

ADMINISTRATIVE ORDER NO. 166

Administrative Order No. 160, adopted April 2, 2024, is hereby repealed.

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

“Purchasing Procedures for the City of Billings”

The policy statement was adopted by the City Council via Resolution 25-11268 on May 27, 2025.

Dated this 6/19/2025.

DocuSigned by:

Chris A. Kukulski

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Chris A. Kukulski,
City Administrator



CITY OF BILLINGS PURCHASING PROCEDURES

June 2025

**All forms, template documents, etc. are located on the Server
at: <\\bil-fileserv3\\AllUsers\\Purchasing>**



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POLICY STATEMENT

The City of Billings maintains an efficient, fiscally responsible, decentralized purchasing program, which will effectively provide day-to-day service and support citywide. The City recognizes and addresses the importance of the overall 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 and Procedures as adopted by the City Council and/or the City Administrator.

The Purchasing Policy and Procedures apply 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.

The Purchasing Policy Statement was adopted by the City Council via Resolution 25-11268 on May 27, 2025.

A. ROLES OF PURCHASING

A.1 DEPARTMENTAL STAFF is responsible for drafting specifications with assistance from the Purchasing Agent, for all items where the City is required to provide an opportunity for competition, including construction and professional services.

A.2 THE PURCHASING AGENT is responsible for the review of all procurement acquisitions made by the City. Additionally, the Purchasing Agent will:

- A.2.1 As needed, purchase or assist in the purchases of all materials, supplies and services needed by any user Department;
- A.2.2 Discourage uniform bidding (prearranged bid rigging) and endeavor to obtain as full and open competition as possible on all purchases and contracts;
- A.2.3 When appropriate, 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;



- A.2.4 Prescribe and maintain such forms as he/she shall find reasonable and necessary;
- A.2.5 Explore possibilities of contract pricing and/or buying in bulk so as to take full advantage of discounts;
- A.2.6 Join with other governmental units and agencies in cooperative purchasing programs when the best interests of the City would be served;
- A.2.7 Advise and assist the Finance Director and Administrative Services in the formulations and recommendations of policies and procedures in connection with the purchasing activities of the City;
- A.2.8 Manage and maintain the Purchasing Card (Pcard) program;
- A.2.9 Assist Departments and Divisions in the coordination, solicitation and award of all quotes, bids, requests for proposals and otherwise;
- A.2.10 Maintain a list of and share information regarding vendors who have expressed an interest in selling to or contracting with the City of Billings. It will be the responsibility of the Departmental author to assure all interested parties are contacted;
- A.2.11 Review purchase orders and invoices for compliance with the City of Billings Purchasing Procedures.

B. PURCHASING PROCEDURES

GENERAL:

- Purchases or contracts shall not be artificially divided into separate projects or expenditures to circumvent the requirements of a more formal purchasing process.
- The total contract period, including any extensions or renewals, must not exceed seven (7) years. Any solicitation must include the terms of any extensions or renewals.



- Long-term service contracts of 12 months or more shall engage in the competitive process at least every 7 years and according to the dollar thresholds established in these procedures.
- Unnecessary constraints shall not limit full and open competition. Examples of such constraints include:
 - Placing unreasonable requirements on vendors to qualify for business;
 - Requiring unnecessary experience and excessive bonding;
 - Writing unduly restrictive specifications;
 - Specifying a “brand name” product instead of allowing “an equal” product to be offered.
- No employee shall participate in the award and/or administration of a contract if a conflict of interest exists, whether real or apparent. Such a conflict arises when the employee has a special relationship as a related party to a vendor or potential vendor.
- Only one single point of City staff contact is allowed for questions, clarification, or technical assistance for all procurement methods.

B.1 PROCUREMENT THRESHOLDS: the following procedures outline the Purchasing process and define the involvement of Purchasing. Additional information and instructions may be found in the template documents for each method.

B.1.1 A “purchase” or “transaction” means an exchange or transfer of goods and/or services. It includes cumulative purchases from the same vendor within a single fiscal year.

B.1.2 Purchases of \$100 or less shall be processed with a Pcard or petty cash, but invoices may be processed, if necessary.

