

THE CITY OF WOODS CROSS, UTAH

ORDINANCE No. 624

**AN ORDINANCE AMENDING WOODS CROSS CITY CODE CHAPTER 3-15
PROCUREMENT**

WHEREAS, It has been identified that the Woods Cross City Code regarding procurement was not in compliance with some federal regulations relating to bidding, affirmative action, and other requirements when procuring bids and products with CDBG and HUD grants; and,

WHEREAS, The Woods Cross City desires to compliance with the federal code as required by law. and,

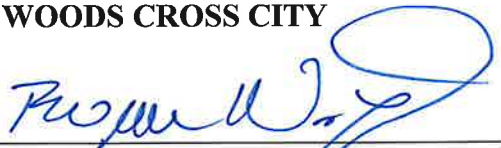
NOW, THEREFORE, BE IT ORDAINED by the City Council of Woods Cross City, Utah, as follows:

Section 1. The Woods Cross City Council hereby amends and adopts City Code 3-15 in its entirety as contained herein to comply with federal procurement laws.

Section 2. This ordinance shall become effective immediately upon adoption.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF WOODS CROSS CITY,
UTAH, ON THIS 19TH DAY OF NOVEMBER, 2024.**

WOODS CROSS CITY

By: 
Ryan Westergard, Mayor

ATTEST:


Annette Hanson, City Recorder

VOTING:	Abstain/		
	<u>Yea</u>	<u>Nay</u>	<u>Not Present</u>
Julie Checketts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eric Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wallace Larrabee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Matt Terry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gary Sharp	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ryan Westergard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> [tie vote only]



CHAPTER 3-15: PROCUREMENT

- 3-15-010. Procurement System.
 - 3-15-020. Compliance.
 - 3-15-030. Definitions.
 - 3-15-040. Purchasing Agent.
 - 3-15-050. Budget Limitation.
 - 3-15-060. Purchase Requisition.
 - 3-15-070. Classification of Expenditures.
 - 3-15-080. Formal Bidding Procedure.
 - 3-15-090. Informal Bidding Procedure.
 - 3-15-100. Additional Data.
 - 3-15-110. Delivery.
 - 3-15-120. Petty Cash.
 - 3-15-130. Disposal of Surplus Property.
 - 3-15-140. Ethics.
 - 3-15-150. Records.
 - 3-15-160. Violations.
 - 3-15-170. Appeal
 - 3-15-180. Supplemental Provisions for State and Federal Grants
-
- 3-15-010. Procurement System.

There is hereby established a procurement system to provide procedures and guidelines for the procurement of supplies, services, and construction for the City, and to ensure that all such purchases or encumbrances are made equitably, efficiently and economically.

3-15-020. Compliance.

All expenditures of the City shall conform to the provisions of this Chapter and applicable provisions of State law including, but not limited to, the Uniform Fiscal Procedures Act set forth at *Utah Code Ann. 10-6-101, et seq.*, **Utah Procurement Code set forth at *Utah Code Ann. 63G-6a, et seq* as amended and referenced herein**. Any expenditures of the City involving federal assistance funds shall comply with applicable federal laws and regulations including 2 CFR 200 and specifically 2 CFR 200.321(a) and 323; Section 6002 of the Solid Waste Disposal Act and related 40 CFR 247, . Any expenditure of the City involving the construction, maintenance or improvement project of a Class C road shall comply with applicable provisions of the State Highway Transportation Code Title 72 including but not limited to *Utah Code Ann. 27-12-108.1 and 108.2, as amended*. No check or warrant to cover any claim against appropriations may be drawn until the claim has been processed according to the relevant provisions provided herein.

3-15-030. Definitions.

As used in this Chapter, the following words shall mean:

- (a) "Construction" means the process of building, renovation, alteration, improvement, or repair of any public building or public work. "Construction" does not mean the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.
- (b) "Person" means any individual, firm, partnership, trust, limited liability company, corporation or other entity however designated.
- (c) "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction, and all functions that pertain to the obtaining of any

supply, service, or construction, including the solicitation of sources, selection, award, and all phases of contract administration.

(d) "Professional Services" means the furnishing of services for auditing, banking, insurance, engineering, legal, architectural, and other forms of professional consulting.

(e) "Responsible Bidder" means a person who submits a bid to furnish supplies, services or construction for the City pursuant to and in accordance with the terms and conditions of this Chapter and who furnishes, when requested, sufficient information and data to prove his or her financial resources, production or service facilities, service reputation and experience are adequate to the satisfaction of the City.

(f) "Services" means the furnishing of labor, time, 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. "Services" does not include employment agreements or collective bargaining agreements.

(g) "Supplies" means all property, including but not limited to equipment, materials, and printing. "Supplies" does not include real property or any interest therein.

3-15-040. Purchasing Agent.

The City Administrator is hereby designated as the Purchasing Agent for the City. The Purchasing Agent shall be subject to the direction and supervision of the City Council and shall have the powers and duties concerning procurement as established in this Chapter, including but not limited to:

(a) Administer and interpret the procurement system provided herein, in accordance with any rules and regulations established by the City;

(b) Procure or supervise the procurement of all supplies, services, and construction needed by the City, including preparation of specifications and negotiation of contracts connected therewith;

(c) Exercise general supervision and control over all inventories or supplies of the City and the inspection of and accounting for all such inventories or supplies;

(d) Prepare and maintain forms and reports as are reasonably necessary to the operation of this Chapter and other rules and regulations of the City;

(e) Keep generally informed of current developments in the field of procurement, including but not limited to, market conditions and new products; and

(f) Recommend to the City Council from time to time such new or revised procurement rules and regulations as are desirable and in conformance with other statutory requirements.

