

ORDINANCE NO. 2109

AN ORDINANCE ESTABLISHING PROCEDURES FOR THE OBLIGATION AND EXPENDITURE OF MUNICIPAL FUNDS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT DODGE, IOWA:

Section I. PURPOSE

The purpose of this Ordinance is to re-establish procedures for the obligation and expenditure of municipal funds as required by § 2.04(e) of the 1981 Charter of the City of Fort Dodge as amended.

Section II. DEFINITIONS

1. Bidders' List. A list maintained for each general type of supply, material, equipment, improvement or service containing the name and address of each local vendor, supplier or contractor and each outside vendor, supplier or contractor known to be interested in bidding the type of item in question or outside bidder who has requested the placement of its name on the list.
2. Lowest Responsible Bidder. In determining lowest responsible bidder in addition to price, the City shall consider:
 - a. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
 - b. Whether the bidder can perform the contract or provide the service promptly or within the time specified without delay or interference.
 - c. The character, integrity, reputation, judgment, experience or efficiency of the bidder.
 - d. The quality of performance of previous contracts or services.
 - e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.
 - f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
 - g. The quality, availability and adaptability of the supplies or contractual service to the particular use required.
 - h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
 - i. The number and scope of conditions attached to the bid.
3. "*Estimated total cost of a public improvement*" or "*estimated total cost*" means the estimated total cost to the governmental entity to construct a public improvement, including cost of labor, materials, equipment, and supplies, but excluding the cost of architectural, landscape architectural, or engineering design services and inspection.
4. "*Public improvement*" means a building or construction work which is constructed under the control of a governmental entity and is paid for in whole or in part with funds of the governmental entity, including a building or improvement constructed or operated jointly with any other public or private agency, but excluding urban renewal demolition and low-rent housing projects, industrial aid projects authorized under chapter 419, emergency work or repair or

maintenance work performed by employees of a governmental entity, and excluding a highway, bridge, or culvert project.

Section III. PURCHASE REQUISITION REQUIRED

The obligation and expenditure of all municipal funds of the City of Fort Dodge, Iowa, shall be initiated by the execution of a purchase requisition.

Section IV. EXECUTION AUTHORIZATION

The following execution authorization limits are hereby established:

- a. Department heads may execute purchase requisitions for the obligation of municipal funds in the sum of \$1,000 or less.
- b. The Manager may execute purchase requisitions for the obligation of municipal funds in the sum of \$5,000 or less.
- c. The Manager, or department head if authorized by the Manager, may execute purchase requisitions obligating municipal funds in sums in excess of those limits set out in a. and b. above for such recurring expenditures as may be authorized by Council resolution, with the resolution number establishing said expenditure as recurring being referenced thereon.
- d. The Manager may execute purchase requisitions obligating municipal funds in excess of the limits and procedures set out at a., b. and c. above, in the event that he determines said purchase to be an "emergency". The Manager shall be empowered to secure by open-market procedure at the lowest obtainable price any supplies or services regardless of the amount of the expenditure. In such event the Manager shall attach a report to the purchase requisition setting out the nature of the emergency and the details of the bid procedures used for presentation to the Council at the first council meeting thereafter.
- e. The City Clerk may execute purchase requisitions obligating municipal funds against the Administrative Account of the City Council as may be directed by the Council in addition to any departmental authority herein above granted.
- f. All other obligations of municipal funds shall be approved by the Council prior to the execution of a purchase requisition therefore and such purchase requisition shall reference the approval thereon prior to its execution and issuance.

Section V. EXPENDITURE APPROVAL

A computerized listing of all purchase requisitions obligating municipal funds showing the name of the person or firm to whom issued, a description of the item purchased, account number to be debited, special classification if any and the amount of the sum obligated shall be presented to the City Council in the manner prescribed by it for approval prior to the expenditure of the municipal funds.

Section VI. EXEMPTION

The Council may from time to time by resolution exempt such fund categories or specific items to be purchased from the foregoing procedure.