For purchases of less than \$5,000, a Pcard is the preferred method of payment, unless a vendor assesses a fee for its use.

B.1.3 Procurement of less than \$25,000 generally does not require price quotes or bids and the Purchasing Agent need not be involved. These purchases may be made through:



- Pcard (up to \$5,000); or,
- Purchase Order and/or Invoice.

The Purchasing Agent may direct that a process of soliciting quotes or other competition is necessary for frequently recurring purchases.

NOTE: Written contracts are required for all services in excess of \$25,000. Written contracts for services of <\$25,000 may still be necessary, especially if work is being completed on a City site. If in doubt, discuss with the Purchasing Agent to determine if a written contract is necessary.

- B.1.4 Procurement from \$25,000 to \$79,999.99 for goods, construction, etc. (other than what is outlined below), require three (3) written quotes. The lowest responsible quoter/bidder will be selected. Depending on the complexity of the project or quote requested, the Purchasing Agent may be involved. The responsible Department shall complete and sign a Quote Form, attach the written quotes and forward the quote packet to the Purchasing Agent for approval. The quote packet will then be attached to the contract, invoice or purchase order. Catalog prices or online screenshots are acceptable when local vendors cannot be found.
- B.1.5 Contracts for architectural, engineering, land surveying, software, consultant, and miscellaneous professional contracts, for which the fees are estimated not to exceed \$49,999.99 may contract for those professional services by direct negotiation. Contracts for these services in excess of \$50,000 must be procured through an RFQ or RFP process. Purchasing Agent involvement is optional but suggested, and legal advertising is mandatory. A selection committee is also required.
- B.1.6 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 \$80,000, requires a competitive, sealed bid process. Purchasing Agent involvement is optional, but recommended, and legal advertisement is mandatory.



All vehicle purchases will be coordinated with the Fleet Division for proper tracking and inventory records.

NOTE: There are two additional guidelines that may apply to certain bids and contracts:

B.2 PERFORMANCE, PAYMENT AND/OR LABOR AND MATERIALS BONDS – The bidder may be 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, conditioned to the effect that the contractor shall faithfully perform the terms and conditions of the contract and shall indemnify the City from the negligent acts of the contractor, his or her agents or servants in their performances of the terms and conditions of the contract, and shall pay all proper claims of subcontractors and suppliers.

Construction contracts generally require additional bonds, but all other contracts shall be discussed with the Purchasing Agent to determine if necessary.

B.3 INSURANCE - If the contract requires work to be completed for the City by a contractor, the successful contractor must maintain in full force and effect (or be exempt from) a Workers' Compensation Insurance Policy on its employees, as well as a Comprehensive General Liability Insurance Policy naming the City of Billings as an additional insured in specified predetermined amounts, to provide protection to the parties to the agreement. Automobile liability and other insurance may also be required. The Purchasing Agent will advise the issuing Department regarding insurance needs.

NOTES:

- All insurance requirements and any additional bonds must be stated in all advertisements so contractors may adjust their quote or bid accordingly.
- The City Administrator or designee may, in writing, allow for lesser amounts of insurance coverage or grant an exception.

Written contracts are required for all services in excess of \$25,000. Written contracts for services of <\$25,000 may still be necessary, especially if work



is being completed on a City site. If in doubt, discuss with the Purchasing Agent to determine if a written contract is necessary.

COMPETITION METHODS:

B.5 INVITATION FOR BID (IFB) PROCESS

B.4.1 An Invitation for Bid must be issued 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 \$80,000.

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 the City's newspaper of record) must appear two (2) consecutive weeks prior to the bid opening.

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

A "purchase" or "transaction" means an exchange or transfer of goods and/or services. It includes cumulative purchases from the same vendor within a single fiscal year.

The Purchasing Agent may direct that a process of getting quotes or other competition is necessary for frequently recurring purchases.

B.4.2 Sealed Bids are received in or by the office of the City Clerk and are opened publicly at 2:00 PM on Tuesdays in the City Hall Conference Room or via an on-line platform. Bids shall be recorded on a Bid Tabulation Sheet and posted on-line for public viewing. Each bidder and any member of the public has the right to view or attend, and to examine and inspect all bids after they are opened. The user Department, with the assistance of the Purchasing Agent and/or the Legal Department, if necessary, shall evaluate and jointly agree on a recommendation of award.