3-15-050. Budget Limitation.

No expenditure or encumbrance shall be made for any supplies, services or construction for the City in excess of total appropriations in the budget, as adopted or subsequently amended by the City, without prior written approval from the City Administrator or the City Council.

3-15-060. Purchase Requisition.

Before any order may be placed for the purchase of any supply, service or construction having a unit value in excess of \$1,000.00, a Purchase Requisition Form shall be submitted to the Purchasing Agent. The Purchasing Agent shall review all Purchase Requisitions and determine whether the expenditure requested is for a City purpose, properly budgeted, and in compliance with City ordinances and State law. If the Purchasing Agent determines the expenditure requested complies with these requirements, he or she shall sign the Purchase Requisition and initiate the appropriate procedures set forth herein for

procurement of the supply, service or construction. A Purchase Requisition shall not be required for service contracts entered into between the City and the contracting party specifying the cost of service.

3-15-070. Classification of Expenditures.

(a) Large Expenditures. Except as otherwise provided herein, any expenditure of the City of \$25,000.00 or more, or any expenditure for a Class C Road or paid for out of the Water Fund of \$100,000.00 or more, shall be referred to as a "large expenditure" and shall be made pursuant to formal bidding procedures set forth in Section 3-15-080. No large expenditure shall be made without prior approval from the City Council.

(b) Small Expenditures. Except as otherwise provided herein, any expenditure of the City of less than \$25,000.00, or any expenditure for a Class C Road or paid for out of the Water Fund of less than \$100,000.00, shall be referred to as a "small expenditure" and may be made pursuant to formal bidding procedures set forth in Section 3-15-080 or pursuant to informal bidding procedures set forth in Section 3-15-090. Small expenditures may be made by the Purchasing Agent without prior approval from the City Council, but any such expenditure shall be reviewed by the City Council at its next regular meeting. It shall be unlawful to artificially divide a purchase or expenditure so as to constitute a small expenditure under this Section.

(c) Exempt Expenditures. The following expenditures of the City shall be referred to as "exempt expenditures" and may be made without formal or informal bidding procedures, but should be made with as much competition as practicable under the circumstances. The Purchasing Agent shall determine in writing that an expenditure falls within one of these exemptions, and shall maintain a record of all contracts made hereunder, including each supplier's name, the amount and type of contract, and the supplies, services, or construction procured. All exempt expenditures shall be reviewed by the City Council on at least a quarterly basis.

(1) Minor. Any expenditure amounting to less than \$1,000.00;

(2) Single Source. Any expenditure for goods or services which by their nature are not reasonably adapted to award by competitive bidding. These expenditures include, but are not limited to, goods or services which can only be purchased from a single source, contracts for additions to and repair and maintenance of equipment already owned by the City which may be more efficiently added to, repaired or maintained by a certain person or firm, and equipment which, by reason of the training of the personnel or an inventory of replacement parts is compatible with the existing equipment owned by the City.

(3) Professional Services. Any expenditure for professional services which by their nature are not reasonably adapted to award by competitive bidding. Such expenditures shall be awarded at the discretion of the City Council based on the City Council's evaluation of the professional qualifications, service ability, experience, cost of services and other applicable criteria.

(4) Emergency. Any expenditure made under the existence of an emergency condition threatening the public health, welfare, or safety.

(5) State Bidding. Any expenditure for which competitive bidding or price negotiation has already occurred on the State level.

(6) Interlocal Cooperation. Any expenditure made in conjunction with an agreement approved by resolution of the City Council between the City and another city or governmental entity.

(7) Special Sale. Any expenditure made in conjunction with any public auction, closeout sale, bankruptcy sale or other similar sale when the Purchasing Agent determines in writing that such purchase may be made at a cost below the market cost for the same or similar goods and such determination is reviewed and approved by the City Council.

(8) Exchanges. Any exchange of supplies, materials, property, or equipment between the City and any other public or private party made by mutual agreement of the respective parties.

3-15-080. Formal Bidding Procedure.

Except as otherwise provided herein, all large expenditures shall be made by written contract between the City and the lowest responsible bidder according to the following procedure:

(a) Specifications. Specifications shall be prepared by or under the direction of the Purchasing Agent and submitted to the City Council for approval and authorization prior to any advertisement for bids.

(b) Invitation for Bids. An invitation for bids shall be prepared by or under the direction of the Purchasing Agent which invitation shall:

- (1) Describe the goods or services to be purchased or work to be performed;
- (2) Set forth all contract terms, conditions and bond requirements applicable to the purchase or work;
- (3) Set forth the criteria that will be used to evaluate the bid;
- (4) State where plans, specifications and other information may be obtained;
- (5) State the time and place of the bid opening; and
- (6) Reserve for the City the right to reject any and all bids for any reason without liability.

(c) Required Public Notice.

- (1) A procurement unit that issues a solicitation shall post notice of the solicitation:
 - i. at least seven days before the day of the deadline for submission of a solicitation response; and
 - ii. on the main website for the City unit; and
 - iii. on a state website that is owned, managed by, or provided under contract with, the division for posting a public procurement notice.
- (2) A procurement unit may reduce the seven-day period described in Subsection (1), if the procurement unit's procurement official signs a written statement that:
 - i. states that a shorter time is needed; and

ii. determines that competition from multiple sources may be obtained within the shorter period of time.