Section VII. SOLICITATION OF COMPETITIVE BIDS REQUIRED

As a prerequisite to the obligation of municipal funds by purchase requisition or contract, the vendors, suppliers or contractors thereto shall have been selected by open-market bidding, informal competitive bidding, semi-formal competitive bids, informal competitive quotations or formal competitive bidding as hereinafter set out.

Section VIII. COMPETITIVE BID LIMITATIONS AND REQUIREMENTS

	Supplies/Materials	Equipment	Highway, Bridge or Culvert	Public Improvements
Open Market by Dept Head	\$500 - \$1000	\$500 - \$1000	\$500 - \$1000	\$500 - \$1000
Open Market by Manager	\$1000.01 - \$5000	\$1000.01 - \$5000	\$1000.01 - \$5000	\$1000.01 - \$5000
Informal Competitive Bids	\$5000.01 - \$44,999.99*	\$5000.01 - \$44,999.99*	\$5000.01 - \$44,999.99*	\$5000.01 - \$44,999.99*
Semi-formal Competitive Bids	\$45,000* and above	\$45,000* and above	N/A.	N/A.
Informal Competitive Quotations			N/A.	\$45,000* - \$99,999.99*
Formal Competitive Bids			\$45,000* and above	\$100,000* and above

*or as adjusted in accordance with Chapter 314.1B of the Code of Iowa.

Section IX. COMPETITIVE BID PROCEDURES

- a. Open Market. All open market purchases shall whenever possible be solicited by direct mail request, email request, telephone request or posted public notice to all bidders on the bidders' list for the item being bid, but at least three competitive bidders and shall be awarded to the lowest responsible bidder. Newspaper advertisement is not required. A bid tabulation showing as a minimum the date, item to be purchased or contracted for, the vendors or contractors contacted, the bids of all such vendors or contractors submitting same and a designation of the lowest responsible bidder shall be maintained by the department subject to periodic review by the Finance Department.
- b. Informal Competitive Bids. All informal purchases whenever possible shall be based upon direct mail request, or email request to all bidders on the bidders' list for the item being bid, but at least three competitive bidders, requesting sealed bids be submitted to the requester by a designated date. Newspaper advertisement is not required. Upon arrival of that date, said bids shall be opened, listed and forwarded along with a recommendation to the City Council for awarding.

- c. Semi-Formal Competitive Bids. All semi-formal purchases whenever possible shall be based upon direct mail request, or email request to all bidders on the bidders' list for the item being bid, but at least three competitive bidders, requesting sealed bids be submitted to the requester by a designated date. Specifications of the supplies, materials or equipment being bid shall be provided to Council for acceptance. Newspaper or other suitable method of advertisement is required. Upon arrival of that date, said bids shall be opened, listed and forwarded along with a recommendation to the City Council for awarding.
- d. Informal Competitive Quotations. All public improvements with an estimated total cost of more than \$45,000 and less than \$100,000, or as adjusted in accordance with Chapter 314.1B of the Code of Iowa, shall be made pursuant to Chapter 26.14 of the Code of Iowa.
- e. Formal Competitive Bids. All public improvements with an estimated total cost of more than \$100,000, or as adjusted in accordance with Chapter 314.1B of the Code of Iowa, shall be made pursuant to the provisions of Chapter 26 of the Code of Iowa.

	Solicitation by phone	Solicitation by mail, email	Newspaper or suitable advertisement	Specifications by dept	Plans and Specifications by engineer	Public Hearing	Council Award
Open Market by Dept Head	Yes	Yes	No	No	No	No	No
Open Market by Manager	Yes	Yes	No	No	No	No	No
Informal Competitive Bids	No	Yes	No	Yes	No	No	Yes
Semi-formal Competitive Bids	No	Yes	Yes – required	Yes	No	No	Yes
Competitive Quotations	No	Yes	Yes - required	No	Yes	No	Yes
Formal Competitive Bids	No	Yes	Yes - required	No	Yes	Yes	Yes

Materials, supplies and equipment will generally be awarded to the lowest responsible bidder. Except where otherwise prohibited by State Code, the City reserves the right to award the bid in the best interest of the City and waive any specifications and technicalities in the process requirements.

