



South Ogden City

Purchasing Policies and Procedures

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1.010 POLICY STATEMENT

The South Ogden City Council has declared that the South Ogden City Director of Finance is responsible to keep record of all debit memos and oversee the operations of the purchasing function of the City in such a manner as to effectively execute procurement and property acquisition and disposition policies as may be established by the City Council by policy declaration or the City Manager by way of administrative directive. As these changes are promulgated they shall be incorporated into this policy.

The Director of Finance may delegate purchasing responsibility, when determined appropriate by the City Manager, to any Department Head of the City. If it is determined there exists discrepancies between these policies and any procurement laws, rules and regulations of Utah, those laws, rules and regulations shall supersede these policies and the discrepancies shall be immediately brought to the attention of the Director of Finance. Interpretation of any and all policies and procedures contained shall be the responsibility of the City Manager.

2.010 CONTACTS

If you have any questions regarding Purchasing Policy and Procedures, you may contact the Director of Finance at (801) 622-2703.

3.010 DEFINITIONS

ADVERTISING for bids means that notice will be published at least once in a newspaper of general circulation in Weber County. Additionally, the City may also utilize any form of on-line resource that provides easy access and exposure to a high number of potential vendors.

EMERGENCY CONDITION shall be a situation that creates a threat to public health, welfare, or safety such as may arise by flood, epidemics, riots, equipment failures, earthquakes, or such other reason as declared an emergency by the Mayor, his/her designee or City Council.

DEBIT MEMO is a document that commits the City to pay for goods or services obtained on credit, which have been received by authorized agents of the City.

4.010 PERSONAL LIABILITY OF OFFICERS

No officer or employee of the City shall make any expenditure or encumbrance over the total appropriation remaining (excluding salaries and benefits) for any department. Any obligation that is contracted by any such officer or employee in excess of the total remaining department appropriation is the personal obligation of the officer or employee and is unenforceable against the City.

All purchases or all encumbrances on behalf of the City shall be made or incurred only upon any order or approval of the persons duly authorized to act on behalf of the City in such capacity. The liability for purchases or encumbrances made contrary to this ordinance, or without authorization as provided herein shall become the personal liability of the officer or employee who contracted for such purchase or caused such encumbrance.

5.010 DEBIT MEMOS

A debit memo shall be used whenever goods and services are to be acquired by outright purchase. The debit memo shall specify the nature of the goods or services to be acquired, the purchase price or estimate thereof, freight charges, the vendor from whom acquired, the department and division for whom the acquisition is being made, the budgetary department and general ledger number where the funding for the proposed purchase has been appropriated, and such other provisions or information as may be appropriate or required. It is the policy of the City that payment for goods or services shall not be made until the goods or services have been delivered. The only exceptions to this policy will be where the payment schedule in a duly authorized contract specifies otherwise or where specifically authorized by the City Manager or City Director of Finance.

Notwithstanding the above conditions, a debit memo shall not be required for the purchase and payment of routine, consistent expenses, such as, but not limited to: payroll taxes and related payroll expenses, utility bills, or similar expenses.

The debit memo form will be filled out as described in Section B., paragraph 1 above. The debit memo will be signed by the requestor and then by the appropriate level of authority as discussed below. The completed debit memo will then be given to the Accounts Payable clerk for processing and payment.

Debit memos shall require authorization and signatures as follows:

AMOUNT	AUTHORIZATION REQUIRED
ANY AMOUNT	Department Head and if,
OVER \$1,000	Director of Finance and if,
\$5,001 to \$25,000	City Manager and if,
\$25,001 and up	Mayor or Mayor Pro Tem,

All leases entered into for the City will go before the City Attorney to be reviewed from a legal perspective, the Director of Finance for accounting purposes and to the City Manager for final approval and his/her signature.

6.010 CREDIT CARD PURCHASES

South Ogden City employees may make certain purchases by a credit card if proper authorization has been granted/obtained. Purchases made with a credit card are to be reported on the appropriate City Visa Charge Request Form. These forms are in triplicate, pre-numbered in sequential order and will be disbursed by the Director of Finance to Department Heads. Upon proper completion and signed by the Department Head the form along with the necessary supporting documentation is to be returned to the Director of Finance and entered into the accounting system. Once this is done, the pink copy will be returned to the department, the white copy will be filed by accounts payable and the yellow copy maintained by the finance department for reconciliation purposes. The Department Head will be responsible to account for the entire numerical sequence issued to him/her (usually in groups of 100). Any voided forms are not to be destroyed, but turned into the Director of Finance.