(3) It is the responsibility of a person seeking information provided by a notice published under this section to seek out, find, and respond to the notice.

As a courtesy and in order to promote competition, a procurement unit may provide, but is not required to provide, individual notice.

~~(a)(d)~~ The invitation for bids shall be published at least twice in a newspaper of general circulation in the jurisdiction of the City at least five (5) days prior to the opening of bids. In the event there is no newspaper of general circulation printed or published within the jurisdiction of the City, the notice shall be posted at least five (5) days prior to the opening of bids in at least five (5) public places in the City which notice shall remain posted for at least three (3) days.

~~(b)(e)~~ Amending Invitation. The invitation to bid may be amended, supplemented, or canceled at any time prior to the opening of bids when the Purchasing Agent determines that such action is in the best interest of the City. The reasons for the amendment or cancellation of the invitation shall be in writing and shall be made a part of the City's records.

~~(c)(f)~~ Sealed Bids. All bids shall be received by the City in sealed envelopes labeled "Bid for (item)" which shall not be opened prior to the time set for opening of the bids, except as provided in Subsection (f).

~~(d)~~(g) Correction of Bids. The Purchasing Agent may permit correction or withdrawal of inadvertently erroneous bids in appropriate circumstances, provided that no changes in bid prices or other provisions of bids which are prejudicial to the interest of the City or fair competition shall be permitted. Any decision to permit the correction or withdrawal of bids shall be supported by a written determination prepared by the Purchasing Agent.

~~(e)~~(h) Opening Bids. The bids shall be opened publicly by the Purchasing Agent in the presence of one or more witnesses at the time and place designated in the invitation for bids.

~~(f)~~(i) Recording Bids. The amount of each bid and the name of the bidder shall be read aloud as the bids are opened, and such information shall be recorded and open to public inspection during regular business hours for a period of not less than thirty (30) days after the bid opening.

~~(g)~~(j) Evaluating Bids. The bids shall be evaluated within a reasonable time by the Purchasing Agent to determine the lowest responsible bidder based upon the following objectively measurable criteria as set forth in the invitation for bids:

~~(1)~~(4) Price. The total price of the bid.

~~(2)~~(5) Quality. The overall quality of the goods or work to be provided and/or the ability, capacity and skill of the bidder to provide any services or work required.

~~(3)~~(6) Conditions. The number and scope of any conditions or qualifications set forth in the bid.

~~(4)~~(7) Time. The time limit within which the bidder can provide the goods, services or work.

~~(5)~~(8) Reputation. The character, integrity, reputation, judgment, experience and efficiency of the bidder and the quality of previous goods, services or work obtained from the bidder.

~~(6)~~(9) Compliance. The previous and existing compliance by the bidder with laws and ordinances relating to the goods, services or work.

~~(7)~~(10) Financial Resources. The sufficiency of the financial resources and ability of the bidder to provide the goods, services or work.

~~(8)~~(11) Future Service. The ability of the bidder to provide future maintenance and service and the local availability of parts, materials, etc.

~~(A)~~(k) Determination. The Purchasing Agent shall determine the lowest responsible bidder and communicate such determination, in writing, to the City Council. The City Council may accept, reject, or modify the Purchasing Agent's determination and thereupon award the contract or reject any and all bids. All information relating to the selection of the lowest responsible bidder shall be retained by the City in accordance with the Utah Government Records Access and Management Act, as adopted by the City.

~~(I)~~(l) Cancellation and Rejection of Bids. The City reserves the right to cancel an invitation for bids or to reject any or all bids for any reason. Such cancellation or rejection shall be in writing and shall be made part of the City's records. In the event all bids are rejected and the City determines to make the improvement or purchase, it shall advertise anew as provided herein. If after twice advertising, no satisfactory bid is received, the City Council may proceed to negotiate or make the improvement or acquisition or enter such other agreements as it deems necessary or desirable.

~~(j)~~(m) Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the City Council shall accept the lowest bid made by and after negotiation with the tie bidders after the time of the bid opening.

~~(k)~~(n) Bonds. Prior to entering any contract hereunder, the City Council may require performance and payment bonds to be provided in such form and amounts as required by law and by the City Council as reasonably necessary to protect the best interest of the City.

~~(l)~~(o) Responsibility of Bidder. The Purchasing Agent may request additional information with respect to the responsibility of a bidder. The unreasonable failure of a bidder to promptly supply information in connection with a request of the Purchasing Agent regarding responsibility may be grounds for a determination of nonresponsibility and/or nonresponsiveness of the bidder.

3-15-090. Informal Bidding Procedure.

Except as otherwise provided herein, all small expenditures of the City may be awarded to the lowest responsible bidder according to the formal bidding procedure set forth above or to the lowest responsible bidder according to the following procedure:

(a) Invitation of Bids. The Purchasing Agent shall invite bids from at least three (3) potential, responsible providers of the supplies, services or construction needed or desired. Such invitations may be made in writing or orally, including by telephone, and shall be made without unfair favoritism or bias. A record of all invitations and bids made hereunder shall be kept by the Purchasing Agent.

(b) Evaluation. The Purchasing Agent shall evaluate the bids to determine the lowest responsible bidder based upon the criteria set forth in Section 3-15-080(i).

(c) Determination. The Purchasing Agent shall determine the lowest responsible bidder and award the contract to such bidder, unless otherwise directed by the City Council. All information relating to the bids obtained and the selection of the lowest responsible bidder shall be retained by the City in accordance with the Utah Government Records Access and Management Act, as adopted by the City.

3-15-100. Additional Data.

