

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
MAY 6, 2025 AGENDA**

Subject:	Type:	Submitted By:
COUNCIL POLICY STATEMENT – PURCHASING POLICY	◆ RESOLUTION ORDINANCE RECEIVE/FILE	MEG HARRIS FINANCE DIRECTOR

SYNOPSIS

A resolution has been prepared to remove current Standard Operating Policy 212 – Purchasing of Supplies, Materials, Equipment, and Services and add the Purchasing Policy to Council Policy Statement 138 – Financial Policies.

FISCAL IMPACT

N/A.

RECOMMENDATION

Approval.

BACKGROUND

The Standard Operating Policy 212 – Purchasing of Supplies, Materials, Equipment and Services purchasing guidelines have not been updated since the policy was issued 1985. In 1985, this policy established that any purchase over \$5,000 requires approval by City Council. In 1985, a new car cost just over \$5,000. Today the average purchase price of a new car is \$48,000. The average inflation rate since 1985 has created a cumulative price increase of 195.23%. As a result of this price increase the current policy has created inefficiencies in our operations by slowing down the purchase of needed repairs and supplies that fall over the current \$5,000 threshold. This policy establishes new appropriation procedures in line with those of our neighboring municipalities and will enable the City to operate more efficiently. This new policy also requires the issuance of a Purchase Order (PO) for all purchases over \$5,000. A PO provides protection to the City and is required by many of our vendors.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA APPROVING A COUNCIL POLICY STATEMENT.

WHEREAS, the City Council has determined that it is necessary and desirable to create Council Policy Statements as a means of establishing guidelines and direction to the members of the City Council and to the city administration in regard to various issues which regularly occur; and

WHEREAS, a Council Policy Statement "Purchasing Policy" has been established.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of La Vista, Nebraska, do hereby approve the removal of current Standard Operating Policy 212 – Purchasing of Supplies, Materials, Equipment and Services and adding the "Purchasing Policy" to Council Policy Statement 138 – Financial Policies and do further hereby direct the distribution of said Council Policy Statement to the appropriate City Departments.

PASSED AND APPROVED THIS 6TH DAY OF MAY 2025

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Rachel D. Carl, CMC
City Clerk

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Purchasing Policy

Purpose

This policy is intended to be a guide to the City of La Vista's purchasing methods and maximize the purchasing power and value of public funds. When used properly, the policy will enable the City to obtain needed materials, equipment, supplies, and services efficiently and economically. The policy is designed to:

- Comply with the legal requirements of public purchasing and procurement including the City's Municipal Code and State Statute.
- Maintain a purchasing system of quality and integrity that promotes efficiency, effectiveness, and equity in public purchasing.
- Assure vendors that impartial and equal treatment is afforded to all who wish to do business with the City.
- Ensure that the City receives maximum value for each dollar spent by awarding purchase orders and/or contracts to the lowest responsible bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance, and other relevant factors.
- Promote good and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

Definitions

Credit Card (P-Card): The City issues and authorizes the use of credit cards to efficiently purchase goods or services needed for City businesses that require immediate payment. The credit card is designed to delegate the authority and capability to purchase limited items directly to an authorized employee. Credit cards are ordered and administered through the Finance Department.

Construction Manager at Risk (CMR): Acts as a consultant to the owner in the development and design phases but as the equivalent of a general contractor during the construction phase. The CM at risk is responsible for early coordination during the design phase, value engineering, and constructability reviews as well as the selection, scheduling, and sequencing of trade subcontractors. The term "at risk" conveys that the CM under this method bears the risks of the general contractor, such as price escalation, delay, etc., that are not present in an agency CM situation.

Obligation: An act or course of action in which a duty or commitment is made to a person or entity to make a payment or other action.

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Purchase Order: An authorization to purchase goods and/or services that exceed purchasing authority as outlined in the General Policy.