- B.4.3 Each bid should include **BID SECURITY** equal to 10% of the bid amount, unless it is impossible to determine the total amount (i.e. an hourly rate bid). The bid security may be made via Certified Check, Cashier's Check, or Bid Bond payable to the City. The bid security will be retained by the City Clerk until the successful bidder enters into a contract with the City. Unsuccessful bidders shall be entitled to the return of the submitted security (other than a bid bond) 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.
- B.4.4 The name of each bidder and amount of each bid and other relevant information is recorded.
- B.4.5 During live bid openings, bids are unconditionally accepted by the City Clerk and Purchasing Agent, except bids without the required bid security, if any. All other irregularities shall be examined after the bid opening with assistance from the Legal Department.
- B.4.6 Bid tabs are posted on-line and City staff shall notify the lowest, responsive bidder of the tentative award. The bid award recommendation is submitted to City Council for final approval. The recommendation to Council must include a list of all bidders, bid amounts and an explanation of recommendation.
- B.4.7 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 (i.e. all bids received are substantially over budget).
- B.4.8 A contract is executed upon an award of bid including the terms and conditions and specifications set forth in the Invitation for Bid.
- B.4.9 All bid materials will become the property of the City Clerk, for filing, future reference, maintenance for historical purposes, and updating as needed for new procurements.



B.4.10 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 by the City Clerk's office, and witnessed by the Purchasing Agent and the applicable bidders.

B.4.11 Any **BIDDER PROTESTS** of award recommendations and/or bid specifications must be filed with the Purchasing Agent within seven (7) days of bid opening.

Upon receiving a written protest, the Purchasing Agent, with assistance from the Legal Department, 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.

B.4.12 An Invitation for Bid (IFB) shall include the following:

- Bid submission requirements
- Purchase description/scope of services
- Contract terms and conditions, including insurance requirements
- Prevailing wage rate and gross receipts tax language, if necessary
- Any required bond information
- An acknowledgement of addendum section
- DBE Statement for Airport and MET Transit Departments

B.4.13 Resident Preference/Reciprocity

Pursuant to MCA Title 18, Section 1, the City shall award a public contract for construction, repair, or public works to the lowest



responsible bidder without regard to residency. However, a resident must be allowed a preference on a contract against the bid of a nonresident if the state or country of the nonresident enforces a preference for resident bidders. The preference given to resident bidders of this state must be equal to the preference given in the other state or country.

B.5 REQUEST FOR PROPOSAL AND QUALIFICATIONS (RFP & RFQ) PROCESSES

An RFP is a written solicitation for purchases acquired by means of a competitive, negotiated procurement method. Through this process, the City will make a written award of a contract to the vendor whose proposal offers the best value for the City through specified evaluation factors.

An RFP is used when:

- Factors other-than price may be considered when making the award decision;
- Negotiations may be desired;
- Requirements cannot be described by detailed specifications; and/or,
- The contractor is expected to provide innovative ideas.
- The service to be procured is not Architectural, Engineering or Land Surveying, which are selected in the RFQ process described in B.7

B.5.1 Requests for Proposals are utilized for most services, especially professional consulting, and all complex projects (i.e. software packages, etc.) in excess of \$50,000 and must be accompanied by a legal advertisement. Projects for which the fees are estimated not to exceed \$49,999.99 may contract for those professional services by direct negotiation.

Architecture, Engineering and Survey are procured through an RFQ described below in B.7.



- B.5.2 The Purchasing Agent should be involved (or at least advise) in the RFP creation and solicitation for professional services, facilities contracts, and any other complex projects.
- B.5.3 Staff will legally advertise, post and send out all RFP's; create a selection committee; receive all proposals and distribute accordingly to the committee. The issuing Department representative may choose to accept electronic proposals, but must indicate such in the initial RFP. The Intent to Respond Form is suggested to assist staff in issuing any addenda, which must be acknowledged.
- B.5.4 A Request for Proposals may include the following:
- Purchase or Needs description
 - Scope of Work/Services
 - Evaluation Criteria/Scoring Matrix
 - See Attachment B for sample
 - **NOTE:** If price is included in the evaluation criteria or a scoring matrix, the weight of pricing may be no greater than 25% of the total.
 - Price Matrix (not applicable to RFQs)
 - Contract Terms, including insurance requirements
 - Proposal Submission Requirements
 - Preferred Timeline for Performance
 - An acknowledgement of addendum section
 - DBE statement for Airport and MET Transit Departments

