



REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
April 25, 2019

Department Finance

Director Approval Lacey Lies

AGENDA ITEM Consider approving a resolution to adopt a formal procurement policy.

SUMMARY RECOMMENDATION City Staff recommends approving a resolution to adopt the formal procurement policy as presented to the City Commission.

BACKGROUND The purpose of this policy is to ensure ethical, effective, and accountable practices are used for sourcing, procuring or other supply chain related activities. It is critical that sound management of public funds is applied for competitive bids and procurement transactions demonstrating open, fair, and transparent methodologies. In drafting this policy, City Staff researched other municipalities to find best practices. The draft policy provided supports those findings and provides a framework for City Staff to foster effective spending and oversight. In connection with the adoption of this policy, City Staff will be implementing an electronic procedure to streamline the approval, storage, and processing of purchase orders. This will provide a means to track our compliance and help to efficiently and effectively manage our purchases. It is imperative that this policy is established with realistic dollar limits and thresholds to allow City Staff to operate efficiently with transparency as a foremost concern.

BUDGET IMPACT The adoption of this procurement policy will help facilitate transparency and provide a framework to encourage deliberate and responsible spending.

SUGGESTED MOTION I move to approve a resolution to adopt the formal procurement policy as provided to the Commission.

SUPPORTING DOCUMENTS

1. Resolution
2. Draft Procurement Policy

NOTE The attached Draft Procurement Policy has one update from the hard copy the City Commission received two weeks ago. Section 3.1, 3.3, and 3.4-dollar limits changed from \$100 to \$1,000 and \$101 to \$1,001 to coincide with our new purchase order process. Through the design and testing of the process it was found that the administrative burden of requiring two informal written quotes for items under \$1,000 far outweighed the benefit. As an alternative, oversight will be administered through purchase card limitations, stringent tracking and a two-step reconciliation of purchase cards.