Any additional relevant data pertaining to the selected bidder shall be added to the Purchase Requisition or contract documents. If required by law, a written contract shall be entered into between the City and the selected bidder. Contracts involving construction work shall further provide for a bid security in the amount equal to at least five percent (5%) of the amount of the bid.

3-15-110. Delivery.

When supplies ordered are delivered, the Purchasing Agent, or the employee who requested the supplies, shall inspect the supplies received to assure that the correct quantity and quality have been delivered. If the supplies delivered are satisfactory, the supplies shall be accepted and a copy of the packing slip, invoice, or other delivery document shall be stapled to the Purchase Requisition and forwarded to the appropriate employee for review, payment, and filing.

3-15-120. Petty Cash.

(a) Fund. The City shall maintain a petty cash fund, the total amount of cash, vouchers, and receipts of which shall not exceed \$250.00.

(b) Limits. Any employee of the City may receive up to \$75.00 from the petty cash fund for any lawful and necessary expenditure to be made on behalf of the City. Employees shall not receive any money from the petty cash fund for personal use.

~~(b)~~(c) Procedure. Any employee receiving money from the petty cash fund shall sign a Petty Cash Voucher showing the amount received and an explanation of the intended use of the money. After making the expenditure, the employee shall return any excess money to the petty cash fund and shall staple the receipt for the expenditure to the Petty Cash Voucher.

~~(e)~~(d) Replenishing Fund. When money in the petty cash fund becomes less than approximately \$75.00, the Purchasing Agent shall draft a check to the petty cash fund to raise the amount of currency in the fund to \$250.00.

3-15-130. Disposal of Surplus Property.

(a) For purposes of this Section, the following definitions shall apply:

(1) A “significant parcel of real property” shall mean a parcel of one acre or more in size or a parcel having a value of more than \$150,000 as determined by the City Council.

(2) “Reasonable notice” shall mean publishing a notice of the proposed disposition and of a public hearing before the City Council to consider such disposition once in a newspaper of general circulation within the City.

(b) The City shall have the authority to sell, lease, convey and dispose of real and personal property for the benefit of the City as provided by *Utah Code Ann.* § 10-8-2, as amended.

(c) Before the City may dispose of a significant parcel of real property, the City shall:

(1) Provide reasonable notice of the proposed disposition at least 14 days before a scheduled meeting at which the City will hear public comment; and

(2) Hold a meeting at which the City Council accepts public comment on the proposed disposition.

(d) All disposal, leases, or subleases of such property of the City other than a significant parcel of real property, shall be made, as nearly as possible, under the same conditions and limitations as required by this chapter for the purchase of property including notice and bidding procedures.

(e) The City Council may also authorize at its discretion and under such terms and conditions as it may deem desirable, fair and appropriate, considering intended use, property tax value, and the interests of the City, the sale of any surplus property, through public auction or other method designed to best serve the interests of City residents and produce a fair return; the trade or exchange of any surplus property; and the lease or sublease of any surplus property.

3-15-140. Ethics.

(a) Conflicts of Interest. No officer or employee of the City may have a direct or indirect pecuniary interest in any contract entered into by the City and all officers and employees are required to comply with applicable provisions of State law regarding ethics including, but not limited to, the Utah

Municipal Officers' and Employees' Ethics Act set forth at *Utah Code Ann.* 10-3-1301, *et seq.*, as amended.

(b) Collusion. Any agreement or collusion among bidders or prospective bidders to bid a fixed price or to otherwise restrain competition shall render the bids of such bidders ~~void.~~Personal~~void.~~Personal Use. Any purchase of supplies or equipment by the City for the personal use of any officer or employee of the City is prohibited.

(c) Violation. Any violation of this Section by an officer or employee of the City shall be cause for disciplinary action, up to and including termination, in accordance with the disciplinary procedures of the City.

3-15-150. Records.

All procurement records of the City shall be retained and disposed of in accordance with the Utah Government Records Access and Management Act, as adopted by the City.

3-15-160. Violations.

Any purchase or contract executed in violation of the provisions of this Chapter or applicable State law shall be void as to the City, and any funds expended thereupon may be recovered by the City through appropriate action.

3-15-170. Appeals.

(a) Determinations Final. Determinations of the Purchasing Agent and the City Council required herein shall be final and conclusive.

(b) Appeal. Any person aggrieved of a determination of the Purchasing Agent or City Council in connection with the provisions of this Chapter may appeal the determination or action within ten (10) working days after the aggrieved person knows or should have known of the facts giving rise thereto by filing a written protest and the reasons therefor with the City Council. A protest with respect to an invitation for bids shall be submitted in writing prior to the opening of bids unless the aggrieved person did not know or could not have known of the facts giving rise to the protest prior to bid opening.

(c) Decision. The City Council shall promptly issue a written decision regarding any protest stating the reasons for the decision and informing the protestor of any right to judicial review as provided by law. A copy of the decision shall be provided to all parties.

(d) Settlement. The City Council shall have the authority, prior to the commencement of an action in court concerning the controversy, to settle and resolve the protest.

3-15-180 Supplemental Provisions for State and Federal Grants

When required by State and Federal law for grants and agreements, the City shall comply with the following regulations:

(a) When soliciting bids in accordance with 3-15-080 (c) above for HUD funded projects, the City shall also post the bid on Quest CDN and take affirmative steps to ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms (See U.S. Department of Labor's list) are considered as set forth below. Such consideration means:

- i. These business types are included on solicitation lists;
- ii. These business types are solicited whenever they are deemed eligible as potential sources;
- iii. Dividing procurement transactions into separate procurements to permit maximum participation by these business types;
- iv. Establishing delivery schedules (for example, the percentage of an order to be delivered by a given date of each month) that encourage participation by these business types;
- v. Utilizing organizations such as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- vi. Requiring a contractor under a Federal award to apply this section to subcontracts.