7.010 COMPETITIVE BIDDING

All purchases and contracts, whether by sealed bid, quotation, or negotiation, shall be made competitively to the maximum practical extent. The following policies shall apply based on expected bid total dollar values.

7.020 BID REQUIREMENTS BASED ON VALUE

- I. AMOUNTS IN EXCESS OF \$25,000:
 - a. Except as otherwise provided within this policy, all debit memos and other contracts of every kind, involving amounts over \$25,000 for personal services, or for the purchase, lease, rental, or sale of personal property, materials equipment, or supplies, shall be made under the formal bidding procedures in Section 7.030.
 - b. No purchase shall be split into parts by any concerned party so as to produce amounts artificially lower than the total purchase price.
- II. AMOUNTS LESS THAN \$25,000 BUT IN EXCESS OF \$2,500:
 - a. Debit memos and contracts in amount less than \$25,000, but over \$2,500.00 are not subject to the formal bidding procedures but must be made in the open market by obtaining at least three written bids wherever possible. Whenever practical, the bid opening shall be made in the presence of the Director of Finance, the Department Head and the City Recorder.
 - b. No purchase shall be split into parts by any concerned party to produce artificial amounts lower than the total purchase price.
- III. PURCHASES LESS THAN \$2,500.00: These purchases may be obtained by using debit memos to obtain supplies and services approved by the Department Head.
 - a. The employee making the purchase shall sign the debit memo to designate he/she obtained the supplies or services in good condition.
 - b. When verification of a low bid is deemed appropriate, the Director of Finance shall, independent of the departmental representative, also obtain quotations for the items or services purchased.
 - c. Any purchase of goods or services provided by a related party or an employee MUST have three written bids accompanying the debit memo verifying the process performed to ensure fairness and equal opportunity.

7.030 FORMAL BIDDING PROCEDURES

Debit memos and other contracts of every kind, involving amounts over \$25,000 for personal services, or for the purchase, lease, rental, or sale of personal property, materials equipment, or supplies, shall be made under the following procedures.

7.040 ADVERTISEMENT FOR BIDS

The Department Head shall provide the City Recorder with an appropriate advertisement or description of the item to be advertised so the City Recorder may formulate a bid advertisement. The City Recorder shall then, with the concurrence of the City Manager, place the advertisement in a newspaper of general circulation within the City. The City may also utilize any form of on-line resource that provides easy access and exposure to a high number of potential vendors.. Contracts shall be awarded by competitive sealed bidding, except as otherwise provided herein.

7.050 INVITATION FOR BIDS

The invitation for bid shall include:

- (1) A description of the material, supplies, services, personal property or construction in sufficient detail that prospective bidders should know what their obligations will be;
- (2) The time and place for the opening of the bids;
- (3) Notification of the City's requirements for a bidder's good faith deposit, bid bond, or performance bond, as well as proof of liability insurance and Worker's Compensation Insurance;
- (4) An announcement that all bids, or any part thereof, may be rejected by the City;
- (5) The description required in (1), above, may be made either in the advertisement itself or by reference to detailed plans and specifications on file with the City Recorder.
- (6) Any other information upon which the bidder must rely in order to be a responsible bidder.
- (7) Class 'C' Exception – any bid involving Class 'C' funds must be advertised for three consecutive weeks.

An invitation for bids shall be issued when a contract is awarded by competitive sealed bidding. The invitation shall include a purchase description and all contractual terms and conditions applicable to the procurement.

Public notice of the invitation for bids shall be given a reasonable time prior to the date set forth for the opening of bids. The notice may include publication in a newspaper of general circulation within the City. The City may also utilize any form of on-line resource that provides easy access and exposure to a high number of potential vendors for a reasonable time prior to bid opening.

“Reasonable Time” for this part, means that a notice of an invitation for bids shall, prior to the acceptance of a bid, be published at least once a week for three consecutive weeks in one or more newspapers of general circulation within the City. The City may also utilize any form of on-line resource that provides easy access and exposure to a high number of potential vendors.

7.060 BID OPENING

Bids shall be opened publicly in the presence of one or more witnesses, including whenever practicable the City Recorder, Director of Finance, and the appropriate Department Head at the time and place designated in the invitation for bids.

