. Budget amounts will be determined by taking total estimated replacement cost less estimated salvage value. Instances where the equipment is not traded in but sold



- through auction or other methods will be handled on a case by case basis. The affected department/division will work with finance to determine the budget impact if any. Budget amendments if required will need Department Head and City Administrator approval prior to placing on the council agenda.  
Any savings from purchase replacements will not be used to purchase other equipment.
- Any piece of equipment which has been approved for replacement must be disposed of unless otherwise approved by the committee for retention. It will be the respective department's responsibility to ensure that all replacement equipment is appropriately disposed of.
- Replacement funding is maintained by annual contributions for each piece of equipment based on the estimated life, salvage value and replacement cost.  
Internal Service and Enterprise funded equipment are excluded from the annual contribution funding process but are included in the replacement, cost projection and budgeting process of the program.
- The final plan document will total equipment by department, fund and replacement year including a grand total for all city funds.
- Departments requesting additional equipment or upgraded equipment replacements are required to obtain the additional funding through an **approved** Supplemental Budget Request submitted through the ERP committee.
  - Example of "upgraded equipment": If a department presently has a compact car and wishes to replace it with a full size pickup, the replacement funding calculations are based on the replacement cost of the compact car. The additional cost for the pickup will require a Supplemental Budget Request Form to be submitted.
- Change requests after the final plan is submitted will likely be deferred to the next budget year. Any changes to the final plan, such as equipment purchases, transfers, retentions or other revisions must be reviewed by the committee, recommend by majority vote and then requested in writing and submitted to the City Administrator for approval.



## **CAPITALIZATION/CIP POLICY**

06/01/03

Effective Fiscal Year 2003

### **1. EQUIPMENT (Defined as having a useful life of 3 years or longer)**

#### **A. Equipment replacement program.**

This program will include all equipment with a value of more than \$5,000. The program will be incorporated into the CIP plan as a separate sub-set. Coordination of this plan will be the responsibility of the Motor Vehicle Maintenance Manager.

#### **B. Individual items of equipment valued at \$4,999 or less will be budgeted by individual departments and charged to the correct O & M accounts within the accounting system. These items must be specifically approved in the annual budget. They will not be included in the City's CIP plan. Items needed but not specifically budgeted will be purchased only with the approval of the City Administrator.**

Items will be inventoried at the department level. Included in the inventory will be office furniture & equipment, electronic equipment, tools and other items that are deemed to be susceptible to disappearing. Department Heads will be responsible for designating those items in their departments that will be inventoried so long as the intent of this policy is met. That intent is to provide for accountability and control of City assets. The inventory will be updated annually and a copy forwarded to the Finance Department.

### **2. Capital Improvement Projects**

#### **A. Projects whose total cost is expected to exceed \$25,000 will be budgeted through the City's Capital Improvement Planning process. The Capital Improvement Planning Team will be responsible for the process. Any project in this category which is not included in the City's 5 – year CIP will be undertaken only with the approval of the City Administrator.**

#### **B. Projects whose cost is expected to be less than \$25,000 will be budgeted through the annual budgeting process and must be specifically budgeted or approved by the City Administrator.**

### **Exceptions**

#### **1. Special Improvement District projects that are initiated by developers or citizens and are to be fully funded through Special Assessments on the benefited properties, subject to City Council approval of the Improvement District(s).**



2. The annual Chip and Seal Program will be budgeted in a lump sum and the Public Works Department will present the annual project list to the City Council for approval at the time the projects are bid. The annual lump sum amount will be included in the CIP program.
3. Professional costs incurred for evaluation of possible future projects or to assist developer projects.
4. Annual water and sewer line replacements and annual street overlay projects will be budgeted in the CIP program in lump sums with an attached detailed project list.

#### Capitalization Limits

1. Equipment/Vehicles will be capitalized with a value of \$5,000 or greater.
2. Construction projects including non-building, building and infrastructure will be capitalized at a value of \$25,000 or greater.

It is recognized that there will be some "gray" areas that will need to be discussed.

Some "projects" will be on or near the line that places them in the CIP. Questions regarding those projects should be directed to the CIP team for a determination.

Some purchases will be questionable as to whether or not they are to be considered Capital items. Questions regarding these items should be directed to the Finance Division for discussion and resolution.



## City Of Billings

### *Technology Replacement Program*

**Committee Members:** Jim Guy, Pat Weber, Kevin Ploehn, Anne Kindness, Joe Fedin, Doris Cole, Fred McCracken, Dee Ann Redman, Marita Herold, Tam Rodier, Dwile Weagel.

The City of Billings Technology Replacement Program has been developed by this committee as a plan to systematically fund replacement of city technology equipment. The program is designed to ensure that all equipment is replaced or upgraded on a regular schedule so that no departments fall behind on technology. The program is a plan to assist departments with technology replacement cost projections and the ability to anticipate funding requirements without experiencing dramatic fluctuations in replacement costs.

- The Technology Replacement Program identifies replacement and funding guidelines for all PCs, laptops and servers; and other technology equipment such as copiers, security equipment and specialized technology equipment.
- The replacement plan will cover a 10-year time period and will be reviewed and updated annually. This would require some pieces of equipment to be replaced more than once over the 10 years.
- Each piece of equipment will be assigned a replacement year and replacement cost. Enterprise software systems that are not planned for a specific replacement year will be evaluated on an annual basis to determine any need for future replacement.
- Estimated Replacement costs are determined by manufacturer average annual percentage increases ranging from 0% to 5%. Some exceptions will apply.
- Replacement funding is maintained within each department/division budget.
- This will be the plan document, which will summarize equipment by department, fund and replacement year including a total for all city funds.
- On an annual basis the Technology Replacement Committee will review Technology Equipment scheduled for replacement, make required changes and submit a finalized plan to be included with the Equipment Replacement Plan and submitted to the City Administrator. The committee will submit the finalized plan at a time which coincides with the Equipment Replacement Plan calendar.



- On an annual basis, the Technology Replacement Committee will review PC standards and make necessary changes to the recommended standard, such as flat screen monitors. Every 3-4 years, the committee may also analyze and recommend changing PC vendors.
- Departments requesting significantly "upgraded" equipment replacements or new technology purchases must submit their request to the Technology Replacement Committee. Requests will be evaluated based on current technology standards, cost benefit analysis and budget availability, Federal or State regulatory requirements or other pertinent operational needs. Departments are required to obtain any additional funding required either through their own budget or through a supplemental budget request.
  - Example of "upgraded equipment": If a department presently has a non-networked black and white copier and wants to replace it with a more expensive networked copier. The committee would look at the benefits of printing from the network compared with the additional cost. The committee might also look at what current technology standards are. The replacement funding calculations are based on the replacement cost of the black and white copier. The additional cost for the networked copier will have to be born by the department or require a supplemental budget request be submitted during the annual budget process.
- PC orders will be coordinated on a quarterly basis so as to take full advantage of mass order discounts and installation efficiencies.





## Appendix B – Bid Quote Form



C:\Purchasing  
Documents\quote\_bk



## QUOTE BID FORM

City Of Billings

Department: \_\_\_\_\_

Division: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ITEM(S) DESCRIPTION:

Vendor Name Address/Phone	Person Contacted	Unit Price	Installation Freight/Handling Charges	Total Extended Price

COMMENTS:

Recommended Vendor \_\_\_\_\_

Authorized Vendor \_\_\_\_\_

Department Representative \_\_\_\_\_

Date \_\_\_\_\_

Purchasing Officer \_\_\_\_\_

Date \_\_\_\_\_



## Appendix C – Bid Tabulation Sheet



C:\Purchasing  
Documents\Bid Tabul



## BID TABULATION SUMMARY

PROJECT NAME: \_\_\_\_\_

Bid Taken at: \_\_\_\_\_

Date: \_\_\_\_\_ 20\_\_\_\_

Tabulated by: \_\_\_\_\_

Sheet No. \_\_\_\_\_ of \_\_\_\_\_

[illegible]



## Appendix D – Invitation for Bid (IFB) Template



C:\Purchasing  
Documents\2006\_IFE



## INVITATION FOR BID (IFB)

**Name of Good or Service Requested:** \_\_\_\_\_

### **Contents:**

- A. Summary of Invitation for Bid
- B. Instructions to Bidders
- C. Contract Requirements and Specifications
- D. Pricing
- E. Standard Terms and Conditions
- F. Conditions and Non-Collusion Form



## **A. Summary of Invitation for Bid**

This bid is for the purpose of entering into a contract for \_\_\_ (enter good or service here)\_\_\_\_\_ for the City of Billings. The successful bidder agrees to provide the City of Billings with an acceptable quality of equipment/service, performance and workmanship as determined by the City of Billings.