Public Works General Improvement: This is defined by Nebraska Revised State Statute 16-321 as water extensions, sewers, public heating systems, bridges, work on streets, or any other work or improvement when the cost of such improvement is over thirty thousand dollars (\$30,000).

Quick Check: A check created outside the scheduled check run.

Request for Proposal (RFP): A solicitation, often made through a bidding process, by a department interested in procurement of a commodity, service, or asset, to potential suppliers. The RFP outlines the bidding process, contract terms, and how the bid should be formatted and submitted.

Request for Qualifications (RFQ): A document that asks potential suppliers or vendors to detail their background and experience providing a specific good or service. In this case, the city is only concerned about the vendor's skills and experience. Therefore, the response is not a bid. Often, this response is called a statement of qualifications (SOQ).

Requisition: A request for a purchase order.

Sole Source: Refers to those purchases where there is only one supplier that provides the goods and services.

General Policy

Local Buying

Whenever possible, purchases will be made from local vendors in the La Vista area if quality and price are comparable. Department directors or designees should ensure that local vendors offering goods or services needed by the City are included in the competitive bidding and/or shopping process. The City has a responsibility, however, to obtain the maximum value for each public dollar spent.

Standards of Conduct

All vendors shall be treated equitably. Purchasing decisions shall be based on price, value, quality, performance, delivery, references, recommendations, written standards, previous service, and other relevant factors promoting the best interest of the City.

Employees are prohibited from furnishing to any prospective bidder information

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that would give any vendor an unfair advantage over other prospective vendors. While a department director or designee may delegate minor purchases to employees, he/she is still responsible for ensuring such purchases are made according to the provisions of this policy.

No department director or employee is to make any commitment to any salesperson or firm that will bind the City in any way prior to a formal authorization.

Employees shall not have financial interest in the profits of any contract, service or other work performed by or for the City; nor shall they personally profit directly or indirectly from any contract, purchase, sale or service between the City and any person or company. (Employee Handbook – Conflict of Interest)

Employees shall not accept from any person or company any type of free or preferred service, benefit, or concession that personally benefits the employee. (Employee Handbook – Conflict of Interest)

Planning

Department directors or designees shall requisition goods and services in such a way as to allow time for competitive bidding, ordering, and delivery of materials in accordance with this policy. Exceptions may only be made on rare occasions when an emergency exists. The purchasing process begins with the annual budget.

Taxes

The City is exempt from all local and Nebraska state sales taxes. The City Clerk Department or designee will provide the necessary exemption documents (Nebraska Department of Revenue Forms 13 and 17) to any vendor or employee making a purchase upon request.

Subdivision of Purchases

No purchase shall be subdivided for the purpose of circumventing the dollar value limitations imposed by State Statute, City ordinance, City policy or any guidelines established by the City Administrator.

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Purchasing Authorization Levels

Amount of Purchase		Appropriate Authorization Procedure
\$500 or Less		P-Card Procedures – No purchase order is required.
Less Than \$5,000		Department Director (Designee) required approval – No purchase order required, not including capital outlay expenditures.
\$5,000 to less than \$10,000		Requisition - 3 Informal Bids or State Contract* & Approved by Finance Director (or Designee) – Purchase order required.
\$10,000 to less than \$50,000;		Requisition - 3 Informal Bids or State Contract* & Approved by Finance Director and City Administrator– Purchase order required.
Over \$50,000; or over \$30,000 if Public Works General Improvement		Formal Bids/RFP or State Contract* - Awarded by City Council – Purchase order required.

*This includes govt approved purchasing co-ops

Procedures

Each City Department purchases items unique to their function and items that are necessary for repair or to keep equipment and amenities in safe and good working order. All Department Directors (or designees) will make a good-faith effort to utilize the purchase order system when it is required.

A purchase order shall be issued when goods/services are to be received at a future date.

An invoice may be used when goods/services have been received on the same date as the authority was granted to purchase such goods/services; or when an obligation has occurred.