When the award is not given to the lowest bidder, a full and complete statement for the reasons for placing the order elsewhere shall be prepared and filed with the other papers relating to the transaction.

If preference is to be given to the local bidder such preference must be included in the specifications to bidders, such preference shall not be in excess of 2%, except open market purchase preference shall not be in excess of 5%, and shall not apply to any contract subject to City of Fort Dodge semi-formal competitive bid, competitive quotation or formal competitive bid requirements.

If preference was not included in the specifications and there is a tie between lowest responsible bidders and the bids received are for the same total or unit price, quality and service being equal, the contract shall be awarded to the local bidder. If the tie is between outside bidders, the successful bidder shall be determined by drawing lots in public.

Anyone aggrieved by the bidding procedure may request reconsideration by the awarding authority within 3 days of the award by filing a written request therefore with the City Clerk.

Section X. ANNUALIZATION

Any supply, material, equipment, improvement or service or type of supply, material, equipment or improvement or service which could be consolidated for bid and which is likely to be purchased more than once in any fiscal year by a department, or city wide if directed by the Manager, shall be bid for the entire year in the manner prescribed for the annualized total estimated dollar amount of the entire year's purchase. No contract or purchase shall be sub-divided to avoid the requirements of this section or the dollar limitations of Sections IV, VII and VIII. Once an annualized bid has been awarded, reorders may be placed throughout the year by purchase requisition as set out in Section III hereof without further need for bid solicitation.

Section XI. EXCEPTIONS

The foregoing procedures may not be applicable to any supply, material, equipment, improvements of less than \$45,000, or as adjusted in accordance with Chapter 314.1B of the Code of Iowa or contractual services which does not by its nature or by practice within the trade lend itself to competitive bidding or by its nature is available from a single source of supply. The Council may further establish by resolution a standard list of supplies, material, equipment, and contractual services exempt from the bidding procedure.

DONATED FUNDS. If private funds are offered to a governmental entity for a building or an improvement to be used by the public and such funds are conditioned upon private construction of the building or improvement, this chapter shall not apply to the project if the governmental entity does not contribute any funds to such construction.

STATE BID. The use of state bid for materials, supplies, or equipment are exempt from sections VII, VIII and IX of this ordinance.

PROFESSIONAL SERVICES. Professional or contractual service which does not by its nature or by practice within the trade lend itself to competitive bidding, or which is specifically exempted by Iowa Code 26.4 shall be secured by the City Manager if \$5,000 or under. Professional or contractual services in excess of \$5,000 shall be secured utilizing the procedure prescribed by the Council in advance of the solicitation.

Section XII. REPEALER

All Ordinances or parts of Ordinances in conflict with this Ordinance are hereby repealed, in particular Ordinance Nos. 2049, 1589, 1593, and 1606 of the Ordinances of the City of Fort Dodge, Iowa.

Section XIII. SEVERABILITY

If any section, provision or part of this Ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section XIV. EFFECTIVE DATE

This Ordinance shall be in full force and effect following passage, approval and publication as by law provided.

Passed on first consideration by the City Council, City of Fort Dodge, Iowa this 22nd day of June, 2009.

AYE: Bemrich, Inman, Payne, Litwiller, Olson, Flattery and Wilson

NAY: None

OTHER: None

Passed on second consideration by the City Council, City of Fort Dodge, Iowa this 13th day of July, 2009.

AYE: Bemrich, Inman, Payne, Litwiller, Olson, Flattery and Wilson

NAY: None

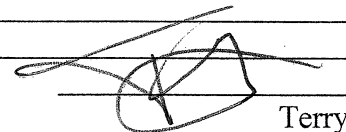
OTHER: None

Passed and approved on third consideration by the City Council, City of Fort Dodge, Iowa this 27th day of July, 2009.

AYE: Bemrich, Inman, Payne, Litwiller, Olson, and Wilson

NAY: None

OTHER: Absent: Flattery


Terry J. Lutz, Mayor

ATTEST:
Dawn M. Siebken
Dawn M. Siebken, Deputy Clerk

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APPROVED BY COUNCIL
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