It is the purpose of this bid to obtain the best quality of equipment/service at the most favorable price to the City of Billings. Consideration will be given for the level of service offered and ability to meet stated specifications as outlined in the contract documents.

The lowest bid not need be accepted if it is documented that a specific supplier in the past has been a poor performer or has provided poor goods. The bidder will be selected based upon their skill sets, ability and integrity to fulfill the contract obligations.

## **B. Instructions to Bidders**

Sealed bids entitled \_\_ (enter goods or service here)\_\_\_ for the City of Billings \_\_ (enter Dept. here)\_\_\_ Department, Billings, Montana, must be sent and addressed to the City Clerk of Billings, Montana, at the office of the City Clerk, 210 N. 27<sup>th</sup> Street, Billings, Montana 59101, up until 2:00 PM on Tuesday, \_\_\_\_\_, 200\_\_.

More specific additional information regarding this \_\_\_\_\_ may be obtained \_\_\_\_\_ by \_\_\_\_\_ contacting \_\_\_\_\_ at \_\_\_\_\_ phone number \_\_\_\_\_ or email \_\_\_\_\_.

Each bid or proposal must be accompanied by a Certified Check, Cashier's Check, or Bid Bond payable to the City of Billings, Montana, in the amount not less than ten percent (10%) of the total amount of the bid. The bid security will be retained by the City Clerk until the successful bidder enters into a contract with the City of Billings. If no contract is entered into, by the successful bidder, within 30 days the bond will be forfeited to the City of Billings. Bid bonds will be returned to the unsuccessful bidders immediately after final action on the bid, by the City Council.

Successful bidders are required to furnish an approved Performance Bond, Labor and Materials Bond, or Payment Bond in the amount of one hundred percent (100%) of the contract amount.

No bids may be withdrawn after the scheduled time for the public opening of bids, which is 2:00 PM on Tuesday, \_\_\_\_\_.

The right is reserved to reject any or all proposals received, to waive irregularities, to postpone the award of the contract for a period of not to exceed thirty (30) days, and to accept that proposal which is in the best interests of the City of Billings, Montana.



The City of Billings is an Equal Opportunity Employer.

### EXAMINATION OF DOCUMENTS

Before submitting the proposals, the bidder shall:

- (a) Carefully examine the Standards and Specifications as well as all other attached documents;
- (b) Fully inform themselves of the existing conditions and limitations;
- (c) Include with the bid sufficient information to cover all items required in the specifications.

### BID COMPLIANCE

It shall be the responsibility of the bidder to see that all bids are sealed and submitted to the office of the City Clerk at City Hall, Billings, Montana 59101, before 2:00 PM on Tuesday, \_\_\_\_\_200\_.

### BID PROPOSAL MODIFICATIONS

Proposals shall be made on the forms provided herein; they shall not contain any recapitulation of the work to be done. Modifications, additions or changes to the terms and conditions of this Invitation for Bid may be cause for rejection of the bid. Bids submitted on other forms may be rejected. No oral, telephone, or telegraphic bids or modifications will be considered.

### CERTIFICATION OF ALTERATION OR ERASURE

A bid shall be rejected should it contain any material alteration or erasure, unless, before the bid is submitted, each such alteration or erasure has been initialed in INK by the authorized agent signing the bid.

### INTERPRETATION PRIORITY

Should a bidder find discrepancies in, or omissions from, the specifications, or be in doubt as to their meaning, bidder shall notify the City Purchasing Agent at 210 N. 27<sup>th</sup> Street, Billings, MT 59101, who will send written instructions or addenda to all bidders. The City will not be responsible for oral interpretation. All addenda issued prior to bid opening shall be incorporated into and become a portion and part of the contract/agreement upon award. Questions received less than ninety-six (96) hours before the bid opening cannot be answered.





## SIGNATURE

All bids shall be typewritten or prepared in ink and must be signed in longhand by the bidder or bidder's agent or designee, with his/her usual signature. A bid submitted by a partnership must be signed with the partnership name to be followed by the signature and designation of the partner signing. Bids by corporations must be signed with the legal name of the corporation, followed by the name and signature of an authorized agent or officer of the corporation. Bids submitted by a proprietorship must be signed by the owner; the name of each person signing shall be typed or printed legibly below the signature.

## WITHDRAWAL OF BIDS

Bidders may withdraw their bid either personally or by written request at any time prior to the time set for bid opening. No bid may be withdrawn or modified after the time set for opening, unless and until the award of the contract is delayed for a period exceeding sixty (60) days.

## BID QUOTE VALID

Bidders must honor their bid quote for sixty (60) days from the date of sealed bid opening.

## CERTIFICATION

The bidder certifies that the bid has been arrived at by the bidder independently and has been submitted without any collusion designed to limit independent bidding or competition. The bidder further certifies that the materials, products, services and/or goods offered herein meet all requirements of the stated specifications and are equal in quality, value and performance with highest quality, nationally advertised brand and/or trade names.

## EVIDENCE OF QUALIFICATION

Upon request of the City of Billings, a bidder whose proposal is under consideration for award may be required to manifest satisfactory evidence of his financial resources, experience, the organization and equipment as well as service provisions bidder has available or will make available. In determining the lowest responsible bidder, in addition to price, the following considerations may be addressed:

- (a) The ability, capacity and skill of the bidder to perform the contract or provide the service required.
- (b) The character, integrity, reputation, judgment, experience and efficiency of the bidder.
- (c) Whether the bidder can perform the contract within time specified.
- (d) The quality of performance of previous contracts, agreements and/or performance.



(e) Previous and/or existing compliance by the bidder with laws relating to the contract or services.

(f) Such other information which may be secured having a bearing on the decision to award the contract.

### **C. Contract Requirements and Specifications**

Describe goods or services requirements and specifications and scope of work.

### **D. Pricing**

Please bid net prices at which you will agree to furnish required goods or services.

### **E. Standard Terms and Conditions**

In case of default by the successful bidder or failure to deliver the goods or services within the time specified, the City Purchasing Agent, after written notice, may procure them from other sources and hold contractor responsible for excess costs occasioned thereby.

The specifications attached to the instructions to bidders establish a standard of quality desired by the City of Billings. Any bidder may submit quotations on any article which substantially complies with these specifications as to quality, workmanship and service. The City of Billings reserves the right to make its selections of materials or services purchased, based on its best judgment as to which articles substantially comply with the requirements of the specifications.

No alteration in any of the terms, conditions, delivery, quality, or specifications will be effective without prior written consent of the City of Billings.

No exception to delivery or service dates shall be allowed unless prior written approval is first obtained from the City of Billings.

The contractor warrants all articles supplied under this contract to conform to specifications, herein. The contractor will deliver a warranty stating that all articles supplied under the contract are fit and sufficient for the purpose manufactured, merchantable, and free from defects.

In the event the City is entitled to a prompt payment or cash discount, the period of computation shall commence on the date of delivery, or receipt of correctly completed invoices, whichever is later. If an adjustment of payment is necessary, the discount period shall commence on the date final approval for payment is authorized.

The contractor agrees not to be discriminate against any client, employee or applicant for employment or for services, because of race, creed, color, national origin, sex or age with regard to, but not limited to, the following: employment upgrading; demotion or transfer;



recruitment or recruitment advertising; layoffs and termination; rates of pay or other forms of compensation; selection for training; rendition of services. It is further understood that any contractor who is in violation of this shall be barred forthwith from receiving awards of any purchase order for the City unless a satisfactory showing is made that discriminatory practices have terminated and that a reoccurrence of such acts are unlikely.

