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## Sec. 2-275. Purchasing alternatives.

- (a) *Uniform Municipal Contracting Law, Chapter 471.345.* It shall be the policy of the City of Ramsey that the Uniform Municipal Contracting Law, Minn. Stats. ch. 471.345 shall be the policy of the city. Changes in this law will automatically become the policy of the city. City policy may be more restrictive than state law, but may not be less restrictive. Records of quotes and bids shall be retained for at least one year after the completion of the contract or purchase or until the annual audit for the year of purchase is completed, whichever is longer.
- (b) *Sealed bids/major purchases (see League of Minnesota Cities Information Memo entitled Competitive Bidding Requirements in Cities).*
- (1) A formal sealed bid procedure is required for all purchases in excess of \$100,000.00 except professional services.
  - (2) A purchase (contract) that exceeds \$100,000.00 cannot be split into several smaller purchases (contracts) to avoid the sealed bid process.
  - (3) City council approves all bids and specifications.
  - (4) A published notice is required in the official city newspaper at least ten days in advance of the bid opening. The notice may also be published on the city's official website or in a recognized trade journal.
  - (5) A public construction project that exceeds \$50,000.00 must meet the responsible contractor requirements (Minn. Stats. § 16C.285).
  - (6) All bid openings are to be administered by the city administrator and/or the originating department.
  - (7) The preparation of all specifications are to be the responsibility of the city administrator and/or the originating department.
  - (8) Required authorization for plans and specifications is the responsibility of the city administrator and/or the originating department.
  - (9) The city council must formally approve the bid contract.
- (c) *Quotes/intermediate purchases.* If a purchase is estimated to exceed \$25,000.00 but not to exceed \$100,000.00, the purchase may be made either by sealed bids or by direct negotiation based upon quotations. If a purchase is made in this range, staff members are required to obtain at least two written quotes and the quotations must be kept on file for at least one year. All such quotes must be forwarded to the finance department with the purchasing documents.

If a purchase is estimated to be \$25,000.00 or less, the purchase may be made by either obtaining quotations or by buying the item directly on the "open market." If the quotation option is chosen, at least two quotes will be obtained and forwarded to the finance department with the purchasing documents.

- (d) *Professional service contracts.*
- (1) Cities are not required to follow the competitive bidding process when contracting for professional services such as those provided by doctors, engineers, lawyers, architects, accountants, as well as other services requiring technical, scientific or professional training.  
The city retains outside professional services in the area of:
    - a. Legal;
    - b. Planning;
    - c. Auditing;

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- d. Assessing;
  - e. Engineering;
  - f. Banking;
  - g. Towing.

Those contracts for professional services which are included in the city's general fund budget will be approved annually with formal adoption of the city's budget.

(e) *Request for proposals (RFP).*

- (1) RFP's will generally be used to solicit proposals for professional services.
- (2) An RFP will automatically be solicited for those services that exceed a city cost of \$15,000.00 or have a value to the solicitor in excess of \$15,000.00 (ex: Towing contract).
- (3) An RFP will be solicited every three years (for standard city services such services as legal and towing) to five years (for banking and auditing). City council may, at its discretion, formally extend a current standard services contract upon the recommendation of city staff.
- (4) Authorization by city council will be given to staff to issue a RFP.
- (5) All RFP's will be advertised in the city's official newspaper and on the city's official website.
- (6) City council must formally approve the proposal.
- (7) Typical information to address in RFP's includes:
  - a. Background and scope of the project.
  - b. The project's budget to ensure that the proposals stay within that range.
  - c. Proposal requirements should include adequate information to allow for proper review and evaluation including:
    1. Description of firm and qualifications, including any specialized experience related to the project.
    2. A list of similar projects the firm has completed.
    3. Project timetables including: estimate of hours, breakdown of hours by phase, and the city's expectation for a completion date.
    4. Designation of a firm principal who will be in charge of the project.
    5. Statement that either no subcontractors are allowed or that all subcontractors will be identified and are subject to the city's approval.
    6. Estimate of cost to provide the service, outline of fee schedule and payment schedule.
    7. Description of city's selection process.
    8. City's evaluation criteria which typically may include:
      - i. Quality and thoroughness of the proposal.
      - ii. Similar past experience and/or expertise.
      - iii. References.
      - iv. Cost estimate.

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9. The following statement must be included: The city reserves the right to reject any and all proposals, waive all technicalities and accept any proposal deemed to be in the city's best interest.
  10. Submit deadline: date, time, project name, and addressee.
  11. Statement: "Proposers are solely responsible for delivery of their proposals to the city before the deadline. Any proposal received after the deadline will not be considered and will be returned."
  12. Information about where questions should be directed.

Note: Staff should make sure that all proposers are given the same information.

Attach a copy of the agreement proposed to be used for the project, including the city's insurance certificate. The agreement includes provisions to which the firm must agree, so it is important that they see the agreement up front. It is suggested that the RFP be submitted to the city attorney for review prior to distribution.

- (f) *Emergency purchases.* Under Minnesota's Emergency Management Act, the city has the authority to enter into contracts during an emergency without following many normally required procedures. An emergency is defined as "an unforeseen combination of circumstances that calls for immediate action to prevent a disaster from developing or occurring". A disaster is "a situation that creates an actual or imminent serious threat to the health and safety of persons, or a situation that has resulted or is likely to result in catastrophic loss to property or the environment, and for which traditional sources of relief and assistance within the affected area are unable to repair or prevent the injury or loss".

During an emergency or disaster, the city council may waive compliance with the time-consuming procedures or formalities concerning:

- (1) The performance of public work.
- (2) Contracting.
- (3) Incurring obligations.
- (4) Renting equipment.
- (5) Purchasing supplies and materials.