B.6 STANDARD RFP PROCESS

To conduct a standard Request for Proposal (RFP), you need:

A. Scope of work:



1. Clearly identify project needs, the problem that needs to be solved, or the service required and define the scope of work.
 2. Include specific tasks, deliverables, and any timelines.
 3. Identify the estimated budget for the project – this may or may not be shared in the RFP document.
- B. Evaluation Criteria:
1. Establish scoring/evaluation criteria (scoring matrix): outline the factors by which the proposals will be compared, including the points or percentages that will be used.
- C. Vendors and Stakeholders:
1. Identify potential vendors who meet project requirements to receive final RFP via email.
 2. Identify key stakeholders and form a selection committee.
- D. Issue RFP:
1. Legally advertise the RFP and distribute it to qualified vendors.
- E. Proposal Review and Evaluation:
1. Disburse proposals received on-time to members of the selection committee for review and evaluation.
 2. Review proposals received and scoring sheets with selection committee, and, shortlist vendors, if necessary.
 3. Conduct interviews with shortlisted proposers.
- F. If pricing was requested as sealed, only the top or shortlisted vendor(s) price may be reviewed. All others remain sealed.
- G. Vendor Selection:
1. Choose the vendor that best aligns with your project needs and evaluation criteria.
 2. Negotiate contract terms and conditions with the chosen vendor.
 3. Send rejection letters to all other Proposers.



- H. Council/Contract Award: approval by Council (if appropriate) and a contract with appropriate signing authority is required in excess of \$80,000 for the contract term, or as outlined in the dollar thresholds herein.

B.7 RFQ - ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING SERVICES

- A. Requests for Qualifications are utilized for Architectural, Engineering, and Survey services in excess of \$50,000 and must be accompanied by a legal advertisement. Projects for which the fees are estimated not to exceed \$50,000 may contract for those professional services by direct negotiation.
- B. For the procurement of architectural, engineering, and land surveying services, staff may encourage firms engaged in the lawful practice of their profession to submit annually or biennially a statement of qualifications (SOQ) and performance data. Those departments who receive Federal funding may encourage firms engaged in the lawful practice of their profession to submit a statement of qualifications (SOQ) and performance data no more than every 5 years.
1. A scoring or evaluation matrix shall be created and provided to each member of an evaluation committee. The committee shall then evaluate current statements of qualifications and performance data regarding the proposed projects and conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services.
 2. The committee shall then select, based on criteria established under procedures, guidelines, and the law, the firm considered most qualified to provide the services required for the proposed project.
 3. City procedures and guidelines must be available to the public and include at a minimum the following criteria as they relate to each firm:
 1. the qualifications of professional personnel to be assigned to the project;
 2. capability to meet time and project budget requirements;
 3. location;
 4. present and projected workloads;
 5. related experience on similar projects; and,



6. recent and current work for the agency.
 4. After conducting an evaluation of firms, the City may enter into a contract with one or more of those firms to provide architectural, engineering, or land surveying services on an as-needed basis for one or more projects and for a term to be mutually agreed to by the parties.
 5. Council/Contract Award: approval by Council (if appropriate) and a contract with appropriate signing authority is required in excess of \$80,000 for the contract term, or as outlined in the dollar thresholds herein.
- C. Requests for Qualifications are utilized for Architectural, Engineering, and Survey services in excess of \$50,000 and must be accompanied by a legal advertisement. Projects for which the fees are estimated not to exceed \$49,999.99 may contract for those professional services by direct negotiation.

NOTE: If staff wishes to procure the services of an architectural, engineering or land surveying firm outside of the annual SOQ process, the standard RFP process outlined below shall be followed without the inclusion of a request for pricing or a pricing matrix.