The City reserves the right to cancel and terminate this contract forthwith upon giving 30 days written notice to the contractor. (This provision does not apply to the purchase of materials and equipment. A purchase order for materials and equipment is a binding contract.)

Should either party employ an attorney or attorneys or utilize the services of in-house attorneys to enforce any of the provisions hereof or to protect its interest in any manner arising under this contract, the non-prevailing party in any action pursued in a court of competent jurisdiction agrees to pay to the prevailing party all reasonable costs, damages, expenses, and attorneys' fees, including fees for in-house attorneys, expended or incurred in connection therewith.

Where applicable, possible or required, bidder is required to submit descriptive literature, sample material, design sketches and detailed shop drawings. Failure to submit required items may result in rejection of the bid or termination of contract.

The successful bidder may not make any advertising or sale use of the fact that contract items are being used by purchaser and other approved agencies, under penalty of contract termination.

This Agreement shall be construed and enforced in accordance with the laws of the State of Montana. Venue for any suit between the parties arising out of this Agreement shall be the State of Montana Thirteenth Judicial District Court, Yellowstone County.

The contractor may not assign or subcontract the agreement, or the right to receive reasonable performance of any act called for by the contract, shall be deemed waived by a waiver by City of a breach thereof as to any particular transaction or occurrence.

Regardless of FOB point, contractor agrees to bear all risks of loss, injury, or destruction of goods and materials ordered herein and such loss, injury, or destruction shall not release contractor from any obligation hereunder.

#### **F. Conditions and Non-Collusion Agreement**

To receive consideration, this form must be signed in full by a responsible, authorized agent, officer, employee or representative of your firm.



### CONDITIONS AND NON-COLLUSION AGREEMENT

We have read and agree to the conditions and stipulations contained herein and to the Standard Terms and Conditions contained on the attached.

We further agree to furnish the services specified at the prices stated herein, to be delivered to the location and on that date set forth herein.

In signing this bid, you also certify that you have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a bid; that this bid has been independently arrived at without collusion with any other bidder, competitor or potential competitor; that this bid has not been knowingly disclosed prior to the opening of bids to any other bidder or competitor; that the above statement is accurate under penalty of perjury.

\_\_\_\_\_  
Legal Name of Firm/Corporation

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
City/State/Zip

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Telephone Number



## Appendix E – Request for Proposal (RFP) Template



C:\Purchasing  
Documents\2006\_RFI



# **Request for Proposal**

**For**

**Name of project here**





*Request For Proposal*  
**Table of Contents**

**SECTION 1: GENERAL INFORMATION**

**SECTION 2: OBJECTIVES**

**SECTION 3: INFORMATION FOR SUPPLIERS**

**SECTION 4: RFP EVALUATION AND PROCESS**

**SECTION 5: SCOPE OF WORK**

**ATTACHMENT A – VALIDATION QUESTIONS FOR SUPPLIER**

**ATTACHMENT B – TERMS AND CONDITIONS**

**ATTACHMENT C – PRICING MATRIX**

**ATTACHMENT D – CONDITIONS AND NON-COLLUSION FORM**

**ATTACHMENT E – MASTER Q & A FORM**

**ATTACHMENT F – INTENT TO RESPOND FORM**

**ATTACHMENT G – SUPPLIER CONTACT INFORMATION (OPTIONAL)**



*Section 1: General Information*

**City Of Billings**

**Request For Proposal (RFP)** – (use your initials and date the proposal is due back) Example: CV12052005

THE ABOVE NUMBER MUST APPEAR ON ALL PROPOSALS AND RELATED CORRESPONDENCE.

**THIS IS NOT AN ORDER**

RESPOND NO LATER THAN Month, Day, 2005 TIME	RFP INITIATIVE: <b>Input project name</b>	All suppliers must respond in detail to each element of this RFP in order to be considered for contract award.  Three copies of the proposals should be mailed to address on page three (3) with the price schedule in a separate sealed envelope.
Bidder Name:		SEND ALL CORRESPONDENCE TO THE CONTACT BELOW  City Of Billings 210 N. 27th Street Billings, MT 59101 Christine Varnai Purchasing Agent Email: varnaic@ci.billings.mt.us  PHONE: 406-657-8216 FAX: 406-247-8608





## ***Section 2: Objectives***

### **Introduction and Objectives**

This RFP is issued by City of Billings for the purpose of obtaining information and pricing regarding a type of service. It is the intent of the City of Billings to review and assess the RFP responses to determine if the response from solicited suppliers can meet the needs of the City of Billings.

Suppliers are expected to provide their best and most competitive bid.

**Attachment F, the Intent to Respond form, must be completed and faxed within two (2) days of RFP date.**

## ***Section 3: Information for Suppliers***

### **Disclaimer**

This RFP does not form or constitute a contractual document. The City of Billings shall not be liable for any loss, expense, damage or claim arising out of the advice given or not given or statements made or omitted to be made in connection with this RFP. The City also will not be responsible for any expenses which may be incurred in the preparation of this RFP.

### **Instructions to Bidders**

#### **EXAMINATION OF DOCUMENTS**

Before submitting the proposals, the bidder shall:

- (a) Carefully examine the Standards and Specifications as well as all other attached documents;
- (b) Fully inform yourself of the existing conditions and limitations;
- (c) Include with the bid sufficient information to cover all items required in the specifications.



### *Section 3: Information for Suppliers (cont.)*

#### BID SECURITY

Each bid must be accompanied by bid security made payable to the City of Billings. The security shall be 10% of the cost of the minimum proposed service for one year in one of the following forms:

- a) a bid bond from a surety company authorized to do business in the State of Montana;
- b) certified check;
- c) cashier's check.

The City will have the right to retain the Security of bidders until either (1) a contract has been executed, or (2) all bids have been rejected.

The successful bidder may be required to provide a performance bond, labor and materials bond, and/or payment bond made in favor of the City of Billings in an amount equal to one-hundred percent (100%) of the cost of the minimum proposed service for one year, prior to the execution of the contract.

#### BID PROPOSAL MODIFICATIONS

Proposals shall be made on the forms provided herein; they shall not contain any recapitulation of the work to be done. Modifications, additions or changes to the terms and conditions of this invitation to bid may be cause for rejection of the bid. Bids submitted on other forms may be rejected. No oral, telephone, or telegraphic bids or modifications will be considered.

#### CERTIFICATION OF ALTERATION OR ERASURE

A bid shall be rejected should it contain any material alteration or erasure, unless, before the bid is submitted each such alteration or erasure has been initialed in INK by the authorized agent signing the bid.

#### SIGNATURE

All bids shall be typewritten or prepared in ink and must be signed in longhand by the bidder or bidder's agent or designee, with his/her usual signature. A bid submitted by a partnership must be signed with the partnership name to be followed by the signature and designation of the partner signing. Bids by corporations must be signed with the legal name of the corporation, followed by the name and signature of an authorized agent or officer of the corporation. Bids submitted by a proprietorship must be signed by the owner-and the name of each person signing shall be typed or printed legibly below the signature.



*Section 3: Information for Suppliers (cont.)*

**QUESTIONS**

Questions regarding the Request for Proposal contents may be sent to the Purchasing Agent via email no later than 2 business days prior to due date for bids. The City Of Billings will make every effort to provide a written response within 2 business days. Whenever responses to inquiries would constitute a modification or addition to the original RFP, the reply will be made in the form of an addendum to the Request for Proposal, a copy of which will be forwarded to all Suppliers.

Supplier must submit their questions using the "Master Q & A" form found in **Attachment D**.

- Supplier's name, requester, and appropriate contact information.
- Clearly state the question and Request for Proposal section.
- Specific reference to the applicable Request for Proposal section(s).

**WITHDRAWAL OF BIDS**

Bidders may withdraw their bid either personally or by written request at any time prior to the time set for bid opening. No bid may be withdrawn or modified after the time set for opening, unless and until the award of the contract is delayed for a period exceeding ninety (90) days.