Emergency purchases will only be allowed when the mayor issues a proclamation declaring an emergency, and the steps listed in Minn. Stats. § 12.29 are completed.

- (g) *Cooperative purchasing agreements.* Where a purchase contract has been awarded by the State of Minnesota, another local government, a cooperative of local governments, or a federal agency in compliance with applicable state statutes, and where it is legally permissible for the City of Ramsey to participate, a purchase may be though the vendor named in that contract without advertising for bids or obtaining quotes.
- (h) *Credit card use.* According to Minn. Stats. § 471.382, the city council may authorize the use of a credit card by any city officer or employee otherwise authorized to make a purchase on behalf of the city.
- (1) *Authority for credit card holder.* City staff having authority to make certain purchases will be eligible credit cardholders. A department director may request a credit card for city authorized purchasers when there is a demonstrated efficiency to be gained. The assistant finance director must review and approve each request before the card is issued. Before any credit card is issued, the authorized cardholder will be required to acknowledge and agree to the terms of use by signing the form entitled "Terms of the City of Ramsey MasterCard".

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The department director is responsible for notifying the assistant finance director when any changes occur to the cardholder's status.

- (2) *Types of purchases allowed by credit card.* A purchase by credit card must comply with all statutes, rules, and city policies applicable to city purchases. Specifically:
- a. All purchases must be made by the authorized card holder.
  - b. All credit card purchases must comply with the city's purchasing policy guidelines for quotes and bids.
  - c. All expenditures must be within the limits established by the department budget.
- (3) *Types of purchases prohibited.* Use of a city credit card is prohibited for the following purchases:
- a. Personal purchases of any kind.
  - b. Alcoholic purchases of any kind.

If a city employee makes a purchase by credit card that is inconsistent with this policy and/or is not approved by the council, the employee is personally liable for the amount of the purchase.

- (4) *Procedures and documentation.* Finance will receive the monthly bill and respective cardholder will receive a copy of the monthly statement of charges. The cardholder is responsible for obtaining and attaching detailed invoices and receipts for all charges on the statement and provide a public purpose/description of the expense and submit all of the documentation to the department director or designee by the due date. Payment will be made if the billing matches all completed credit card invoices and receipts.
- (i) *Public purpose expenditures.* Pursuant to the statutes and laws of the State of Minnesota which regulate the expenditure of public funds for public purposes, the Ramsey City Council believes it is necessary and appropriate to provide assistance and guidelines to the officials, employees, and representatives of Ramsey to aid in the determination of when public funds may be spent for a public purpose.

To provide that assistance and guidance the Ramsey City Council adopted Resolution #06-11-369 discretionary expenditures policy that outlined the following items that are deemed to meet the city council definition of public purpose expenditures:

- (1) Meals and refreshments.
- a. Meals are allowed as part of a city business meeting in which the character of the meeting would involve predominantly non-city employees.
  - b. When they are part of a breakfast/lunch/dinner meeting for official city business when it is the only practical time to meet and when it involves non-city employee participants (i.e. business developers or business representatives). Only the expenses incurred by city employee(s) may be reimbursed. The city administrator is allowed some discretion regarding expenditures for meals as per the personnel policy.
  - c. When they are part of the structured agenda for an offsite conference, workshop, seminar, training session, or meeting in which the city administrator or a department director has authorized the employee to attend for training and development purposes (this does not include routine staff meetings).
  - d. All meetings shall be scheduled to minimized inclusion of meals. At meetings of a minimum length of five hours consisting primarily of city employees when the refreshment and/or meals are an integral part of the event and are necessary to sustain the flow of the meeting, and if the meeting is one of the following:

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1. A department-wide annual staff meeting for employees; or
  2. A non-routine organization-wide staff meeting for all managers and/or supervisors.
- e. During official meetings of the city council.
  - f. A dinner meal for staff during performance of election-related duties on election day.
- (2) *Recognition events/purchases.*
    - a. The city administrator may authorize modest expenditures for food and refreshments for the following employee events, each of which shall not take place more than once per year:
      1. Annual employee breakfast.
      2. Annual employee luncheon.
      3. Other recognition events that may arise.
  - (3) *Special events.* Special events such as Happy Days, National Night Out, the Volunteer Recognition event and other events that involve or invite participation by the general public. These events and any city expenditures for them require prior specific approval by the city council and also include city expenditures for participation fees, donated gifts, door prizes, etc.
  - (4) *Community and business relations.* The city recognizes the importance of establishing and maintaining a positive image with the business and civic community. Participation in certain periodic or annual events is a necessity to maintain a positive image. Annual dinners or galas, or golf tournaments that are sponsored by an organization that the city has a business or community relationship with are examples of business and civic community events (i.e. chambers of commerce and other community partners).
    - a. The city administrator will coordinate participation at such events to ensure representation and ensure that duplication is avoided for purposes of cost containment.
    - b. The city administrator will review on an annual or semi-annual basis upcoming events to discuss attendance and representation at business and community events.
    - c. The city council will annually establish a maximum amount of community and business relation expenses by an affirmative approval.
  - (5) *Alcoholic beverages.* The purchase of alcoholic beverages is not allowed.
  - (6) *Clothing and other sundry items.* Employees may receive T-shirts, and other sundry items of nominal value (\$5.00) when these items are made available to the general public or if these items are determined by the city administrator to be important to the successful involvement of employees in special city-sponsored or city-supported sponsored events (i.e. National Nite Out, Happy Days, etc.). Employees may be supplied with uniforms, clothing, boots and other gear necessary for the performance of their job as per the City of Ramsey Personnel Policy or applicable labor agreements.

(Ord. No. 16-12, § 42, 11-7-2016)