Federal Transit requirements governing solicitation of professional service contracts may prevail, (i.e. FTA Circular 4220.1G, pg IV-22 “Purpose of Services”: ...[if] services, such as program management, feasibility studies, or mapping, [are] not directly in support of, directly connected to, directly related to, [or] directly lead to construction, alteration, or repair of real property, then the recipient must not use qualifications-based procurement procedures to select the contractor that will perform those services.) Assistance from representatives of the Legal Department may be necessary.

B.8 LEGAL ADVERTISEMENT REQUIREMENTS

- B.8.1 A legal advertisement is required for all Invitations for Bids and Requests for Proposals/Qualifications.
- B.8.2 The City Clerk’s office coordinates deadlines for all legal advertising for the City’s bids, RFPs, RFQs, equipment purchases, service procurement and meeting notices.



- B.8.3 At a minimum, all legal ads will be placed in the City’s newspaper of record and on the City’s website. Additional advertising by the departments is acceptable - but will not substitute for the minimum requirements.
- B.8.4 Legal ads generally must be published once per 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.
- B.8.5 The City Clerk’s office shall publicly open all bids – City staff and/or consultants may not conduct “public bid openings.”
- B.8.6 Legal ads must contain the following information, at a minimum:
- The name of the project
 - Submittal information including:
 - Bids: Deadline day, bond information, date, time and place for bid submittal and day, date, time and place for bid opening.
 - Requests for Proposals: deadline day, date, and time for proposal submittal.
 - The name, physical address, email 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. (it is recommended that, if a pre-bid meeting is held, attendance should be mandatory).
 - The dates of publication.
 - Standard bidding or RFP language as contained in the template documents on the City’s server.



B.9 SOLE SOURCE PROCUREMENT

B.9.1 State law, MCA Title 18, Chapter 4, states that a contract may be awarded for a supply or service without competition when there is only one source for the supply or service item. This exception may only apply when the Department Director or designee determines in writing that there is only one source for the required supply or service item.

B.8.2 A Council memo or other explanation in writing must be created that only one practical source exists. A sole source justification form is located on the server under Purchasing for procurement of less than \$80,000.

B.9.3 Examples of sole source items:

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

NOTE: approval by Council will still be required for sole source procurement in excess of \$80,000. A contract with appropriate signing authority will still be required for most services in excess of \$25,000.

B.10 DEBARMENT:

The lowest quote or bid 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.



Documentation must be presented to and reviewed by the Purchasing Agent and Legal Department to determine whether or not a supplier will be excluded from competition.

A list of all debarred contractors and suppliers, and period of debarment, shall be maintained by the Purchasing Agent.

Any exception must be detailed in writing by City staff and attached to the contract. The City Administrator must approve this stated special circumstance upon signing of the contract.

C. PURCHASING METHODS

C.1 PETTY CASH

Some Departments maintain a petty cash fund that is used for small dollar amount purchases. An Administrative Order (Internal Controls AO) adopts the City of Billings Petty Cash Procedures.

C.2 PURCHASING CARDS

The Purchasing Agent manages the City's Purchasing Card (Pcard) Program. Cards will be issued to Departmental staff, as requested and approved. The cards are used much the same as a credit card and are assigned to a specific person with a specific limit. The types of purchases are limited as well. An Administrative Order adopts the City of Billings Purchasing Card Procedures, which is also provided to each cardholder.

C.3 ENCUMBRANCES/ORDERS

Purchase orders are used to create an order or encumbrance. These are used to confirm an order and identifies the vendor, the purchasing Department, price, quantity, and account number(s) to be charged.

Purchase order or Encumbrances are used to earmark and allows tracking of funds for contracts, especially where multiple payments will be made to the vendor, and when the contract and payments may cross fiscal years.



C. 4 INVOICES

The invoice process identifies the vendor, the purchasing Department, price, quantity, and account number(s) to be charged, and is the process by which a check is issued by the City. A proper invoice or receipt must be attached.

