

CITY OF WOODLAND
COUNCIL POLICIES
CHAPTER 1 – FINANCE

POLICY 1-4 – PURCHASING POLICY

PURPOSE

The Woodland City Council is responsible for the functions related to purchasing and payment for goods and services received and as necessary may direct and authorize the City Clerk to make purchases on the City's behalf. The City Clerk responsibilities are as follows:

- Purchasing done on a competitive basis and consistent with the approved annual budget.
- Control of purchased goods and services to ensure only authorized use.
- All terms and conditions (including pricing) of the purchase are attained prior to the payment of claims.
- Providing the City with approved invoices in a timely manner.
- Immediate notification to the City Council of any circumstances affecting acceptability, performance, or any other reason which may lead to withholding of payment.
- Designating budget coding of all invoices.
- Assistance in seeking vendors to provide the best price availability.
- Pay authorized bills that meet procedural requirements.
- Order and purchase of minor office supplies not to exceed \$100 to include miscellaneous items like (receipt books, parking permit signs, letterhead and envelopes)

BID REQUIREMENTS

Bids

All purchases over \$100,000 require formal preparation of specifications unless acquired based on cooperative purchasing agreement. Bids must be advertised in the City's legal newspaper with 10 days legal notice, publicly opened and approved by Council resolution. The law requires cities to award all contracts totaling \$100,000 or more, along with all contracts for material, to the lowest responsible bidder.

When supplies or equipment are competitive in nature, specifications cannot exclude all but one type of equipment or supplies. (Minnesota Statutes 471.35 to 471.36). Proposals and specifications must allow free and full competition. The specifications may not give a prospective bidder an unfair advantage over another. Specifications must be sufficiently defined and precise to provide a basis for comparable bids.

Quotes

All purchases over \$500.00 but less than \$100,000 must be based on two (2) written quotations unless it can be shown that the product or service is only available from one or two sources. Services with an existing contractor or vendor may be renewed at the City Council's discretion, without seeking additional quotes, upon demonstration of satisfactory performance, and reasonable prices.

Whenever reasonably possible, purchases will be made from local vendors.

CREDIT CARD

None available

COOPERATIVE PURCHASING PROGRAMS

Participation with the State of Minnesota or other governmental agencies in cooperative purchasing is encouraged where the result of the purchase is in the best interest of the Arena.

PAYMENT OF CLAIMS**A. Requirements**

All claims are paid at the time of regularly scheduled City of Woodland Council meetings, which are held the second Monday of the month.

In order for payment to be assured, all prerequisites for payment must be completed and returned to the City of Woodland before 3:00PM on the day of the Council meeting. This is required to provide sufficient time for processing and preparation of the check register for the Council meetings.

B. Processing for payment

After the invoice has been reviewed and coded, it should be forwarded to the Treasurer who will prepare a check. Any other supporting documentation such as a packing slip or receiving information should also be attached to the invoice.

C. Exceptions

All claims must be submitted in writing unless exempt as specified in Minnesota Statute 412.271.

D. Account Coding

The Clerk will record an account code to which expenditures are to be charged on each invoice. This is required to ensure consistency throughout the entire accounting system, which involves expenditures as well as budgeting purposes.

REQUESTS FOR OTHER PAYMENTS

Requests for all seminars (local and out-of-town) must be approved in advance by the Council. Upon receipt of all documentation, registration fees will be set up for payment and submitted to the City Council for payment approval.

Payment of dues, subscriptions, etc. should be made from a copy of the billing and approved in the same manner as other claims for payment. A copy of the billing invoice will be sent with the check.

Claims for reimbursement are to be submitted to the Clerk with a detailed description of the expense as well as all receipts must be included and approved in the same manner as other claims for payment.

AUTHORIZATION

The Council or a designee is authorized to purchase goods or services for the City within the requirements as stated above.