The amount of each bid and any other relevant information specified in the bid notice, together with the name of each bidder, shall be recorded by the City Recorder at the time the bids are opened. The record and each bid shall be open to public inspection.

Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy.

7.070 BID EVALUATION

Bids shall be evaluated based on the requirements in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and will be considered in evaluation for award shall be objectively measurable. The criteria may include discounts, transportation costs, and total or life cycle costs. No criteria may be used in bid evaluations that are not set forth in the invitation for bids.

Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted in accordance with rules and regulations set out in the bid notice.

After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of the city or fair competition shall be permitted. Except as otherwise provided by this policy or rules and regulations set out in the bid notice, all decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the City Manager or City Council, depending on the value of the bid received, and in accordance with required purchase order authorizations.

7.080 BID AWARD

The contract shall be awarded with reasonable promptness by written notice to the lowest responsive and responsible bidder whose bid meets the requirements and criteria in the invitation for bids. In the event all bids for a construction project exceed available funds as certified by the City Director of Finance or City Manager and the low responsive and responsible bid does not exceed such funds by more than 5%, the City Manager is authorized, in situations where time or economic considerations preclude re-solicitation of work of a reduced scope, to negotiate an adjustment of the bid price, including changes in the bid requirements, with the lowest responsive and responsible bidder, in order to bring the bid within the amount of available funds.

When it is considered impractical to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of un-priced offers to be followed by

an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

7.090 REJECTION AND CANCELATION OF BIDS

An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as specified in the solicitation, when it is in the best interests of the City under rules and regulations as set out in the bid notice or invitation. The reasons for such rejections shall be made part of the contract or bid file.

Bids may be rejected when the City Council, with the advice of the City Manager and such technical department personnel as the City Manager may determine appropriate, determines that bid prices, after advertising once for all competitive bids, are not reasonable (either as to all or as to some part of the requirement), exceed the estimated construction cost of a public improvement project by an amount that is unacceptable, or have not been independently arrived at in open competition, provided that no negotiated purchase or contract may be entered into under this paragraph after the rejection of all of the bids received unless the stipulations below are met:

NOTIFICATION TO NEGOTIATE:

Notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given to each responsible bidder whose bid conformed to the invitation for bids; and,

NEGOTIATED PRICE:

The negotiated price is the lowest negotiated price offered by a reasonable supplier; and provided further, that the City Manager may, at his/her discretion, elect to re-advertise for bids with approval of the City Council.

7.100 LATE BIDS

No bids shall be received or accepted subsequent to the time in the announcement. Any bids delivered by mail, or any other means, subsequent to the appointed time shall not be opened.

7.110 EXTENSION OF BIDS

The City Manager, with the approval of the Mayor, may extend the time for opening of bids, if in his/her opinion it is in the public interest to do so. Notice of the extension shall be given to all prospective bidders by the City Recorder in such manner as is most practical under the circumstances. Such extension shall not exceed ten working days. No extension may be granted for the purpose of qualifying a bid that was delivered after the time advertised for the original opening.

7.120 BOND REQUIREMENTS

Bidders may be required to supply deposits of good faith, or bonds with sufficient sureties, in such amounts as deemed adequate and approved by the City Manager or City Council, as set out in the bid notice, not only to insure performance of the contract or purchase order in the time and manner

prescribed, but also to save, indemnify, and hold the City harmless against losses, damages, claims, liabilities, judgments, costs, and expenses which may accrue in consequence of granting the contract or purchase orders.

Before any contract for the construction, alteration or repair of any public building, public work or public improvement of South Ogden City is awarded to any person, that person shall furnish to South Ogden such bonds as are required by the Utah Code Annotated, Section 14-1-13, seq (1983).

7.130 EXCEPTIONS TO FORMAL BID REQUIREMENTS

Unless otherwise required by State or Federal law, the bid process requirements do not apply in the following situations:

- I. **PROFESSIONAL SERVICE CONTRACTS:** Contracts for professional service may be awarded at the discretion of the City Manager provided that the contract is in furtherance of matters approved in the budget or as otherwise authorized by the governing body. Professional services shall include, but not be limited to, the following: auditing, architecture, banking, insurance, engineering, appraisals, legal services, and other consulting services. Professional service contracts shall be awarded based on professional qualifications, service ability, cost of service, and other criteria deemed important by the City Manager or his or her designee.
- II. **ANNUAL AUDIT SERVICES:** Professional service contracts for the annual fiscal year financial audit shall only be awarded by the City Council. The contract may be awarded for consecutive years; however, the performance of the auditing firm shall be reviewed by the City Council at the end of three (3) years, and the Council shall at that time determine whether to continue the contract for an additional two (2) years maximum or put it back out to bid. The contract after (5) years shall then be put out to bid and allows for the existing audit firm to submit a bid as well.
- III. **UTILITIES PURCHASE:** Utility services such as water, electric power, natural gas, telephone and telegraph, except when alternative supplies or services are available.
- IV. **FUEL PURCHASES:** The City Council recognizes and finds that wholesale vendors of gasoline and diesel fuel are generally unable to quote prices on fuel that are valid for more than one day. As a result of this finding, and in order to obtain needed supplies at the most competitive daily price, price quotes may be obtained by telephone, and an order may be placed providing the purchase procedure set out in Section 5.010, paragraph 4 above, **AUTHORIZATION REQUIRED**, have been followed.
- V. **COURT FEES:** Witness and jury fees and other payments as may be ordered by a court.
- VI. **MEDICINES OR MEDICAL SUPPLIES:** Medicines or medical supplies which are not generic in nature and which would not be available from other sources through competitive bid or negotiation.
- VII. **EMERGENCY:** When the public exigency will not tolerate the delay incident to the advertising for, or solicitation of bids.

a. Purchases under this paragraph shall be based on a need that is compelling and of unusual urgency, such as when the City would be seriously injured financially or otherwise if the personal property or services were not furnished by a certain time, and when they could not be procured by that time by means of advertising, bidding and or solicitations of quotations as previously provided.

b. Emergency procurement shall be limited to those supplies, services, or construction necessary to meet the emergency. Whenever practical, approval by the City Manager/Designee or City Council shall be obtained.

c. The department for whom the emergency purchases are made shall, as soon as practical, file a written report with the City Manager, which shall contain the following information:

- (1) The conditions that created the emergency and a description of the threat to the health, welfare or safety of the public pursuant to finding that an emergency exists;
- (2) The basis for the selection of the particular contractor or supplier and a description of what efforts were utilized to identify and contact alternative suppliers or contractors;
- (3) The contractor's or supplier's name and address, along with a list of the supplies, materials, services or construction procured under the contract.
- (4) Completed and signed debit memos with attached invoices requesting payment for the emergency purchases.

d. The City Manager shall review the report submitted and, if appropriate, shall declare the condition an emergency and shall approve the report and requisitions and authorize the payment of the emergency purchases.

(1) The City Manager is empowered to declare a state of emergency, for purposes of this policy, when, in her/his opinion, such condition(s), as set out in section 3, a, above exist(s), and, when the amount to be expended to meet such emergency does not exceed \$25,000.00.

(2) Where the City Manager finds and declares an emergency, under paragraph 4, a, above, the City Manager, in conjunction with the department for whom the emergency purchases are made, shall, as soon as practical, file a written report with the Mayor and City Council which shall contain the following information:

(a) The conditions which created the emergency and a description of the threat to the health, welfare or safety of the public pursuant to finding that an emergency exists;

(b) The basis for the selection of the particular contractor or supplier and a description of what efforts were utilized to identify and contact alternative suppliers or contractors;

(c) The contractor's or supplier's name and address, along with a list of the supplies, materials, services or construction procured under the contract.

(d) Completed signed debit memos with attached invoices requesting payment for the emergency purchases.

e. The City Council shall review the report submitted, and if appropriate, shall ratify the City Manager's declaration of the condition an emergency, and shall approve the report and requisitions and authorize the payment of the emergency purchases.

VIII. STATE PROCUREMENT CONTRACTS: Purchases made from vendors under State of Utah procurement contract and when the price is the price (or a lower price than that) established by the contract awarded by the State after competitive bidding under the Utah Procurement Code (63-56-1 et seq).

Purchases which are made from vendors who, within the past sixty (60) days, have been under State of Utah procurement contract, and when the price offered is the price established by the former contract awarded by the State after competitive bidding under the Utah Procurement Code (63-56-1 et seq), or less.

IX. GOVERNMENT GOODS AND SERVICES: For goods and services made available by any federal, state or local unit of government, or association of government, when those goods or services were acquired in compliance with the provisions of this ordinance or the State of Utah Procurement Code (63-56-1 et seq).

X. FRINGE BENEFITS: Purchases of services or benefits that are part of any personnel fringe benefit agreements that are authorized by the City Council may be negotiated between the City and the service or benefit vendor.