D. SPECIAL PURCHASING DETAILS AND INFORMATION

D.1 COOPERATIVE PURCHASING

The State of Montana maintains a list of term, pre-competed contracts in which a source or sources of supply are established for a specific period of time at a predetermined price. City staff may utilize any of the term contracts listed by the State of Montana agencies as a cooperative purchaser. The list is maintained at <https://www.naspovaluepoint.org/participants/participant-results/?state=Montana> or

https://dataportal.mt.gov/t/DOASFSD/views/StatewideContracts/StatewideContracts?%3AshowAppBanner=false&%3Adisplay_count=n&%3AshowVizHome=n&%3Aorigin=viz_share_link&%3Aembed=y&%3Atabs=n.

City staff may utilize term contracts listed by the State without further competition. However, Council approval and a contract may still be required.

Pursuant to MCA Title 18, Chapter 4, the City may also participate in purchasing through federal supply schedules of the United States general services administration, joint or multiparty contracts between public procurement units, open-ended state public procurement unit contracts that are made available to local public procurement units, and competitive contracts established by for-profit, not-for-profit, or nonprofit cooperative entities, which are in the best interest of the City.

Cooperative Purchasing Agreements for supplies, equipment, and other professional services may be utilized with another government entity or use of state contracts without additional bids or advertisements when done so at a savings to the City. Some of the cooperative purchasing organizations include, but are not limited to, Naspo ValuePoint, Sourcewell, Omnia Partners, etc.



These cooperative purchases must be made through established cooperative purchasing organizations, of which the City is a member. Membership shall be established and must be approved by the Purchasing Agent.

It should be noted that these governmental or cooperative purchasing agreements are often, but not always, the lowest prices available.

NOTE: Approval by Council (if appropriate) and a contract with appropriate signing authority will still be required for cooperative purchasing and sole source procurement, in excess of \$80,000, or as outlined in the dollar thresholds herein.

D.2 PREVAILING WAGE RATES (DAVIS BACON ACT)

As per State law, MCA Title 18, Chapter 2, for construction projects in excess of \$25,000, there must be a statement in the bid documents calling for the contractor to pay the prevailing wage rate as established by the State of Montana, as well as a statement and copy of wage rates included in the contract documents.

If Federal funds are involved, there may be additional requirements for prevailing wage rates.

D.3 STATE GROSS RECEIPTS TAX

One percent (1%) contractors' tax must be deducted from all payments on construction contracts in excess of \$80,000 and the collected tax paid to the State of Montana.

D.4 REAL PROPERTY SALE AND ACQUISITION

City Code Articles 22-900, 22-901 and 22-902 provide the legal authority for the City Council to dispose of real property on behalf of the City. The City Council has adopted policy resolutions that establish procedures, as well as criteria for appraisals, when the City sells or purchases real property (land).

In addition to any City code and procedures, as well as MCA, the Uniform Act applies to the City's Aviation and Transit Department regarding real property transactions.



D.5 USED EQUIPMENT PROCUREMENT

All used equipment which would have a value, if new, in excess of \$10,000 must be included in the Equipment Replacement Plan or Technology Replacement Plan or be specifically approved by the City Administrator.

All purchases for used vehicles with a value in excess of \$25,000 are substantiated by at least two (2) quotes of other comparable vehicles to include mileage, condition, and auxiliary equipment of each vehicle quoted.

All vehicle purchases will be coordinated with the Fleet Division for proper tracking and inventory records.

D.6 EMERGENCY PURCHASES AND CONTRACTS

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.

The requirements for sealed bids can be waived, and the purchase made in the fastest possible manner. (MCA Title 7, Chapter 5). If an emergency does occur:

- The Departmental representative shall provide all pertinent information to the City Administrator and Purchasing Agent as quickly as possible, including:
 - A description of the emergency;
 - The vendor or contractor's name;
 - The amount and type of the contract;
 - A listing of the supplies or services procured under the contract; and,
 - Any other available supporting documentation available
- The City Administrator shall inform the Mayor and City Council of said emergency; and,



- the Purchasing Agent will provide support for determining and expediting the best purchasing method.

All emergency contracts and/or documentation will be signed by the City Administrator or designee and will have a brief explanation of the emergency attached.

Emergency purchases in excess of \$80,000 require the City Council by resolution to declare the emergency and record it in the minutes of the council meeting as soon as is reasonably possible.