(b) Bid documents will require compliance with 2 CFR 200.323, section 6002 of the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976 as amended, 42 U.S.C. 6962. The requirements of Section 6002 include procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

The recipient or subrecipient should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. See Executive Order 14057, section 101, Policy.

(c) The City shall ensure that the award, and administration of contracts conform to 2 CFR part 200, and specifically addresses:

- i. cost or price analysis for each procurement action, including each contract modification, when the total amount of the contract and related modifications is greater than the Simplified Acquisition Threshold; and
- ii. prohibit contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals from competing for those procurements; and
- ~~(d)~~iii. ensure compliance with all other requirements of 2 CFR part 200 regarding Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

CHAPTER 3-15: PROCUREMENT

- 3-15-010. Procurement System.**
- 3-15-020. Compliance.**
- 3-15-030. Definitions.**
- 3-15-040. Purchasing Agent.**
- 3-15-050. Budget Limitation.**
- 3-15-060. Purchase Requisition.**
- 3-15-070. Classification of Expenditures.**
- 3-15-080. Formal Bidding Procedure.**
- 3-15-090. Informal Bidding Procedure.**
- 3-15-100. Additional Data.**
- 3-15-110. Delivery.**
- 3-15-120. Petty Cash.**
- 3-15-130. Disposal of Surplus Property.**
- 3-15-140. Ethics.**
- 3-15-150. Records.**
- 3-15-160. Violations.**
- 3-15-170. Appeal**
- 3-15-180. Supplemental Provisions for
State and Federal Grants**

3-15-010. Procurement System.

There is hereby established a procurement system to provide procedures and guidelines for the procurement of supplies, services, and construction for the City, and to ensure that all such purchases or encumbrances are made equitably, efficiently and economically.

3-15-020. Compliance.

All expenditures of the City shall conform to the provisions of this Chapter and applicable provisions of State law including, but not limited to, the Uniform Fiscal Procedures Act set forth at *Utah Code Ann. 10-6-101, et seq.*, Utah Procurement Code set forth at Utah Code Ann. 63G-6a, *et seq* as amended and referenced herein. Any expenditures of the City involving federal assistance funds shall comply with applicable federal laws and regulations including 2 CFR 200 and specifically 2 CFR 200.321(a) and 323; Section 6002 of the Solid Waste Disposal Act and related 40 CFR 247, . Any expenditure of the City involving the construction, maintenance or improvement project of a Class C road shall comply with applicable provisions of the State Transportation Code Title 72 *Utah Code Ann.* No check or warrant to cover any claim against appropriations may be drawn until the claim has been processed according to the relevant provisions provided herein.

3-15-030. Definitions.

As used in this Chapter, the following words shall mean:

(a) "Construction" means the process of building, renovation, alteration, improvement, or repair of any public building or public work. "Construction" does not mean the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

(b) "Person" means any individual, firm, partnership, trust, limited liability company, corporation or other entity however designated.

(c) "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction, and all functions that pertain to the obtaining of any supply, service, or construction, including the solicitation of sources, selection, award, and all phases of contract

This is a clean draft prior to any attorney comments

administration.

(d) "Professional Services" means the furnishing of services for auditing, banking, insurance, engineering, legal, architectural, and other forms of professional consulting.

(e) "Responsible Bidder" means a person who submits a bid to furnish supplies, services or construction for the City pursuant to and in accordance with the terms and conditions of this Chapter and who furnishes, when requested, sufficient information and data to prove his or her financial resources, production or service facilities, service reputation and experience are adequate to the satisfaction of the City.

(f) "Services" means the furnishing of labor, time, 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. "Services" does not include employment agreements or collective bargaining agreements.

(g) "Supplies" means all property, including but not limited to equipment, materials, and printing. "Supplies" does not include real property or any interest therein.

3-15-040. Purchasing Agent.

The City Administrator is hereby designated as the Purchasing Agent for the City. The Purchasing Agent shall be subject to the direction and supervision of the City Council and shall have the powers and duties concerning procurement as established in this Chapter, including but not limited to:

(a) Administer and interpret the procurement system provided herein, in accordance with any rules and regulations established by the City;

(b) Procure or supervise the procurement of all supplies, services, and construction needed by the City, including preparation of specifications and negotiation of contracts connected therewith;

(c) Exercise general supervision and control over all inventories or supplies of the City and the inspection of and accounting for all such inventories or supplies;

(d) Prepare and maintain forms and reports as are reasonably necessary to the operation of this Chapter and other rules and regulations of the City;

(e) Keep generally informed of current developments in the field of procurement, including but not limited to, market conditions and new products; and

(f) Recommend to the City Council from time to time such new or revised procurement rules and regulations as are desirable and in conformance with other statutory requirements.

3-15-050. Budget Limitation.

No expenditure or encumbrance shall be made for any supplies, services or construction for the City in excess of total appropriations in the budget, as adopted or subsequently amended by the City, without prior written approval from the City Administrator or the City Council.

3-15-060. Purchase Requisition.

