

92-1 240.3 (in part)

ORDINANCE # 92-1 240.3  
PROCUREMENT STANDARDS

All procurements made by the Smiths Grove City Council involving the expenditure of Kentucky Community Development Block Grant Funds will be made in accordance with the following procurement standards.

Procurement transactions, regardless of method or dollar value, will maximize open and free competition. The City Council shall not engage in procurement practices which may be considered restrictive in trade.

Purchases will be reviewed by the City Council to prevent duplication and to insure that costs are reasonable.

I. Methods of Procurement

Procurements shall be made by one of the following methods: (a) small purchase procedures, (b) competitive sealed bids, (c) competitive negotiation; (d) non-competitive negotiation.

A. SMALL PURCHASES

Purchases of supplies, equipment, and services which cost between \$200 and \$10,000 will require written estimates but no legal advertisement is required. The City Council will solicit written responses from at least three vendors, and if no such responses are available, a statement explaining the procurement will be prepared and filed.

Purchases which cost between \$50 and \$200 require three over-the-telephone quotations of rate, price, etc. A memorandum will be prepared setting forth the date the calls were made, parties contacted, and prices obtained. For purchases of less than \$50, efforts will be made to get the lowest and best price, but written records of such efforts are not necessary.

B. COMPETITIVE SEALED BIDS

Bidding will be employed when detailed specifications for the goods or services to be procured can be prepared and the primary basis for award is cost. When the cost of a contract, lease, or other agreement for materials, supplies, equipment, or contractual services other than those personal or professional exceeds \$10,000, an Invitation for Bids (IFB) notice will generally be prepared. This notice will be published at least once in at least one official newspaper of general circulation within the community. This newspaper notice will appear no less than seven (7) days and not more than twenty-

one (21) days before the due date for bid proposals. The City Council may also solicit sealed bids from responsible prospective suppliers by sending them a copy of such notice.

The IFB will include a general description of the goods or services to be procured, the bid deposit and bond performance required (if applicable), the location where bid forms and specifications may be secured, the time and place for opening bids, and whether the bid award will be made on the basis of the lowest bid price or the lowest evaluated price. If the lowest evaluated price is used, the measurable criteria to be utilized must be stated in the IFB. The newspaper notice must also contain language which calls to the attention of bidders all applicable requirements which must be complied with such as Section 3 of the 1968 Housing Act, Section 109 of the 1974 Housing and Community Development Act, the Civil Rights Act of 1964, Executive Order 11246, and the Davis-Bacon Act.

Sealed bids will be opened in public at the time and place stated in the IFBs. The bids will be tabulated by the City Treasurer at the time of bid opening. The results of the tabulation and the bid documents will be examined for accuracy and completeness by the review committee which will make recommendations to the City Council. In addition, the committee determines that all firms are responsive and responsible. The City Council will make the decision as to whom the contract shall be awarded. After the bid award is made by the City Council, a contract will be prepared for execution by the successful bidder. After the contract is signed, all bid deposits will be returned to all unsuccessful bidders.

The City Council may cancel an Invitation for Bid or reject all bids if it is determined in writing that such is in the best interests of the City. The City Council may allow a vendor to withdraw a bid if requested at any time prior to the bid opening. Bids received after the time set for bid opening shall be returned to the vendor unopened.

#### C. COMPETITIVE NEGOTIATION

The City Council will utilize competitive negotiations, regardless of contract amount, upon a written determination that:

1. Specifications cannot be made specific enough to permit the award of a bid on the basis of either the lowest bid price or the lowest evaluated bid price (in other words, bidding is not feasible).