**QUOTE VALID**

The bidders must honor their quote for a period of ninety (90) days after the RFP due date.

**CERTIFICATION**

The bidder certifies that the bid has been arrived at by the bidder independently and has been submitted without any collusion designed to limit independent bidding or competition. The bidder further certifies that the materials, products, services and/or goods offered herein meet all requirements of the stated specifications and are equal in quality, value and performance with highest quality, nationally advertised brand and/or trade names.

**INSURANCE REQUIREMENTS**

The bidder certifies that they can provide a statement and meet the City of Billings minimum insurance requirements of \$750,000 per claim and \$1,500,000 per occurrence, and the City being named as an additional insured.



Submission

Upon the submission of the RFP response, the supplier acknowledges that all information is accurate and complete.

In addition, please send three (3) hard copies via mail to the point of contact listed in Section I.



#### *Section 4: RFP Evaluation and Selection Processes*

##### *RFP Process Timeline*

##### *Dates*

- RFP/legal ad done
- Advertise
- Preliminary Council memo due
- Proposals due by 5:00PM
- Evaluate and choose
- Finalized Council memo and contract due
- Council meeting

##### *Initial Evaluation*

Proposals received will undergo an initial review to determine:

- Compliance with instructions stated in the RFP
- Compliance with proposal submittal date

##### *Phase II Evaluation*

The evaluation of supplier's proposals may include, but is not limited to, the following criteria:

- Price
- Experience of Supplier with goods/services required by the City of Billings
- Capacity to assume new business
- Perceived ability to meet the City of Billings requirements
- Total Cost Competitiveness
- Availability (timetable) for providing goods and/or services
- Breadth of services available
- Company's financial stability
- Ongoing support
- Reporting capability
- Quality Control Process
- Process Improvements
- Training
- Compliance with the City of Billings Terms and Conditions



## *Section 5: Scope of Work*

### **Summary**

State a brief summary of project or goods required.

#### **I Commercial Requirements**

- ❖ Length of Supply Contract- One year with option for renewal of two additional years
- ❖ Effective Date of Pricing-Upon signing of contract

#### **II Technology, Service, Reporting Requirements**

- ❖ Technology
- ❖ Service Areas
- ❖ Implementation-Please provide implementation plan
- ❖ Reporting Requirements

#### **III Quality, Performance, and Satisfaction**

- ❖ Customer Satisfaction Survey- As needed
- ❖ Customer service-



## ATTACHMENT A

### VALIDATION QUESTIONS FOR SUPPLIER

#### **GENERAL INFORMATION**

- 1) Company Name  
Address:  
Contact Name:  
Contact Phone:  
Contact Email:
- 2) Company Website/URL:
- 3) How many facilities/locations do you have in the U.S? Please list
- 4) How many years has your company been doing business under this name?
- 5) Total Full-Time Employees
- 6) Do you have Small Business Administration Status? If yes, can you provide documentation?
- 7) Total Sales for 2002, 2003, 2004 (Please attach audited financial statements if possible)
- 8) What are your standard payment terms?
- 9) References-Please provide the City of Billings with three company references
  - I. New Company (started doing business with them in the past 12 months)
  - II. Retained Company (have been doing business with them for 3 + years)
  - III. Former Company (contract terminated in the past 2 years)

Please attach a word document with all contact information for your references.

- 10) Can you provide a statement and meet the City of Billings minimum insurance requirements of \$750,000 per claim and \$1,500,000 per occurrence, and the City being named as an additional insured?

#### **FUNCTIONALITY**

- 1) A certificate of insurance must be provided prior to signing the contract, commencing on the day contract begins. Are you willing to comply with these requirements?
- 2) You must instruct your insurance broker/carrier to notify the City of Billings should your coverage change. Are you willing to do this?



### **QUALITY AND SERVICE**

- 1) Do you have a quality assurance program? If yes, please attach a copy
- 2) Are your employees required to take a mandatory drug test?

### **LEGAL ISSUES**

- 1) Are there any lawsuits against your company?

### **REPORTING**

- 1) Can your company provide \_\_\_\_\_ reports?
- 2) If yes to the previous question, please attach samples of all reports that are currently available.





## **ATTACHMENT B**

### **STANDARD TERMS AND CONDITIONS**

In case of default by the successful bidder or failure to deliver the goods or services within the time specified, the City Purchasing Agent, after written notice, may procure them from other sources and hold contractor responsible for excess costs occasioned thereby.

The specifications attached to the instructions to bidders establish a standard of quality desired by the City of Billings. Any bidder may submit quotations on any article which substantially complies with these specifications as to quality, workmanship and service. The City of Billings reserves the right to make its selections of materials or services purchased, based on its best judgment as to which articles substantially comply with the requirements of the specifications.

No alteration in any of the terms, conditions, delivery, quality, or specifications will be effective without prior written consent of the City of Billings.

No exception to delivery or service dates shall be allowed unless prior written approval is first obtained from the City of Billings.

The contractor warrants all articles supplied under this contract to conform to specifications herein. The contractor will deliver a warranty stating that all articles supplied under the contract are fit and sufficient for the purpose manufactured, merchantable, and free from defects.

The contractor agrees not to be discriminate against any client, employee or applicant for employment or for services, because of race, creed, color, national origin, sex or age with regard to, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or recruitment advertising; layoffs and termination; rates of pay or other forms of compensation; selection for training; rendition of services. It is further understood that any contractor who is in violation of this shall be barred forthwith from receiving awards of any purchase order for the City unless a satisfactory showing is made that discriminatory practices have terminated and that a reoccurrence of such acts are unlikely.

The City reserves the right to cancel and terminate this contract forthwith upon giving 10 days written notice to the contractor. (This provision does not apply to the purchase of materials and equipment. A purchase order for materials and equipment is a binding contract.)

Should either party employ an attorney or attorneys or utilize the services of in-house attorneys to enforce any of the provisions hereof or to protect its interest in any manner



arising under this contract, the non-prevailing party in any action pursued in a court of competent jurisdiction agrees to pay to the prevailing party all reasonable costs, damages, expenses, and attorneys' fees, including fees for in-house attorneys, expended or incurred in connection therewith.

Where applicable, possible or required, bidder is required to submit descriptive literature, sample material, design sketches and detailed shop drawings. Failure to submit required items may result in rejection of the bid or termination of contract.

The successful bidder may not make any advertising or sale use of the fact that contract items are being used by purchaser and other approved agencies, under penalty of contract termination.

This Agreement shall be construed and enforced in accordance with the laws of the State of Montana. Venue for any suit between the parties arising out of this Agreement shall be the State of Montana Thirteenth Judicial District Court, Yellowstone County.

The contractor may not assign or subcontract the agreement, or the right to receive reasonable performance of any act called for by the contract, shall be deemed waived by a waiver by City of a breach thereof as to any particular transaction or occurrence.

Regardless of FOB point, contractor agrees to bear all risks of loss, injury, or destruction of goods and materials ordered herein and such loss, injury, or destruction shall not release contractor from any obligation hereunder.



## ATTACHMENT C

### PRICE MATRIX

<u>Project Name</u>	<u>Price</u>



## ATTACHMENT D

### CONDITIONS AND NON-COLLUSION FORM

To receive consideration, this form must be signed in full by a responsible, authorized agent, officer, employee or representative of your firm.

#### CONDITIONS AND NON-COLLUSION AGREEMENT

We have read and agree to the conditions and stipulations contained herein and to the Standard Terms and Conditions contained on the attached.

We further agree to furnish the services specified at the prices stated herein, to be delivered to the location and on that date set forth herein.

In signing this bid, you also certify that you have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a bid; that this bid has been independently arrived at without collusion with any other bidder, competitor or potential competitor; that this bid has not been knowingly disclosed prior to the opening of bids to any other bidder or competitor; that the above statement is accurate under penalty of perjury.