Before any order may be placed for the purchase of any supply, service or construction having a unit value in excess of \$1,000.00, a Purchase Requisition Form shall be submitted to the Purchasing Agent. The Purchasing Agent shall review all Purchase Requisitions and determine whether the expenditure requested is for a City purpose, properly budgeted, and in compliance with City ordinances and State law. If the Purchasing Agent determines the expenditure requested complies with these requirements, he or she shall sign the Purchase Requisition and initiate the appropriate procedures set forth herein for procurement of the supply, service or construction. A Purchase Requisition shall not be required for

This is a clean draft prior to any attorney comments

service contracts entered into between the City and the contracting party specifying the cost of service.

3-15-070. Classification of Expenditures.

(a) Large Expenditures. Except as otherwise provided herein, any expenditure of the City of \$25,000.00 or more, or any expenditure for a Class C Road or paid for out of the Water Fund of \$100,000.00 or more, shall be referred to as a "large expenditure" and shall be made pursuant to formal bidding procedures set forth in Section 3-15-080. No large expenditure shall be made without prior approval from the City Council.

(b) Small Expenditures. Except as otherwise provided herein, any expenditure of the City of less than \$25,000.00, or any expenditure for a Class C Road or paid for out of the Water Fund of less than \$100,000.00, shall be referred to as a "small expenditure" and may be made pursuant to formal bidding procedures set forth in Section 3-15-080 or pursuant to informal bidding procedures set forth in Section 3-15-090. Small expenditures may be made by the Purchasing Agent without prior approval from the City Council, but any such expenditure shall be reviewed by the City Council at its next regular meeting. It shall be unlawful to artificially divide a purchase or expenditure so as to constitute a small expenditure under this Section.

(c) Exempt Expenditures. The following expenditures of the City shall be referred to as "exempt expenditures" and may be made without formal or informal bidding procedures, but should be made with as much competition as practicable under the circumstances. The Purchasing Agent shall determine in writing that an expenditure falls within one of these exemptions, and shall maintain a record of all contracts made hereunder, including each supplier's name, the amount and type of contract, and the supplies, services, or construction procured. All exempt expenditures shall be reviewed by the City Council on at least a quarterly basis.

(1) Minor. Any expenditure amounting to less than \$1,000.00;

(2) Single Source. Any expenditure for goods or services which by their nature are not reasonably adapted to award by competitive bidding. These expenditures include, but are not limited to, goods or services which can only be purchased from a single source, contracts for additions to and repair and maintenance of equipment already owned by the City which may be more efficiently added to, repaired or maintained by a certain person or firm, and equipment which, by reason of the training of the personnel or an inventory of replacement parts is compatible with the existing equipment owned by the City.

(3) Professional Services. Any expenditure for professional services which by their nature are not reasonably adapted to award by competitive bidding. Such expenditures shall be awarded at the discretion of the City Council based on the City Council's evaluation of the professional qualifications, service ability, experience, cost of services and other applicable criteria.

(4) Emergency. Any expenditure made under the existence of an emergency condition threatening the public health, welfare, or safety.

(5) State Bidding. Any expenditure for which competitive bidding or price negotiation has already occurred on the State level.

This is a clean draft prior to any attorney comments

(6) Interlocal Cooperation. Any expenditure made in conjunction with an agreement approved by resolution of the City Council between the City and another city or governmental entity.

(7) Special Sale. Any expenditure made in conjunction with any public auction, closeout sale, bankruptcy sale or other similar sale when the Purchasing Agent determines in writing that such purchase may be made at a cost below the market cost for the same or similar goods and such determination is reviewed and approved by the City Council.

(8) Exchanges. Any exchange of supplies, materials, property, or equipment between the City and any other public or private party made by mutual agreement of the respective parties.

3-15-080. Formal Bidding Procedure.

Except as otherwise provided herein, all large expenditures shall be made by written contract between the City and the lowest responsible bidder according to the following procedure:

(a) Specifications. Specifications shall be prepared by or under the direction of the Purchasing Agent and submitted to the City Council for approval and authorization prior to any advertisement for bids.

(b) Invitation for Bids. An invitation for bids shall be prepared by or under the direction of the Purchasing Agent which invitation shall:

- (1) Describe the goods or services to be purchased or work to be performed;
- (2) Set forth all contract terms, conditions and bond requirements applicable to the purchase or work;
- (3) Set forth the criteria that will be used to evaluate the bid;
- (4) State where plans, specifications and other information may be obtained;
- (5) State the time and place of the bid opening; and
- (6) Reserve for the City the right to reject any and all bids for any reason without liability.

(c) Required Public Notice.

- (1) A procurement unit that issues a solicitation shall post notice of the solicitation:
 - i. at least seven days before the day of the deadline for submission of a solicitation response; and
 - ii. on the main website for the City unit; and
 - iii. on a state website that is owned, managed by, or provided under contract with, the division for posting a public procurement notice.
- (2) A procurement unit may reduce the seven-day period described in Subsection (1), if the procurement unit's procurement official signs a written statement that:
 - i. states that a shorter time is needed; and

This is a clean draft prior to any attorney comments

ii. determines that competition from multiple sources may be obtained within the shorter period of time.

(3) It is the responsibility of a person seeking information provided by a notice published under this section to seek out, find, and respond to the notice.

As a courtesy and in order to promote competition, a procurement unit may provide, but is not required to provide, individual notice.

(d)

(e) Amending Invitation. The invitation to bid may be amended, supplemented, or canceled at any time prior to the opening of bids when the Purchasing Agent determines that such action is in the best interest of the City. The reasons for the amendment or cancellation of the invitation shall be in writing and shall be made a part of the City's records.