D.7 CITY-WIDE PROCEDURES FOR THE PURCHASE OF PRINTERS, FAXES, COPIERS AND TONER

The City has adopted, by Administrative Order, a standard procedure for the use, purchase, repairs, maintenance and replacement of all printers, faxes, copiers and associated supplies, such as toner.

Any exceptions made to the procedure, must be documented on an approved Business Needs Assessment form. The Administrative Order and form are available at:

\\bil-fileserv3\\AllUsers\\Purchasing\\Printer Procedures

E. SURPLUS PROPERTY PROCUREMENT AND DISPOSAL

E.1 SURPLUS PROPERTY PROCUREMENT

In reference to MCA Title 18, Chapter 5, the State of Montana coordinates and hosts a Surplus Property and Recycling Program. <https://gsd.mt.gov/SPR>

The City is an organization permitted to dispose of and procure items through the program, and the Purchasing Agent maintains a list of staff members who are authorized to acquire property through the State's program.

E.2 SURPLUS PROPERTY DISPOSAL



The Purchasing Agent is designated as Surplus Sales Officer. He/she is responsible for assisting departments with disposing of all surplus personal property, and 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.

Disposal of all property will be documented on a Personal **PROPERTY DISPOSAL FORM**, located at \\bil-fileserv3\AllUsers\Purchasing\Surplus Property Disposal and available as a DocuSign template, or documented by Council action.

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.
- By recycling.
- By cannibalizing or scrapping for parts.
- By trading in on new equipment.
- By selling at auction.
- By receiving three written quotes, and selling to the highest responsible quoting party.
- By advertising and obtaining sealed bids and selling to the highest responsible bidder.
- By junking.
- By donating to a local charitable organization.
- By selling or donating to another governmental agency.
- Through the State of Montana's Surplus Property and Recycling Program: <https://gsd.mt.gov/SPR>
- By special Council approval.

The Purchasing Agent, with the assistance of Department representatives, shall approve the disposal process of all surplus property. Approved disposal forms, with appropriate documentation attached, shall be retained by the Purchasing Agent for the City's official files.



All proceeds from the sale of these items will be deposited with the Department that last had possession of the items and copies of documentation shall be filed with the disposal form with the Purchasing Agent.

The City Clerk is the holder of all titles on behalf of the City. The Clerk will require a title request form from Fleet to dispose of any titled property.

The disposal or trade of all vehicles and large equipment (purchase value in excess of \$5,000 or has a title) must be coordinated with the Fleet Division for proper tracking and inventory records. Fleet will request all titles for disposal from the City Clerk. Departments may not dispose of titled vehicles without the assistance of Fleet representatives.

F. DELEGATIONS OF AUTHORITY - APPROVALS

F.1 APPROVALS OF INVOICES AND PURCHASE ORDERS

Purchase Orders and Invoices must be approved, as follows, in the following order (at a minimum):

\$0 - \$999.99

→ Department Designee → Purchasing Agent

\$1,000 to \$9,999.99

→ Department Designee → Purchasing Agent → Finance Director

\$10,000 and above

→ Department Designee → Purchasing Agent → Finance Director → City Administrator

G. SUPPLIER AGREEMENT/CONTRACT PROCESS

G.1 Generally, suppliers and contractors will be engaged through a written document.



NOTE: Written contracts are required for all services in excess of \$25,000. Written contracts for services of <\$25,000 may still be necessary, especially if work is being completed on a City site. If in doubt, discuss with the Purchasing Agent to determine if a written contract is necessary. For the procurement of products or goods, this can either be a purchase order or written contract.

G.2 Purchase Orders or Invoices – Purchase Orders and Invoices are created by each respective City Department and approved through the Delegation of Approval Authority levels outlined above.

G.3 CONTRACTS

Contracts include any and all documents that may bind the City and any other contracting party, legally or financially. This may include bids, proposals, maintenance agreements, rental agreements, warranties or otherwise.

The City's standard, template contract documents are preferred. All contracts are routed through DocuSign for execution with a routing template. These documents are located at: <\\bil-fileserv3\\AllUsers\\Purchasing>

G.4 CONTRACT EXECUTION

The Department representative should send a draft contract to the Purchasing Agent and/or Legal Department to review before having the contractor sign. The vendor or contractor must sign the legally reviewed and approved contract first (whether in writing or in DocuSign). The Department representative then routes the contract to the Purchasing Agent, Legal Department, City Administrator or Mayor, and the City Clerk, with a contract routing form and other appropriate documents attached, through DocuSign. The City Clerk attests the Mayor's signature and retains one original copy of the contract. The Department representative will receive an email with the link to the executed copy for departmental files and to return to the vendor or contractor.