\_\_\_\_\_  
Legal Name of Firm/Corporation

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
City/State/Zip

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Telephone Number



**ATTACHMENT E**  
**MASTER Q & A FORM**



"Master  
Q&A\_RFP.doc"



	<b>Request For Proposal Formal Questions and Answers</b>	
---	--	--

## MASTER QUESTION AND ANSWER (Q&A) FORMAT

<b>Master Q&amp;A</b>	Any questions regarding the Request for Proposal or the bidding process should be submitted according to the process outlined below. Answers will be sent to suppliers within two (2) days of receiving the questions.
<b>Q&amp;A Process</b>	<ol style="list-style-type: none"><li>1. Prepare questions or concerns on the template provided.</li><li>2. Complete the table in full, providing a date for each question and a section of the RFP to reference (if applicable).</li><li>3. Submit the completed form via email to <a href="mailto:vamail@ci.billings.mt.us">vamail@ci.billings.mt.us</a>. Attach associated documents as necessary.</li></ol> <p>Please contact: <b>Christine Vamai</b> with any questions regarding this process.</p>

<b>RFP Master Q&amp;A Form 12-2005</b>		<b>1</b>
--	--	----------



**Request For Proposal  
Formal Questions and Answers**

**MASTER QUESTION AND ANSWER (Q&A) FORM**

#	Date	Reference Section	Question or Comment	City Of Billings Response
1				
2				
3				
4				
5				
6				
7				



Request For Proposal Formal Questions and Answers	
6	
7	
8	
9	
10	
11	

RFP Master Q&A Form 12-2005	3
-----------------------------	---





**Request For Proposal  
Formal Questions and Answers**

12						
13						
14						
15						
16						
17						

(Please use additional pages as needed) N/A



**ATTACHMENT F**  
**INTENT TO RESPOND FORM**



C:\Purchasing  
Documents\Intent to



### **INTENT TO RESPOND FORM**

RFP (Project Name) dated (xxx )

Fax the following Intent to Respond form to Christine Varnai at (406)247-8608 within two (2) days of RFP date even if your company chooses NOT to participate in the RFP.

To: City of Billings  
Attn: Christine Varnai  
Fax: 406-247-8608

From: \_\_\_\_\_ Contact Name  
\_\_\_\_\_ Company Name  
\_\_\_\_\_ Company Address  
\_\_\_\_\_ Phone Number  
\_\_\_\_\_ Fax Number

Please indicate whether or not you intend to respond to the RFP by checking Yes or No.

We intend to respond to this RFP by the specified due date:

Yes \_\_\_\_\_ No \_\_\_\_\_

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contact Name (please print)

\_\_\_\_\_  
Signature of Contact Person

\_\_\_\_\_  
Contact Position

By signing the above, I certify that I am authorized by the Company named above to respond to this request.



## ATTACHMENT G

### SUPPLIER CONTACT INFORMATION

#### A. Company Contacts

Primary Contact Person (Name):	
Title/Function:	
Address	
Business Hours Phone:	
Fax:	
Internet E-mail Address:	
Name of Person Responding to Bid Request:	
Title/Function:	
Address:	
Phone:	
Fax:	
Internet E-mail Address:	

#### B. General Company and Financial Information

Company Name:	
Headquarters Address:	
City, State, ZIP	
Headquarters Phone:	
Headquarters FAX:	
Company Owned By:	
Percent % Ownership:	
Years In Business	
Name of CIO	
Name of CEO/President:	

Have you ever been on the Food & Drug Administration Debarment List or the Health and Human Services Office of Inspector General Exclusion List?

☐ YES ☐ NO

If yes, have you been re-instated?

NO

☐ YES ☐

Are you currently on the Food & Drug Administration Debarment List or the Health and Human Services Office of Inspector General Exclusion List?"

YES ☐ NO

☐



## Appendix F – Purchasing Card Procedures



C:\My Files\PCard  
Program\Purchasing C



# **CITY OF BILLINGS – PURCHASING CARD PROCEDURES**



## **Table of Contents**

- 1. PROGRAM OVERVIEW**
  - 1.1. Purpose**
  - 1.2. Program Benefits**
  - 1.3. Scope**
- 2. PURCHASING CARD PROCEDURES**
  - 2.1. General Procedures**
  - 2.2. Use of Card**
  - 2.3. Purchasing Card Limits**
  - 2.4. Issuance of Purchasing Card**
  - 2.5. Allowable Purchases**
  - 2.6. Prohibited Purchases**
  - 2.7. Purchasing Card Security**
  - 2.8. Lost, Stolen or Misplaced Cards**
  - 2.9. Disputes**
  - 2.10. Cardholder Terminations**
- 3. PURCHASING CARD CONTROLS**
  - 3.1. Departmental Controls**
  - 3.2. Responsibility of Program Administrator**
  - 3.3. Responsibility of Cardholders**
  - 3.4. Responsibility of Department Head or Designee**
  - 3.5. Required Documentation**
  - 3.6. Random Audits**
  - 3.7. Misuse of Card**

NOTE: These procedures were adopted via Administrative Order #95



## 1. PROGRAM OVERVIEW

### 1.1 Purpose

The purpose of these procedures is to establish procedures under which departments may contract for, and shall control the use of purchasing cards that will be assigned to and utilized by selected City employees to purchase goods and services, on behalf of the City or when authorized per this directive. This directive is intended to accomplish the following:

- To ensure that procurement of goods and services with purchasing cards is accomplished in accordance with the *City's Purchasing Policy & Procedures* established by the City Administrator.
- To ensure appropriate internal controls are established within each department procuring with purchasing cards so that they are used only for authorized purposes.

### 1.2 Program Benefits

- Streamline the process for small dollar orders and payments.
- Enable employees to be more efficient and focus on their daily projects.
- Reduce paperwork and processing time in the departments as well as in the Finance Division.
- Provide cost savings through consolidated payments (one monthly payment).

### 1.3 Scope

These procedures will be applicable to those City departments who have selected employees to use purchasing cards to purchase goods, services, or for specific expenditures incurred under conditions approved under this procedure. The decision of when a purchasing card is issued to and what limits or restrictions will be placed is decided by the department head or his/her designee only.

The primary responsibility for determining the appropriateness and validity of expenditures lies with the employee incurring the expenses and the approver of the expenditures.

**Employees are expected to be conservative in their spending; managers are expected to be diligent in their review.**

All travel must be approved prior to purchasing on the card by filling out a Travel and Training Requisition Form. All reasonable and approved expenses for Airfare, Hotel, and Rental Car (excludes restaurants and gas) can be charged to your purchasing card if you have one.





## **2. PURCHASING CARD PROCEDURES**

### **2.1. General Procedures**

The general Purchasing Card Procedures program requires the following:

- Cardholders may not approve their own expenditures.
- City funds must be treated with discretion and prudence. No employee may use a purchasing card to enhance their standard of living or to augment their compensation.
- Training and travel expenses must still be described accurately and completely on the Travel Expense Report, and approved, prior to charging on the purchasing card.
- The expense approver must ensure that expenditures are in compliance with and are documented as required by these procedures.
- Receipts should be obtained for all expenditures.
- Photocopies of invoices will only be acceptable under special circumstances.
- The employee's purchasing card should be used for business expenditures below \$2,500.
- Personal credit cards and cash should **only** be used when the purchasing card is not accepted.

### **2.2. Use of Card**

Purchases below \$2,500 should be purchased on your card. Examples of purchases are listed in Section 2.5.

### **2.3. Purchasing Card Limits**

- The single purchase transaction limit is \$2,500. The total monthly card spending limits will all be set at \$10,000.
- Department heads may establish lower limits for their employees.
- A cardholder's limits may be raised with the approval of the Department Head.

### **2.4. Issuance of Purchasing Card**

- The City of Billings and financial institution issue the purchasing card.
- The purchasing card will include the name of the individual and the City of Billings.
- The Program Administrator (Purchasing Agent) will request the card on behalf of the new cardholder.
- The cardholder must sign the Purchasing Card Agreement Form (Attachment A) prior to receiving the purchasing card and return it to the Purchasing Card Program Administrator.
- Cardholders must participate in training when the card is issued.
- Cardholders must sign and activate the back of the card upon issuance.