(f) Sealed Bids. All bids shall be received by the City in sealed envelopes labeled "Bid for (item)" which shall not be opened prior to the time set for opening of the bids, except as provided in Subsection (f).

This is a clean draft prior to any attorney comments

- (g) Correction of Bids. The Purchasing Agent may permit correction or withdrawal of inadvertently erroneous bids in appropriate circumstances, provided that no changes in bid prices or other provisions of bids which are prejudicial to the interest of the City or fair competition shall be permitted. Any decision to permit the correction or withdrawal of bids shall be supported by a written determination prepared by the Purchasing Agent.
- (h) Opening Bids. The bids shall be opened publicly by the Purchasing Agent in the presence of one or more witnesses at the time and place designated in the invitation for bids.
- (i) Recording Bids. The amount of each bid and the name of the bidder shall be read aloud as the bids are opened, and such information shall be recorded and open to public inspection during regular business hours for a period of not less than thirty (30) days after the bid opening.
- (j) Evaluating Bids. The bids shall be evaluated within a reasonable time by the Purchasing Agent to determine the lowest responsible bidder based upon the following objectively measurable criteria as set forth in the invitation for bids:
 - (4) Price. The total price of the bid.
 - (5) Quality. The overall quality of the goods or work to be provided and/or the ability, capacity and skill of the bidder to provide any services or work required.
 - (6) Conditions. The number and scope of any conditions or qualifications set forth in the bid.
 - (7) Time. The time limit within which the bidder can provide the goods, services or work.
 - (8) Reputation. The character, integrity, reputation, judgment, experience and efficiency of the bidder and the quality of previous goods, services or work obtained from the bidder.
 - (9) Compliance. The previous and existing compliance by the bidder with laws and ordinances relating to the goods, services or work.
 - (10) Financial Resources. The sufficiency of the financial resources and ability of the bidder to provide the goods, services or work.
 - (11) Future Service. The ability of the bidder to provide future maintenance and service and the local availability of parts, materials, etc.
- (k) Determination. The Purchasing Agent shall determine the lowest responsible bidder and communicate such determination, in writing, to the City Council. The City Council may accept, reject, or modify the Purchasing Agent's determination and thereupon award the contract or reject any and all bids. All information relating to the selection of the lowest responsible bidder shall be retained by the City in accordance with the Utah Government Records Access and Management Act, as adopted by the City.
- (l) Cancellation and Rejection of Bids. The City reserves the right to cancel an invitation for bids or to reject any or all bids for any reason. Such cancellation or rejection shall be in writing and shall be made part of the City's records. In the event all bids are rejected and the City determines to make the improvement or purchase, it shall advertise anew as provided herein. If after twice advertising, no satisfactory bid is received, the City Council may proceed to negotiate or make the improvement or acquisition or enter into such other agreements as it deems necessary or desirable.

This is a clean draft prior to any attorney comments

- (m) Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the City Council shall accept the lowest bid made by and after negotiation with the tie bidders after the time of the bid opening.
- (n) Bonds. Prior to entering any contract hereunder, the City Council may require performance and payment bonds to be provided in such form and amounts as required by law and by the City Council as reasonably necessary to protect the best interest of the City.
- (o) Responsibility of Bidder. The Purchasing Agent may request additional information with respect to the responsibility of a bidder. The unreasonable failure of a bidder to promptly supply information in connection with a request of the Purchasing Agent regarding responsibility may be grounds for a determination of nonresponsibility and/or nonresponsiveness of the bidder.

3-15-090. Informal Bidding Procedure.

Except as otherwise provided herein, all small expenditures of the City may be awarded to the lowest responsible bidder according to the formal bidding procedure set forth above or to the lowest responsible bidder according to the following procedure:

(a) Invitation of Bids. The Purchasing Agent shall invite bids from at least three (3) potential, responsible providers of the supplies, services or construction needed or desired. Such invitations may be made in writing or orally, including by telephone, and shall be made without unfair favoritism or bias. A record of all invitations and bids made hereunder shall be kept by the Purchasing Agent.

(b) Evaluation. The Purchasing Agent shall evaluate the bids to determine the lowest responsible bidder based upon the criteria set forth in Section 3-15-080(i).

(c) Determination. The Purchasing Agent shall determine the lowest responsible bidder and award the contract to such bidder, unless otherwise directed by the City Council. All information relating to the bids obtained and the selection of the lowest responsible bidder shall be retained by the City in accordance with the Utah Government Records Access and Management Act, as adopted by the City.

3-15-100. Additional Data.

Any additional relevant data pertaining to the selected bidder shall be added to the Purchase Requisition or contract documents. If required by law, a written contract shall be entered into between the City and the selected bidder. Contracts involving construction work shall further provide for a bid security in the amount equal to at least five percent (5%) of the amount of the bid.

3-15-110. Delivery.

When supplies ordered are delivered, the Purchasing Agent, or the employee who requested the supplies, shall inspect the supplies received to assure that the correct quantity and quality have been delivered. If the supplies delivered are satisfactory, the supplies shall be accepted and a copy of the packing slip, invoice, or other delivery document shall be stapled to the Purchase Requisition and forwarded to the appropriate employee for review, payment, and filing.

3-15-120. Petty Cash.

(a) Fund. The City shall maintain a petty cash fund, the total amount of cash, vouchers, and receipts of which shall not exceed \$250.00.

This is a clean draft prior to any attorney comments

(b) Limits. Any employee of the City may receive up to \$75.00 from the petty cash fund for any lawful and necessary expenditure to be made on behalf of the City. Employees shall not receive any money from the petty cash fund for personal use.