The vendor or contractor may sign the contract through DocuSign.

Signature Flow:

Department → Vendor → Purchasing → Legal → City Administrator or Mayor → City Clerk



Any contract approved by Council, regardless of amount, must be signed by the Mayor unless it has been formally delegated to the City Administrator.

!! In no instance shall anyone except the Mayor or City Administrator (or person designated in writing by either the Mayor or City Administrator) sign a contractual document on behalf of the City !!

H. SIGNING AUTHORITY – CHANGE ORDERS & AMENDMENTS

The City Administrator is authorized to execute amendments or change orders to all contracts executed by the Mayor if the changes do not exceed his/her signing authority, which may not exceed the threshold amount for competitive bids, currently set at \$80,000.

Furthermore, the City Administrator 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 that increases in the scope of street improvement projects to add improvements requested and paid for by adjacent property owners are permissible;
- 2) Executed in writing; and,
- 3) The increase in contract amount does not exceed:
 - a. His/her signing authority; or,
 - b. Ten (10) percent (cumulative) of the contract price up to \$1 million; or,
 - c. The original budgeted contingency or amount set by City Council resolution for a specific project.

The total amount of all change orders or amendments on any given project will be cumulatively combined.



Where the size of the contract makes it probable that change order authority of the City Administrator will be quickly exhausted, the City Council may, upon recommendation of staff or the City Administrator, extend the aggregate limits afforded to the City Administrator in an amount set by Council for a specific project.


ATTACHMENT A: QUICK REFERENCE CHART

Procurement Amount	Petty Cash	Purchasing Card	Purchase Order/Invoice	Written Quotes	Sealed Bids	RFP	RFQ
\$0 - \$99.99	X	X	X				
\$100 - \$5,000		X	X				
\$5,001 - \$24,999			X				
\$25,000 - \$79,999.99 (goods, equipment, vehicles, materials)				X			
> \$49,999.99 (consultant, software, professional services)						X	
> \$49,999.99 (architect, engineer & land survey)							X
> \$79,999.99 (automobile, trucks, construction, materials, etc.)					X		

Written contracts are required for all services in excess of \$25,000. Written contracts for services of <\$25,000 may still be necessary, especially if work is being completed on a City site. If in doubt, discuss with the Purchasing Agent to determine if a written contract is necessary.



ATTACHMENT B: SAMPLE EVALUATION MATRIX

Exhibit H: Evaluation Score Sheet

RFP: _____

Firm Name: _____

Evaluator: _____

Date: _____

Scoreable Criteria & Notes		Points Awarded	Max Points Possible
1	<u>Firm Experience</u>		10.0
2	<u>Key Project Staff & Subconsultants</u>		20.0
3	<u>Available Resources</u>		15.0
4	<u>Proposed Project Approach</u>		30.0
5	<u>Cost</u>		
6			

Score will be assigned as follows

Superior Response (95-100%):
A superior response is an exceptional reply that completely and comprehensively meets all of the requirements of the RFP. In addition, the response may cover areas not originally addressed within the RFP and/or include additional information and recommendations that would prove both valuable and beneficial.

Good Response (75-94%): A good response clearly meets all the requirements of the RFP and demonstrates in an unambiguous and concise manner a thorough knowledge and understanding of the project, with no deficiencies noted.

Fair Response (60-74%): A fair response minimally meets most requirements set forth in the RFP. The Proposer demonstrates some ability to comply with guidelines and requirements of the project, but knowledge of the subject matter is limited.

Failed Response (59% or less): A failed response does not meet the requirements set forth in the RFP. The offeror has not demonstrated sufficient knowledge of the subject

Selection Committee Evaluation Score	Total	Points Possible
	0	100.0



**All forms, template documents, etc. are located on the Server
at: <\\bil-fileserv3\\AllUsers\\Purchasing>**