## **2.5. Allowable Purchases**

Purchases below \$2,500 can be purchased on your card. Examples of purchases:

- Business-related
- Small tools (purchase or rental)
- Small services
- Subscriptions, seminars, dues
- Computer hardware components
- Copy services
- Electrical supplies
- Safety supplies
- Building maintenance supplies
- Office supplies
- Janitorial services
- Computer software
- Office furniture
- Air, Hotel, Car rental

## **2.6. Prohibited Purchases**

- Personal uses
- Capital purchases
- Fleet/Inventory Items
- Restaurants
- Travel Expenses (gas, restaurants)
- Cash advances
- Fuel
- Construction, Renovation or Installation Services
- Medical services
- Professional or consulting services
- Any purchases blocked through the Merchant Category Codes (MCC)

## **2.7. Purchasing Card Security**

The City of Billings purchasing card should always be kept in a secure location. The only person authorized to use the purchasing card is the cardholder whose name appears on the card.

## **2.8. Lost, Stolen or Misplaced Cards**

Immediately notify the financial institution and contact your Purchasing Card Program



Administrator by the next business day.

## **2.9. Disputes**

You can dispute an unauthorized charge posted on your statement. If you disagree with a posted charge, please notify the financial institution within sixty (60) days of the disputed charge.

If you cannot resolve the dispute with the supplier, the financial institution will place the questioned charge in the dispute process as soon as your follow-up letter is received.

## **2.10. Cardholder Termination**

When an employee is terminated, retires, or resigns, he/she must return their purchasing card to their manager on the last day of employment. The manager is responsible to send the purchasing card to the purchasing card Program Administrator (Purchasing Agent). The Program Administrator will contact the financial institution to cancel the account.

# **3. PURCHASING CARD CONTROLS**

## **3.1 Departmental Controls**

Each department should have sufficient internal controls to regulate the purchasing card activities. The responsibility for appropriate use of cards lies with the approving department as well as the cardholder. The Department's internal controls should include:

- Approving new purchasing card application agreement forms
- Approving new purchasing card requests
- Reviewing all charges billed to the cardholder's card
- Obtaining the card when an employee terminates

## **3.2. Responsibility of Program Administrator**

- Responsible for the day-to-day purchasing card program administration
- Determines appropriate spending codes and ranges
- Works with cardholders and site coordinators to reconcile errors, resolve billing disputes, block unauthorized use and manage card loss or theft
- Verify and maintain Monthly Statements and similar transaction information
- Provide on-site support to cardholders

## **3.3. Responsibility of Cardholders**

- Complete a new account information record and forward it to the program administrator or site coordinator for approval.



- Sign a Card Holder Agreement Form to accept the purchasing card.
- Be vigilant about card security to prevent unauthorized charges.
- Obtain a receipt at point-of-purchase and verify its accuracy.
- Retain all receipts and charge slips.
- For phone order purchase – have vendor fax receipt directly to you.
- For internet purchases – print confirmation page.
- Keep a monthly transaction log of card purchases (if you choose to).
- Call the financial institution immediately if a card is lost or stolen.
- Notify financial institution Customer Service of any billing discrepancies that cannot be resolved with the supplier.
- Financial institution will place these charges in dispute.
- Reconcile and forward monthly purchasing card statement and all original receipts/charge slips to the Program Administrator within seven (7) calendar days of the statement close date, the 20<sup>th</sup> of every month.
- Contact Program Administrator for new account set-up.
- Notify the Program Administrator of name, address and any other contact or employment status changes.
- Follow City policies and procedures for purchasing card use.

#### **3.4. Responsibility of Department Head or Designee**

- Acknowledge the responsibilities of the use of the purchasing card.
- Routinely monitor purchasing card activity of cardholders.
- Ensure compliance with purchasing card policies and procedures.
- Review and approve monthly purchasing card statements and purchases. The purchasing card billing cycle runs from the 21st of one month to the 20<sup>th</sup> of the next month.
- Sign the Purchasing Card Statement Sign-Off Sheet (See Attachment C).
- In case of employee termination, ensure the collection of the purchasing card and return it to the Program Administrator.

#### **3.5. Required Documentation**

A charge receipt and/or invoice must support each purchase. The preferred documentation is listed:

- 1) Original receipt showing vendor name, transaction amount, date, itemized description of purchase
- 2) Facsimiles/copies of the original receipt (only under special circumstances)
- 3) A packing slip or other documentation received from the vendor
- 4) A screen-print or order confirmation e-mail, when making internet purchases

If a cardholder is unable to obtain the listed documentation, a completed Replacement Receipt Form (see Attachment B) will be completed stating the vendor name, date of purchase, item description and reason why you were unable to provide the receipt.



### **3.6. Random Audits**

The purchasing card Program Administrator will complete a random audit on a monthly basis for departments within the City who have purchasing cards. The Finance Division will notify the Department Head of any misuse. The Corrective Action Policy will also be followed for any violations of the Purchasing Card Procedures.

### **3.7. Misuse of Card**

Improper use of this card can be considered misappropriation of City funds. This may result in disciplinary action up to and including termination of employment and possible criminal prosecution.



## ATTACHMENT A

### AGREEMENT TO ACCEPT THE U.S. BANK ONE CARD PURCHASING CARD

The U.S. Bank One Card represents the City of Billings' trust in you. You are empowered as a responsible agent to safeguard City assets. Your signature below is verification that you have read the employee Purchasing Card Procedures and agree to comply with it and the following responsibilities. It also acknowledges that you have received the One Card # \_\_\_\_\_.

1. I understand the card is for City-approved purchases only and I agree not to charge personal purchases.
2. Improper use of this card can be considered misappropriation of City funds. This may result in disciplinary action up to and including termination of employment.
3. If the card is lost or stolen, I will immediately notify U.S. Bank at (800) 344-5696. I will confirm the telephone call by mail or facsimile with a copy of the notification to the Program Administrator.
4. I agree to surrender the card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons.
5. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
6. All charges will be billed directly to and paid directly by the City. The bank cannot accept any monies from me directly; therefore any personal charges billed to the City could be considered misappropriation of City funds.
7. As the card is City property, I understand that I may be periodically required to comply with internal control procedures designed to protect City assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.
8. I will receive a Monthly Reconciliation Statement (MRS), which will report all activity during the statement period. Since I am responsible for all charges (but not for payment) on the card, I will resolve any discrepancies by either contacting the supplier or the bank.
9. The charges made against my card are automatically assigned to the account code assigned to the card as specified by management. This default code cannot be changed without Program Administrator and management involvement. This default account code must be changed, once the transaction is posted, to the correct account allocation/s.
10. I understand the One Card is not necessarily provided to all employees. Assignment is based on my need to purchase materials for the business and/or to provide for business travel. My card may be revoked based on change of assignment or location. I understand that the card is not an entitlement nor reflective of title or position.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Approving Manager Signature

\_\_\_\_\_  
Employee Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approving Manager Printed Name

\_\_\_\_\_  
Date



**ATTACHMENT B**

**PURCHASING CARD – REPLACEMENT RECEIPT FORM**

<b>ORDER DATE</b>	<b>VENDOR NAME</b>	<b>QTY.</b>	<b>DESCRIPTION</b>	<b>CHARGE AMOUNT</b>

**REASON FOR NO RECEIPT:**

---

---

---

\_\_\_\_\_  
**Cardholder Name**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Cardholder Signature**



ATTACHMENT C

**PURCHASING CARD MONTHLY STATEMENT SIGN-OFF SHEET**

\_\_\_\_\_  
**Department**

Card Holder Name	Card Number	Amount

\_\_\_\_\_  
Card/s Administrator Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Card Administrator Signature

\_\_\_\_\_  
Department Head/Designee Name

\_\_\_\_\_  
Department Head/Designee Signature

\_\_\_\_\_  
Date





## **Appendix G – Acquisition of Property Policy (Resolution No. 93 – 16740)**

RESOLUTION NO. 93 – 16740

A RESOLUTION REPEALING RESOLUTION 86-15515, AND ESTABLISHING A POLICY OF THE CITY OF BILLINGS, MONTANA AS IT RELATES TO THE ACQUISITION OF PROPERTY.