(c) Procedure. Any employee receiving money from the petty cash fund shall sign a Petty Cash Voucher showing the amount received and an explanation of the intended use of the money. After making the expenditure, the employee shall return any excess money to the petty cash fund and shall staple the receipt for the expenditure to the Petty Cash Voucher.

(d) Replenishing Fund. When money in the petty cash fund becomes less than approximately \$75.00, the Purchasing Agent shall draft a check to the petty cash fund to raise the amount of currency in the fund to \$250.00.

3-15-130. Disposal of Surplus Property.

(a) For purposes of this Section, the following definitions shall apply:

(1) A “significant parcel of real property” shall mean a parcel of one acre or more in size or a parcel having a value of more than \$150,000 as determined by the City Council.

(2) “Reasonable notice” shall mean publishing a notice of the proposed disposition and of a public hearing before the City Council to consider such disposition once in a newspaper of general circulation within the City.

(b) The City shall have the authority to sell, lease, convey and dispose of real and personal property for the benefit of the City as provided by *Utah Code Ann.* § 10-8-2, as amended.

(c) Before the City may dispose of a significant parcel of real property, the City shall:

(1) Provide reasonable notice of the proposed disposition at least 14 days before a scheduled meeting at which the City will hear public comment; and

(2) Hold a meeting at which the City Council accepts public comment on the proposed disposition.

(d) All disposal, leases, or subleases of such property of the City other than a significant parcel of real property, shall be made, as nearly as possible, under the same conditions and limitations as required by this chapter for the purchase of property including notice and bidding procedures.

(e) The City Council may also authorize at its discretion and under such terms and conditions as it may deem desirable, fair and appropriate, considering intended use, property tax value, and the interests of the City, the sale of any surplus property, through public auction or other method designed to best serve the interests of City residents and produce a fair return; the trade or exchange of any surplus property; and the lease or sublease of any surplus property.

3-15-140. Ethics.

(a) Conflicts of Interest. No officer or employee of the City may have a direct or indirect pecuniary interest in any contract entered into by the City and all officers and employees are required to comply with applicable provisions of State law regarding ethics including, but not limited to, the Utah

This is a clean draft prior to any attorney comments

Municipal Officers' and Employees' Ethics Act set forth at *Utah Code Ann.* §10-3-1301, *et seq.*, as amended.

(b) Collusion. Any agreement or collusion among bidders or prospective bidders to bid a fixed price or to otherwise restrain competition shall render the bids of such bidders void. Personal Use. Any purchase of supplies or equipment by the City for the personal use of any officer or employee of the City is prohibited.

(c) Violation. Any violation of this Section by an officer or employee of the City shall be cause for disciplinary action, up to and including termination, in accordance with the disciplinary procedures of the City.

3-15-150. Records.

All procurement records of the City shall be retained and disposed of in accordance with the Utah Government Records Access and Management Act, as adopted by the City.

3-15-160. Violations.

Any purchase or contract executed in violation of the provisions of this Chapter or applicable State law shall be void as to the City, and any funds expended thereupon may be recovered by the City through appropriate action.

3-15-170. Appeals.

(a) Determinations Final. Determinations of the Purchasing Agent and the City Council required herein shall be final and conclusive.

(b) Appeal. Any person aggrieved of a determination of the Purchasing Agent or City Council in connection with the provisions of this Chapter may appeal the determination or action within ten (10) working days after the aggrieved person knows or should have known of the facts giving rise thereto by filing a written protest and the reasons therefor with the City Council. A protest with respect to an invitation for bids shall be submitted in writing prior to the opening of bids unless the aggrieved person did not know or could not have known of the facts giving rise to the protest prior to bid opening.

(c) Decision. The City Council shall promptly issue a written decision regarding any protest stating the reasons for the decision and informing the protestor of any right to judicial review as provided by law. A copy of the decision shall be provided to all parties.

(d) Settlement. The City Council shall have the authority, prior to the commencement of an action in court concerning the controversy, to settle and resolve the protest.

3-15-180 Supplemental Provisions for State and Federal Grants

When required by State and Federal law for grants and agreements, the City shall comply with the following regulations:

(a) When soliciting bids in accordance with 3-15-080 (c) above for HUD funded projects, the City shall also post the bid on Quest CDN and take affirmative steps to ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms (See U.S. Department of Labor's list) are considered as set forth below. Such consideration means:

- i. These business types are included on solicitation lists;

This is a clean draft prior to any attorney comments

- ii. These business types are solicited whenever they are deemed eligible as potential sources;
- iii. Dividing procurement transactions into separate procurements to permit maximum participation by these business types;
- iv. Establishing delivery schedules (for example, the percentage of an order to be delivered by a given date of each month) that encourage participation by these business types;
- v. Utilizing organizations such as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- vi. Requiring a contractor under a Federal award to apply to this section to subcontracts.

(b) Bid documents will require compliance with 2 CFR 200.323, section 6002 of the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976 as amended, 42 U.S.C. 6962. The requirements of Section 6002 include procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

The recipient or subrecipient should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. See Executive Order 14057, section 101, Policy.

(c) The City shall ensure that the award, and administration of contracts conform to 2 CFR part 200, and specifically addresses:

- i. cost or price analysis for each procurement action, including each contract modification, when the total amount of the contract and related modifications is greater than the Simplified Acquisition Threshold; and
- ii. prohibit contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals from competing for those procurements; and
- iii. ensure compliance with all other requirements of 2 CFR part 200 regarding Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.