

EL DORADO

K A N S A S

SUBJ: Purchasing Policy
RES: 3007
DATE: December 2, 2025

Section 1: Background

The governing body of the City of El Dorado, Kansas, desires to eliminate the necessity of the governing body's approval for normal budgeted operating and maintenance purchases. The City Manager's office will maintain proper and adequate records of the City's purchasing to maintain compliance with Kansas cash basis and budget laws.

Section 2: Purpose

The purposes of this policy are to:

1. Provide written procedures for procuring supplies and services that may be purchased with or without specific authorization from the governing body;
2. Make all employees aware of the requirements of adequate written authorization necessary to make purchases or enter into contracts;
3. Set the requirements for the classification of a purchase as a capital asset;
4. Set the requirements for procuring professional services; and
5. Establish a code of conduct for City elected officials, staff, or agents regarding the procurement of supplies and services for the City.

Section 3: Definitions

The following definitions shall apply to the implementation of this policy:

1. *Capital Asset* – Purchases in which the dollar amount is \$25,000 or greater, and the item has a useful life of three (3) or more years.
2. *Change Order* – A written order signed by the City Manager, or his/her designee, directing a contractor to make changes in a contract.
3. *Contract* – All types of City agreements for purchasing or disposing supplies, services, or construction.
4. *Emergency Situation* – Situations in which department operations would be severely hampered and adversely impacted if a purchase was not made immediately.
5. *Gratuity* – Any item or service of value greater than \$25.00.

6. *Local vendor* – A business, corporation, individual, or other entity organized to do business within the State of Kansas and who operates a physical presence within the corporate limits of the City of El Dorado.
7. *Non-Competitive Negotiations* – Non-Competitive Negotiations include any method of purchasing or procuring supplies or services not included in Competitive Sealed Bidding, Competitive Negotiations, or Small Purchases.
8. *Purchasing* – Buying, purchasing, renting, leasing, or acquiring any supplies, services, or construction.
9. *Purchasing Program* – Purchasing cooperatives available to various organizations due to their distinction as a government entity or through a professional association.
10. *Reoccurring Purchase* – A service or supply purchased more than once by a department during a budget year. For example, road salt costs \$50 per ton, but aggregate purchases of this material during the year exceed \$2,500.
11. *Service* – The furnishing of labor, time, and/or effort by a contractor not involving the delivery of a specific end product other than reports, which are merely incidental to the required performance.
12. *Sole Source* – Items or services available only from a single supplier.
13. *Substantial Interest* – The following criteria shall define an individual’s substantial interest for the purposes of this policy:
 - a. If an individual or an individual’s spouse, individually or collectively, has owned within the preceding twelve (12) months a legal or equitable interest exceeding \$5,000 or 5% of any business, whichever is less;
 - b. If an individual or an individual’s spouse, individually or collectively, has received during the preceding twelve (12) months’ compensation which is or will be required to be included as taxable income on federal income tax returns of the individual and spouse in an aggregate amount of \$2,000 from any business or combination of businesses;
 - c. If an individual or an individual’s spouse, individually or collectively, has received in the preceding twelve (12) months, without reasonable and valuable consideration, supplies or services having an aggregate value of \$500 or more from a business or combination of businesses;

- d. If an individual or individual's spouse holds the position of officer, director, associate, partner, or proprietor of any business, other than an organization exempt from federal taxation of corporations under section 501(c)(3), (4), (6), (7), (8), (10) or (19) of chapter 26 of the United States Code, the individual has a substantial interest in that business irrespective of the amount of compensation received by the individual or individual's spouse; or
 - e. If an individual or an individual's spouse received compensation which is a portion or percentage of each separate fee or commission paid to a business or combination of businesses, the individual has a substantial interest in any client or customer who pays fees or commissions to the business or combination of businesses from which fees or commissions the individual or the individual's spouse, either individually or collectively, received in aggregate of \$2,000 or more in the preceding calendar year.
14. *Supply or Supplies* – All property, including but not limited to, equipment, materials, printed materials, insurance, and real property leases, excluding land or a permanent interest in land.
15. *Vendor* – Seller of supplies and/or services, and includes any person representing the vendor.