XI. CONTRACTS NOT SUITED TO COMPETITIVE BIDDING: Contracts which by their nature are not suited to award by competitive bidding shall not be subject to the formal bidding requirements of Section 7.030 of this policy. These types of contracts include:

- a. Contracts for items that may only be purchased from a single or sole source.
- b. Contracts for additions to and repairs and maintenance of equipment owned by the City which may be more efficiently added to, repaired or maintained by a particular person or firm.
- c. Contracts for equipment which, by reason of the training of City personnel or the inventory of replacement parts maintained by the City, is more compatible with the existing equipment owned by the City.
- d. Purchases or contracts for additions to and repairs and maintenance of equipment owned by the City which may be more efficiently added to, repaired or maintained by a particular person or firm.

- e. Purchases or contracts for equipment which, by reason of the training of City personnel or the inventory of replacement parts maintained by the City, is more compatible with the existing equipment owned by the City.
- f. Notwithstanding the provisions of Section E., paragraph 10 above, purchases or contracts for supplies, materials or inventory to be used for resale at any City-owned and/or operated concession or recreation facility.

8.010 BILATERAL CONTRACTS

A bilateral contract signed by both parties is required under the following circumstances:

- 1. Whenever personal property is acquired by means of lease, rental, or installment purchase;
- 2. Whenever personal or professional services are required by the City except where the services are to be performed at the vendor’s place of business or where the services are for non-repetitive repairs or maintenance and where a purchase order has been bid or negotiated to cover said services;
- 3. Whenever consultant services are to be acquired;
- 4. Whenever real estate or any interest therein is to be acquired except:
 - a. When acquired pursuant to the power of eminent domain and entry of a decree by a court;
 - b. When acquired as a result of the filings and recording of a map or plat as required by § 57-5-4 Utah Code Annotated 1953 as amended;
 - c. When real estate is donated or dedicated to the City
- 5. Whenever the requesting office, department, agency or City Council shall so specify;
- 6. Whenever the vendor requires that a contract other than a purchase order be signed by South Ogden City; and,
- 7. Whenever intergovernmental, interagency and service provider agreements require participation by the City involving funding, performance, or assumption of liability or risk in any form.

9.010 DISPOSAL OF PUBLIC PROPERTY

I. SURPLUS CITY PROPERTY IDENTIFICATION AND REPORTING REQUIREMENTS. Department heads shall periodically identify potential surplus property within the possession of their department and report such property to the City Manager for consideration for disposal.

II. SURPLUS PROPERTY AND METHODS OF DISPOSTION. City property determined to be surplus under the criteria set forth in this part may be disposed of by one or more of the following means:

a. **Trade.** The City Manager under the direction of the City Council, may authorize surplus property to be traded for other property as set forth in Section 10-8-2, of the Utah Code.

b. **Sale, Lease or Irrevocable Transfer.** The Director of Finance shall adopt specific written guidelines establishing requirements for notice, bidding or other conditions of sale, lease or transfer of City property. Such guidelines shall be approved by the City Manager. The sale, lease or transfer of any real property by the city shall be preceded by a planning commission review under the provisions of Section 10-9-305, of the Utah Code, or its successor; however, such review shall not be required for property transfers which are by their nature revocable by the city.

d. **Revocable Transfers.** Permits, licenses, easements, franchises and other transfers of City property that are, by the term of conveyance, revocable by the city, shall be permitted under the provisions of this chapter.

e. **Salvage or Destruction.** Inventoried city buildings and related facilities shall be salvaged or destroyed only upon authorization of the City Council or City Manager, if so directed by the City Council.

III. CONVEYANCE FOR VALUE. Every sale of city-owned real property shall be conducted by the City Manager, or under his/her express written authority, as directed by the City Council. Other (not real property) conveyances for value shall be conducted by the Director of Finance, under the direction of the City Manager. All conveyances or encumbrances of such property shall be based on the highest and best economic return to the city, except that consideration for property conveyed may be based on other public policy factors when conveyed to units of government or other public or quasi-public organizations.

The highest and best economic return to the city, as referred to in this part, shall be estimated by one or more of the following methods:

- a. Sealed competitive bid;
- b. Evaluation by qualified and disinterested appraiser;
- c. Professional publications and valuation services; or
- d. An informal market survey conducted by the Director of Finance in the case of items of City property possessing readily discernible market value.