Resolution No. 86-15515 is hereby repealed.

### **GUIDE TO DETERMINE THE NUMBER AND TYPE OF APPRAISALS:**

Since these matters are largely governed by the magnitude of the appraised compensation for each parcel, the following rules are set forth on this basis. If these differ from requirements tied to a specific funding source, then the more rigorous standards will be used.

**A. RANGE OF VALUE: LESS THAN \$100,000:**

1. Appraisals required: One.
2. Type of Appraisal: Short form

**B. RANGE OF VALUE FROM \$100,000 to \$200,000:**

1. Appraisals required: One.
2. Type of Appraisal: Long form

**C. RANGE OF VALUE OVER \$200,000:**

1. Appraisals required: Two.
2. Type of Appraisal: Long form

**D. APPRAISALS FOR PROPERTY \$100,000 AND OVER IN VALUE MUST BE REVIEWED BY A QUALIFIED REVIEW APPRAISER SELECTED BY THE CITY OF BILLINGS ACCORDING TO REQUIREMENTS SET FORTH FOR REVIEW APPRAISERS, WHICH ARE MADE A PART OF THIS RESOLUTION.**

1. After the review appraiser has reviewed the appraisals and arrived at a fair market value of the property being appraised, the city staff will present the review appraisal to the City Council for the purpose of establishing the fair market value.
2. For appraisals less than \$100,000 in value, the staff will present the appraisal as reviewed by staff to the City Council for the purpose of establishing fair market value.



3. In any case, after the appraisals have been completed and reviewed, City staff may enter into contingent acquisition negotiations with the property owner prior to presenting the appraisals to the City Council to establish fair market value. However, city staff shall not acquire enter into a binding agreement to acquire the property prior to the establishment of the fair market value by the City Council.

E. **NEGOTIATING FLEXIBILITY:** In cases of extreme need where expeditious decisions are critical to the success of the development of a public improvement project, the city administrator may authorize an offer over the fair market value established by the City Council. The offer may not exceed 5% of the fair market value or \$10,000, whichever is less, done by Council resolution.

F. **MINIMUM PAYMENT POLICY:** It is the City of Billings' policy to employ the minimum payments described below whenever the estimated just compensation, based on recognized appraisal techniques, is less than these amounts, including those instances where the estimated compensation is zero. In these cases, the appraisal report should show the property values as estimated using recognized techniques and in addition, the report should show the applicable minimum payment as described below.

1. **MINIMUM PAYMENT FOR PERMANENT PROPERTY INTERESTS:** The minimum payment for any property interest acquired by deed or easement will be \$300.

**MINIMUM PAYMENT FOR TEMPORARY USE OF PROPERTY:** The minimum payment for the temporary right to occupy and use property during construction, e.g., streets, waterlines, sewer lines, traffic signals, will be \$150.

Minimum payment appraisal is limited to those parcels where total compensation is \$500 or less.

G. **QUALIFICATION OF FEE AND REVIEW APPRAISERS:** The City of Billings will maintain a current list of contract fee and review appraisers in the office of the director of development services who have been approved for an appraisal assignment. Before an appraiser can be approved, they must first submit a demonstration appraisal of his/her current appraisal work which will be used to evaluate their knowledge of appraisal theory and principles and the clarity of their written communication. As a minimum, fee and review appraisers must be Montana Certified Appraisers with two or more full-time years of appraisal experience. In addition, appraisers with higher qualifications may be retained 1) to meet the needs of projects involving federal, state or local grant conditions, 2) to participate in projects anticipated to involve eminent domain proceedings, or 3) to meet other special requirements, situations and conditions.

Appraisers meeting the above criteria will be hired as would any other professional service provider.

THIS RESOLUTION IS INTENDED TO PROVIDE A SET OF GUIDELINES. IN CASES WHERE THE DEMANDS OF A PROJECT REQUIRE A VARIANCE FROM THESE GUIDELINES, THE CITY ADMINISTRATOR MAY COME TO THE CITY COUNCIL TO REQUEST A VARIANCE.

APPROVED AND PASSED by the City Council of the City of Billings this 13th day of September 1993.



## **Appendix H –Sample Contract for Goods**



C:\My Files\  
Contracts\2006\_little



**[NOT BINDING IF USED FOR AGREEMENTS FOR  
GOODS OR PRODUCT COSTING MORE THAN \$50,000]**

**PURCHASE AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by and between the **CITY OF BILLINGS, MONTANA**, a municipal corporation organized and existing under the laws of the State of Montana, P.O. Box 1178, Billings, Montana 59103, hereinafter referred to as "City," and, \_\_\_\_\_, hereinafter referred to as "Seller."

In consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency whereof being hereby acknowledged, the parties hereto agree as follows:

**1. PRODUCT PURCHASED:** Seller agrees to sell and City agrees to purchase the goods ("Product") as described below and, if applicable, per written City's specifications and Seller's proposal attached hereto as Exhibit "A," which are incorporated into this agreement by this reference. The Product being purchased consists of:

**Item**

**Price**

**2. Price:** The City agrees to pay \_\_\_\_\_ Dollars (\$\_\_\_\_\_) as the purchase price. All prices DO NOT INCLUDE any applicable local, state or federal taxes that may be applied to the product to be purchased. The purchase price is free on board at the place of delivery and Seller may not impose any additional, shipping, delivery or storage charges.

**3. Delivery and Payment:** Seller agrees to deliver the above-described goods or product to City within ten (10) days of receipt of City's order unless otherwise provided in this Agreement. Delivery will occur at \_\_\_\_\_ or at a place otherwise selected by City. Upon delivery, City may inspect the goods or product to ensure that it meets City specifications, and Seller may obtain specifications from City upon request. If the Product meets City specifications, City shall tender the purchase price stated above to Seller through the City's normal claim process.

**4. Specifications:** Seller agrees that this Product complies with the City's specifications provided to Seller and with the Seller's proposal thereto as accepted by the City. Unless otherwise agreed to by the City, the City's specifications govern and control in the event of inconsistencies with the Seller's response to the same.



5. **Nondiscrimination:** Seller agrees that all hiring by Seller of persons performing this Agreement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.

6. **Default and Termination:** If Seller fails to deliver the goods or product as set forth in Paragraph 2 above, or violates any provision of this Agreement, or if the goods or product fails to meet City's specifications, City may, at its option, declare the Seller in default and immediately cancel and rescind this Agreement. Thereafter, City may procure substitute goods or product to replace the goods or product described herein. In such event, Seller is liable to City for the difference between the price set forth herein and the price paid by City for replacement goods or product. Additionally, the City may pursue any other remedy it has at law or in equity.

7. **Warranty:** Unless superseded or supplemented by an express warranty, Seller represents and warrants that the Product are covered by implied warranties for merchantability and fitness for the particular purpose for which they have been purchased.

8. **Assignment:** Seller may not assign this Agreement or any of its rights hereunder without the express written consent of City.

9. **Entire Agreement:** This Agreement, including its appendices, if any, is the entire understanding between the parties relating to the subject matter contained herein. No agent or representative of either party has authority to make any representations, statements, warranties or agreements not herein expressed and all modifications or amendments of this agreement, including the appendices, must be in writing and signed by an authorized representative of each of the parties hereto.

10. **Governing Law and Venue:** This Agreement shall be construed and enforced in accordance with the laws of the State of Montana. Venue for any suit between the parties arising out of this Agreement shall be the State of Montana Thirteenth Judicial District Court, Yellowstone County.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

CITY OF BILLINGS, MONTANA

\_\_\_\_\_, Seller  
(Print Seller's Name Above)

By \_\_\_\_\_  
CHRISTINA F. VOLEK  
Acting City Administrator

By \_\_\_\_\_  
(Print Name & Title)

\_\_\_\_\_  
(Write Phone Number for Orders Above)

APPROVED AS TO FORM

By \_\_\_\_\_  
BRENT BROOKS, City Attorney



## **Appendix I – Sample Contract for Services**



C:\My Files\  
Contracts\2006\_little.