Section 4: Purchasing Authority

The following governing body, officers, employees, and agents of the City shall have the authority to take the following actions:

- 1. Governing Body
 - a. Adopt the annual operating budget to determine levels of expenditures by fund, department, and program.
 - b. Adopt a policy for the purchasing of all supplies and services.
 - c. Review and approve non-capital purchases over \$100,000.
 - d. Review and approve all purchases of Capital Assets valued over \$100,000.
 - e. Approve all leases of equipment with annual payments exceeding \$100,000.
- 2. City Manager or his/her designee
 - a. Approve all purchases up to \$100,000.
 - b. Present purchasing recommendations to the governing body for non-capital purchases over \$100,000.
 - c. Implement and enforce provisions of the adopted policy for purchasing all supplies and services.
 - d. Exercise discretion and authority to override this policy in emergency situations to provide for the City's best interest and inform the governing body of all such decisions.

3. Assistant City Manager/Finance Director
 - a. Approve all purchases up to \$50,000.
 - b. Weekly review of all purchases of supplies and services.
 - c. Monitor expenditures and advise the City Manager of monthly expenditures.
 - d. Ensure budgeted levels for each fund are not exceeded.
 - e. Make recommendations to the City Manager for updating the purchasing policy and procedures.
 - f. Oversee competitive bid processes according to state statutes and local policy.
 - g. Authorize appropriate personnel to make purchases.

4. Department Directors
 - a. Approve all purchases up to \$15,000.
 - b. Inform personnel of purchasing requirements and ensure adherence.
 - c. Plan purchases to allow sufficient time to obtain proposals or quotations, determine the best vendor, obtain any necessary approvals from staff and/or the governing body, and issue orders or contracts with reasonable time for delivery.
 - d. Department Directors may designate up to two employees to exercise purchasing authority on his or her behalf. The Assistant City Manager/Finance Director must approve any employees delegated such purchasing authority.

5. Employees
 - a. Employees, at the discretion of Department Directors, are approved to make purchases up to \$1,000.
 - b. Conferences, seminars, and workshops not exceeding the budgeted line item total do not require the governing body's authorization. Department Directors must approve professional development purchases before enrolling in the conference, seminar, or workshop. The City Manager, or his or her designee, shall approve all conferences, seminars, or workshops located out of state.
 - c. School tuition subject to reimbursement by the City, not exceeding the budgeted line item total, does not require authorization of the governing body. Department Directors and the City Manager must approve tuition reimbursement before enrolling in any educational course.

Section 5: Prohibited Purchases

The following purchases cannot be made from City funds:

1. The purchase of any illegal substances or services;
2. Gambling-related purchases; or
3. Purchases made for personal benefit with no value to the City.

Section 6: Vendor Selection

1. Vendor Participation

- a. Vendors interested in receiving requests for bids and proposals should monitor the City's website at www.eldoks.com. The requesting department is encouraged to notify vendors with adequate expertise to attract bids from local and knowledgeable vendors.
2. Irresponsible Vendors
 - a. Any vendor who fails to comply with the terms of an awarded bid, quote, or required specifications may be declared an irresponsible vendor upon recommendation of a Department Director or designee, and approval of the City Manager, or his/her designee. Any vendor wishing to appeal this decision may request the City Manager, or his/her designee, present the appeal to the governing body for review and final determination. An appeal shall be submitted to the City Manager in writing within ten (10) working days after the aggrieved has been notified in writing of the City's initial decision.
3. Local Vendor Preference
 - a. The City may elect to grant preferred status to local bidders, defined as businesses with a physical presence located within the corporate boundaries of the City, for any bid submitted that is within seven percent (7%) of the lowest, responsive bidder, and that otherwise meets the City's requirements as specified in the bid documents.

Section 7: Procurement Procedures

1. Competitive Bidding Procedures
 - a. *Invitation for Bids* – An invitation to bid shall be posted on the City's website at least seven (7) days before the due date for submission of bids. Notice shall be filed with the Finance Director, or his/her designee, and shall be open to public inspection.
 - b. *Bid Opening* – Bids shall be opened in the presence of one or more witnesses. The amount of each bid and other relevant information shall be recorded along with the name of each bidder.
 - c. *Bid Evaluation* – Bids shall be evaluated based on requirements established in the Invitation to Bid, which may include criteria to determine acceptability, such as inspection, testing, quality, and suitability for a particular purpose. No criteria may be used in bid evaluation that are not established in the Invitation to Bid. Bids submitted after the due date advertised in the Invitation to Bid may be disqualified.
 - d. *Award* – The contract shall be awarded or rejected with reasonable promptness. The award shall be made to the responsible bidder who submits a bid most advantageous to the City.