Sales of City property shall be based, whenever possible, on competitive sealed bids. The Director of Finance, in consultation with the City Manager, may, however, waive the competitive bidding requirement when the value of the property has been estimated by an alternate method specified under subsection B of the section, and:

- a. The value is considered negligible in relation to the costs of sale by bid; or
- b. Sale by bidding procedure is deemed unlikely to produce a competitive offer; or

- c. Circumstances indicate that bidding on the property will not be in the best interests of the city.

IV. SALE OF CITY PROPERTY – NOTICE AND HEARING. Property of the city and legal interest therein shall not be sold, traded, leased or otherwise conveyed or encumbered until notice of the pending proposal has been delivered to the office of the City Council and posted in the office of the City Recorder for a period of not less than (15) fifteen days. Such notice shall specify the following:

- a. A description of the property to be conveyed or encumbered;
- b. The nature of the proposed conveyance or encumbrance whether the property is to be sold, traded or encumbered, including the nature of the conveyance if the property is to be sold, or if a trade or lease of property is contemplated, a brief summary of the proposed transaction;
- c. Persons to whom interests are to be conveyed;
- d. Any consideration tendered;
- e. The name of the person, department or entity requesting such action;
- f. The basis upon which the value of the interest has been determined by the city;
- g. The date, time and location of a hearing to be held if written call for hearing is made by a member of the City Council within 15 days of posting of the notice. The notice shall further state that interested persons may appear and comment upon the proposal if a call for hearing by a council member has been made under the provisions of this section.
- h. Such notice shall operate in effect as a consent calendar. If a written call for hearing has been made by the Council within (15) fifteen days from the date notice is first posted, the Mayor or his or her designee shall meet thereafter to hear and consider comments upon proposals to convey or encumber city property as specified in the notice. Such hearing shall take place before, after, or in conjunction with a regularly scheduled City Council meeting.

The conveyance or encumbrance of property of the City may be finalized as follows:

- a. By the City Manager, if so directed by the City Council, following notice and/or public hearing, where required by this section; or
- b. If the transfer is revocable and the City Manager has determined that an unanticipated combination of facts and conditions of pressing necessity has emerged which requires action be taken prior to notice or hearing. Such conditions shall not be deemed to arise, unless the delay from a notice or hearing would produce:
 - (1). Great or irreparable injury to persons seeking the conveyance or encumbrance, with negligible impact upon City interests.

- (2). Serious detriment to the social or economic interest of the community as a whole,
or
- (3). Substantial economic loss to the City.

Any decision by the Mayor or City Manager to forego the notice and hearing provisions of this section shall be made in writing to the City Council, stating the specific reasons upon which the decision was based.

V. VALIDITY OF ACTIONS. No provision of this part shall be construed to require or to invalidate any conveyance or encumbrance by the City or to vest rights or action of any kind against the City, its officers, agents or employees.

VI. DISPOSITION OF PROCEEDS. All proceeds or revenue from the sale of any City property sold by the City shall be deposited in a surplus property account within the general fund. However, if the property was purchased with moneys from an enterprise fund, or from properties attributable by the City Manager to use by an existing enterprise fund, then the proceeds or revenue shall be deposited in a surplus property account within that fund. Funds within surplus property accounts may not be expended without prior appropriation or approval of the City Council.

VII. RECORD OF FIXED ASSETS. Whenever payment is made for acquisition of a fixed asset and whenever acquisition costs of said asset exceed \$1,000 the Director of Finance shall forthwith enter a record of said acquisition upon the inventory records of the City.

VIII. INSPECTION OF MERCHANDISE RECEIVED. It shall be the responsibility of the Department Head or his/her designee(s) to immediately inspect all material, supplies, equipment, and personal property of any nature purchased pursuant to this ordinance immediately upon delivery from the vendor and prior to the acceptance of the delivery.

The signature of the individual(s) conducting the inspection shall be required on all invoices to designate that they have inspected and received the merchandise listed on said invoice.

Damaged property or items not specified on the purchase order shall not be accepted, and the non-conforming nature of the goods, together with the reason for rejection thereof, shall be noted in writing upon the delivery receipt.

10.010 POLICY VIOLATIONS

Violation of these procurement policies is a Class B Misdemeanor. Any employee, elected official, officer or agent of the city found in violation of this policy may, where applicable, be subject to disciplinary actions up to and including termination in addition to any criminal charges that may apply.