

RESOLUTION NO. _____

RESOLUTION ADOPTING PROCUREMENT POLICY

WHEREAS, the City of Laurens has received a Community Development Block Grant from the Iowa Economic Development Authority; and

WHEREAS, the Iowa Economic Development Authority requires the City of Laurens to adopt Procurement Policies in order to utilize such funds;

THEREFORE, BE IT RESOLVED, by the City Council of the City of Laurens that it agrees to adopt and implement the attached Procurement Procedures for use during the implementation and administration of the City's Community Development Block Grant Program.

PASSED AND APPROVED: _____

Rod Johnson, Mayor

Attest:

Barbara Smith, City Manager

PROCUREMENT POLICY

PURPOSE

The purpose of this Procurement Policy is to ensure that sound business judgment is utilized in all procurement transactions and that supplies, equipment, construction, and services are obtained efficiently and economically and in compliance with applicable federal law and executive orders and to ensure that all procurement transactions will be conducted in a manner that provides full and open competition.

APPLICATION

This policy applies to the procurement of all supplies, equipment, construction, and services of and for the City of Laurens related to the implementation and administration of the Community Development Block Grant. All procurement will be done in accordance with 24 CFR; Part 85.

POLICY

I. Methods of Procurement

Procurement under grants shall be made by one of the following methods, as described herein: (a) small purchase procedures; (b) competitive sealed bids (formal advertising); (c) competitive proposals; (d) noncompetitive proposals.

A. Small purchase procedures are relatively simple and informal procurement methods that are sound and appropriate for a procurement of services, supplies, or other property, costing in the aggregate not more than \$25,000. The City of Laurens shall comply with state or local small purchase dollar limits under \$25,000. If small purchase procedures are used for a procurement under a grant, price or rate quotations shall be obtained from at least three qualified sources.

B. In competitive sealed bids (formal advertising), sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all of the material terms and conditions of the invitation for bids, is lowest in price. The sealed bids method is the preferred method for procuring construction.

1. Appropriate conditions in order for formal advertising to be feasible must be present, including, as a minimum, the following:

(a) a complete, adequate and realistic specification or purchase description;

(b) two or more responsible suppliers are willing and able to compete effectively for the City of Laurens business; and,

(c) the procurement lends itself to a firm-fixed-price contract, and selection of the successful bidder can appropriately be made principally on the basis of price.

2. When formal advertising is used for a procurement under a grant, the following requirements shall apply:

(a) a sufficient time prior to the date set for opening of bids, bids shall be solicited from an adequate number of known suppliers. In addition, the invitation shall be publicly advertised.

(b) the invitation for bids, including specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the invitation.

(c) all bids shall be opened publicly at the time and place stated in the invitation for bids.

(d) a firm-fixed-price contract award shall be made by written notice to that responsible bidder whose bid, conforming to the invitation for bids, is lowest. Where specified in the bidding documents, factors such as discounts, transportation costs and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine low bid when prior experience of the City of Laurens indicates that such discounts are generally taken.

(e) any or all bids may be rejected when there are sound documented business reasons in the best interest of the program.

C. In competitive proposals, proposals are requested from a number of sources and the Request for Proposal is publicized. Negotiations are normally conducted with more than one of the sources submitting offers, and either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. Competitive negotiation may be used if conditions are not appropriate for the use of formal advertising. If competitive negotiation is used for a procurement under a grant, the following requirements shall apply:

1. Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request for Proposal shall be publicized and reasonable requests by other sources to compete shall be honored to the maximum extent practicable.
 2. The Request for Proposal shall identify all significant evaluation factors, including price or cost where required and their relative importance.
 3. The City of Laurens shall provide mechanisms for technical evaluation of the proposals received, determinations of responsible offerors for the purpose of written or oral discussions, and selection for contract award.
 4. Awards may be made to the responsible offeror whose proposal will be most advantageous to the procuring party, with price and other factors considered. Unsuccessful offerors will be notified promptly in writing.
 5. The City of Laurens may utilize competitive negotiation procedures for procurement of architectural/engineering (A/E) professional services, whereby competitor's qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in the procurement of A/E professional services. It cannot be used to procure other types of services (e.g. administrative services) even though A/E firms are a potential source to perform the proposed effort.
- D. Noncompetitive proposal is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Noncompetitive negotiation may be used when the award of a contract is infeasible under small purchase, competitive bidding (formal advertising) or competitive negotiation procedures. Circumstances under which a contract may be awarded by noncompetitive negotiation are limited to the following:
1. The item is available from only a single source;
 2. After solicitation of a number of sources, competition is determined inadequate;
 3. Public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation; and,

Sole source procurement for supplies, equipment, construction, and services valued at \$25,000 or more must have prior approval of the Iowa Economic Development Authority.

- E. The City of Laurens will provide, to the greatest extent possible, that contracts be awarded to small businesses located within the project area or owned in substantial part by project area residents. (The project area is defined as the county in which the project is located.) The City of Laurens will solicit qualified small, minority, and women’s businesses whenever they are potential sources. The City of Laurens will procure goods and services from labor surplus areas when economically feasible.
- F. Any other method of procurement must have prior approval of the Iowa Economic Development Authority.

II. Contract Pricing

- A. The cost plus a percentage of cost and percentage of construction cost method of contracting shall not be used.
- B. The City of Laurens shall perform some form of cost/price analysis for every procurement action, including modifications or change orders.

III. Procurement Records

The City of Laurens shall maintain records sufficient to detail the significant history of a procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the cost or price.

EFFECTIVE DATE

Passed this _____ day of _____, 20____.

Rod Johnson, Mayor

Attest:

Barbara Smith, City Manager