**[NOT BINDING IF USED FOR AGREEMENTS FOR CONSTRUCTION SERVICES  
COSTING MORE THAN \$25,000 AND FOR NON-CONSTRUCTION SERVICES COSTING  
MORE THAN \$50,000]**

**AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 200\_\_, by and between the **CITY OF BILLINGS, MONTANA**, a municipal corporation organized and existing under the laws of the State of Montana, P.O. Box 1178, Billings, Montana 59103, hereinafter referred to as "City," and \_\_\_\_\_, hereinafter referred to as "Contractor."

In consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency whereof being hereby acknowledged, the parties hereto agree as follows:

1. **Purpose:** City agrees to hire Contractor as an independent contractor to perform the services of \_\_\_\_\_ described in the Scope of Work attached hereto as Exhibit "A" and by this reference made a part hereof.
2. **Effective Date:** This Agreement is effective upon the date of its execution and will terminate on the \_\_\_\_ day of \_\_\_\_\_, 200\_\_. The parties may extend this agreement in writing prior to its termination.
3. **Scope of Work:** The Contractor shall perform the services outlined in Exhibit A. In performing these services, the Contractor shall at all times comply with all federal, state and local statutes, rules and ordinances applicable. These services and all duties incidental or necessary therefore, shall be performed diligently and completely and in accordance with professional standards of conduct and performance.
4. **Payment:** City agrees to pay Contractor \_\_\_\_\_ Dollars (\$\_\_\_\_\_) for the work described in the Scope of Services. Any alteration or deviation from the described work that involves extra costs will be executed only upon written request by the City to Contractor and will become an extra charge over and above the contract amount. The parties must agree upon any extra charges in writing.
5. **Independent Contractor Status:** The parties agree that Contractor is an independent contractor for purposes of this Agreement and is not to be considered an employee of the City for any purpose. Contractor is not subject to the terms and provisions of the City's personnel policies handbook and may not be considered a City employee for workers' compensation or any other purpose. Contractor is not authorized to represent the City or otherwise bind the City in any dealings between Contractor and any third parties.

Contractor shall comply with the applicable requirements of the Workers' Compensation Act, Title 39, Chapter 71, MCA, and the Occupational Disease Act of Montana, Title 39, Chapter 71,



MCA. Contractor shall maintain workers' compensation insurance coverage for all members and employees of Contractor's business, except for those members who are exempted as independent contractors under the provisions of §39-71-401, MCA.

Contractor shall furnish City with copies showing one of the following: (1) proof of registration as a registered contractor under Title 39, Chapter 9, MCA; (2) a binder for workers' compensation coverage by an insurer licensed and authorized to provide workers' compensation insurance in the State of Montana; or (3) proof of exemption from workers' compensation granted by law for independent contractors.

6. **Indemnity and Insurance:** Contractor agrees to indemnify, defend and save City, its officers, agents and employees harmless from any and all losses, damage and liability occasioned by, growing out of, or in any way arising or resulting from any intentional or negligent act on the part of Contractor or its agents or employees. For this purpose, Contractor shall provide City with proof of Contractor's liability insurance issued by a reliable company or companies for personal injury and property damage, \$750,000 per claim, and in an amount not less than \$1.5 million per occurrence and naming the City as primary additional insured. The insurance must be in a form suitable to City.

7. **Warranty:** Contractor warrants that all services and work will be performed in a good workman-like manner. Contractor acknowledges that it will be liable for any breach of this warranty for the lesser for a period of one (1) year from the time services are completed or any warranty described in the Scope of Services.

8. **Compliance with Laws:** Contractor agrees to comply with all federal, state, and local laws, ordinances, rules and regulations. Contractor agrees to purchase a City business license.

9. **Contractors' Gross Receipts Tax:** Contractor understands that all contractors or subcontractors working on a publicly funded construction project are required to pay or have withheld from earnings one percent (1%) of the gross contract price if the gross contract price is Five Thousand Dollars (\$5,000) or more.

10. **Nondiscrimination:** Contractor agrees that all hiring by Contractor of persons performing this Agreement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.

11. **Default and Termination:** If either party fails to comply with any condition of this Agreement at the time or in the manner provided for, the other party may, at its option, terminate this Agreement and be released from all obligations if the default is not cured within ten (10) calendar days after written notice is provided to the defaulting party. Said notice shall set forth the items to be cured. Additionally, the non-defaulting party may bring suit for damages, specific performance, and any other remedy provided by law. These remedies are cumulative and not exclusive. Use of one remedy does not preclude use of the others. Notices shall be provided in writing and hand-delivered or mailed to the parties at the addresses set forth in the first paragraph of this Agreement.

12. **Liaison:** City's designated liaison with Contractor is \_\_\_\_\_ and Contractor's designated liaison with City is \_\_\_\_\_.





13. **Governing Law and Venue:** This Agreement shall be construed and enforced in accordance with the laws of the State of Montana. Venue for any suit between the parties arising out of this Agreement shall be the State of Montana Thirteenth Judicial District Court, Yellowstone County.

14. **Severability:** Any provision or part of the Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Contractor, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

15. **Successors and Assigns:** Neither the City nor the Contractor shall assign, transfer or encumber any rights, duties or interests accruing from this Agreement without the written consent of the other.

16. **Ownership of Documents:** All documents, data, drawings, specifications, software applications and other products or materials produced by the Contractor in connection with the services rendered under this Agreement shall be the property of the City whether the project for which they are made is executed or not. All such documents, products and materials shall be forwarded to the City at its request and may be used by the City as it sees fit. The City agrees that if the documents, products and materials prepared by the Contractor are used for purposes other than those intended by the Agreement, the City does so at its sole risk and agrees to hold the Contractor harmless for such use. All or any portions of materials, products and documents produced under this Agreement may be used by the Contractor upon confirmation from the City that they are subject to disclosure under the Public Disclosure Act. All services performed under this Agreement will be conducted solely for the benefit of the City and will not be used for any other purpose without written consent of the City. Any information relating to the services will not be released without the written permission of the City. The Contractor shall preserve the confidentiality of all City documents and data accessed for use in Contractor's work product.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

**CITY OF BILLINGS, MONTANA**

By \_\_\_\_\_  
**CHRISTINA F. VOLEK,**  
**Acting City Administrator**

**APPROVED AS TO FORM:**

By \_\_\_\_\_  
**BRENT BROOKS,**

\_\_\_\_\_  
**CONTRACTOR (Print Name Above)**

By \_\_\_\_\_  
**Print Name** \_\_\_\_\_  
**Print Title** \_\_\_\_\_

**City**

**Attorney**



## Appendix J – Contract Routing Form



C:\Purchasing  
Documents\CONTRACT



## CONTRACT ROUTING FORM

**PARTIES TO THE CONTRACT:** \_\_\_\_\_

**PURPOSE OF CONTRACT:** \_\_\_\_\_

- 1) **Signature of person requesting contract**  
**Comments:**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

- 2) **Signature of Purchasing Dept.**  
**Comments:**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

- 3) **Signature of Legal Dept.**  
**Comments:**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

- 4) **Signature of City Clerk (that they received one Original final copy of contract)**  
**Comments:**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_



## Appendix K – Purchasing Methods Chart

### CITY OF BILLINGS QUICK REFERENCE CHART FOR PURCHASING METHODS

Amount	Petty Cash	Purchasing Card	Purchase Order	Written Quotes	Sealed Bids	RFP
\$0 -\$100	<b>X</b>	<b>*X</b>	<b>X</b>			
\$100-\$2500		<b>X</b>	<b>X</b>			
\$2,500 - \$5,000			<b>X</b>			
\$5,000 - \$50,000				<b>X</b>		
> \$20,000 (architect/engineering & land survey, professional services)						<b>X</b>
> \$50,000 (automobile, trucks, construction, equipment, materials)					<b>X</b>	<b>X</b>

BLANKET ORDERS – May be created for Fleet/Inventory purchases as well as any other monthly repetitive purchases.

\* Purchases for Fleet and Inventory may NOT be made on Purchasing Cards.