2. Competitive Negotiations

- a. Competitive negotiations will be initiated by publishing a Request for Proposals (RFP) or a Request for Qualifications (RFQ).
 - i. The RFP is used when price is a factor of selection.
 - ii. The RFQ is used when the price is considered after selection.
 - iii. In both the RFP and RFQ processes, the services to be procured will be clearly defined, as will the factors used in evaluation and selection.
 - iv. Preparation and signing of a contract formalizing the scope of work and the terms of compensation is required.

3. Small Purchases - Purchases under \$50,000

- a. Purchases between \$15,001 and \$50,000 require at least three documented price quotes that will be maintained on file. The Assistant City Manager and/or Finance Director have final approval authority.
- b. Purchases between \$5,001 and \$15,000 require at least three documented price quotes that will be maintained on file. Department Directors, or designees, have final approval authority.
- c. Purchases under \$5,000 shall not require competitive quotes if the prices are considered reasonable, although informal quotes are encouraged. The purchasing department should try to obtain quotes in person, by telephone, by electronic mail, from websites, or in writing from at least three (3) qualified vendors.
- d. All purchases made under this provision shall be maintained on file for at least eighteen (18) months from the approval date.

Section 8: Types of Purchases; Applicable Procedures

1. Purchases over \$100,000 – Competitive Sealed Bidding

- a. Unless otherwise exempted pursuant to this policy, state law, or the City Manager or his/her designee determines this method is impractical, contracts exceeding \$100,000 shall be awarded by the governing body through Competitive Sealed Bidding.

2. Purchases over \$100,000 – Competitive Negotiations

- a. When determined appropriate by the City Manager or his/her designee, contracts exceeding \$100,000 shall be awarded by the governing body through Competitive Negotiation.

3. Purchases between \$50,001 and \$99,999 – Purchases between \$50,001 and \$99,999 shall have three written quotes. These quotes should be provided to the Finance Director or their designee who shall keep them on file until December 31 of the year following the purchase.

4. Purchases under \$50,000 – Purchases under \$50,000 shall be made pursuant to the Small Purchases procedures.

5. Non-Competitive Negotiations

- a. Purchases made under the following circumstances shall not require competitive sealed bidding or other competitive selection and may be made through Non-Competitive Negotiations:
 - i. When the purchase is a response during an emergency situation.
 - ii. When the price or methods of acquisition is prescribed by law.
 - iii. When the supplier is the sole source of supply.
 - iv. When the supply/service is available from another government entity or purchasing program at a price deemed less than commercially available.
 - v. Professional services.
 - vi. In the case of repairs for heavy equipment or vehicles when the extent of repair cannot be determined or when specifications cannot practically be prepared.
 - vii. Utility bills for water, sewer, electricity, natural gas, and communications.
- b. Purchases made through Non-Competitive Negotiations of \$50,000 or less may be approved by the appropriate City staff according to the Small Purchases procedures, provided any bidding requirements of such procedures are not required.
- c. Purchases made through Non-Competitive Negotiations of more than \$100,000 shall be approved by the governing body.

6. Process for Obtaining Governing Body Approval – All Applicable Procedures

- a. All purchases or service contracts totaling more than \$100,000 but less than \$250,000 in which the item is in the approved budget and the low bid is recommended may be included in the consent agenda for approval by the governing body.
- b. If the purchase or service contract exceeds \$100,000 and is not in the approved budget or the low bid is not recommended, a separate, regular agenda item is required.
- c. Items over \$250,000 shall require a separate, regular agenda item.
- d. Contracts for the construction of public infrastructure for which the governing body has already approved the resolution and the low bid as recommended may be placed on the consent agenda if the City-at-large cost is \$250,000 or less. Otherwise, a separate, regular agenda item is required.
- e. All purchases or services contracts shall be accompanied by a written recommendation from the City Manager or his/her designee.

Section 9: Change Orders

1. Change orders are issued to address changes in terms and conditions associated with unforeseen problems not addressed in the bid or contract document or changes/modifications recommended after a contract is awarded.

- a. Change orders under \$100,000 may be approved by the City Manager or his/her designee.
- b. Change orders over \$100,000 must be approved by the governing body.