The following are purchasing guidelines and procedures.

1. Informal Purchasing

- A. Purchases of less than five thousand dollars (\$5,000) may be made by the Department Head, as budget allows, without obtaining any specified number of written quotes and without additional approval by the City Administrator.

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- B. All purchases equal to or greater than five thousand dollars (\$5,000) but less than fifty thousand dollars (\$50,000) shall be acquired after solicitation of three (3) written quotes, if possible, and after being assigned a purchase order. Purchases provided for under this subsection should be made from the "lowest responsible, qualified, and responsive bidder" following the same criteria established in this policy for the formal purchasing procedure.
- C. Final approval of informal purchases equal to or greater than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000) will be made by the Finance Director.
- D. Final approval of informal purchases greater than ten thousand dollars (\$10,000) but less than fifty thousand dollars (\$50,000) will be made by the Finance Director and City Administrator.
- E. If the estimated cost of supplies, equipment, or contractual services is fifty thousand dollars (\$50,000) or greater, move to Formal Purchasing.

2. Formal Purchasing

- A. When the estimated cost of supplies, equipment, or contractual services is fifty thousand dollars (\$50,000) or more, no formal contract for purchase shall be authorized until the City Council has authorized a formal Request for Proposal (RFP) for bidding.
- B. Bids shall be submitted to the City Clerk per instructions in the RFP.
- C. Final approval of formal purchasing will be made by the City Council.
- D. Whenever applicable, the City may use a State of Nebraska contract to purchase supplies, equipment, or services without the necessity of using the formal bid requirements as set forth in this section.

3. Public Works General Improvement Purchasing

- A. No contract for enlargement or general improvements, such as water extensions, sewers, public heating systems, bridges, work on streets, or any other work or improvement when the cost of such improvement is over thirty thousand dollars (\$30,000) shall be made unless it is first approved by the City Council per Nebraska Revised State Statute 16-321.
- B. Before the City Council makes any contract in excess of thirty thousand dollars (\$30,000) for enlargements or general improvements, such as water extensions, sewers, public heating systems, bridges, work on streets, or any

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- C. other work or improvement when the cost of such enlargement or improvement is assessed to the property, an estimate of the cost shall be made by the city engineer and submitted to the City Council. In advertising for bids as provided in subsections (C) and (D) of this section, the City Council may publish the amount of the estimate.
- D. Advertisements for bids shall be required for any contract costing over thirty thousand dollars (\$30,000) entered into for an enlargement or general improvements, such as water extensions, sewers, public heating systems, bridges, work on streets, or any other work or improvement when the cost of such enlargement or improvement is assessed to the property, or (b) for the purchase of equipment used in the construction of such enlargement or general improvements.
- E. The advertisement provided for in subsections (B) and (C) of this section shall be published at least seven days prior to the bid closing in a legal newspaper in or of general circulation in the City. In case of a public emergency resulting from infectious or contagious diseases, destructive windstorms, floods, snow, war, or an exigency or pressing necessity or unforeseen need calling for immediate action or remedy to prevent a loss of, injury or damage to, life, health, or property, estimates of costs and advertising for bids may be waived in the emergency ordinance authorized by Nebraska Revised State Statute, section 16-405 when adopted by a three-fourths vote of the City Council and entered on record.
- F. If, after advertising for bids as provided in subsections (B), (C), and (D) of this section, the City Council receives fewer than two bids on a contract or if the bids received by the City Council contain a price which exceeds the estimated cost, the Mayor and the City Council may negotiate a contract in an attempt to complete the proposed enlargement or general improvements at a cost commensurate with the estimate given.
- G. If the materials are of such a nature that, in the opinion of the manufacturer and with the concurrence of the City Council, no cost can be estimated until the materials have been manufactured or assembled to the specific qualifications of the City, the City Council may authorize the manufacture and assemblage of such materials and may thereafter approve the estimated cost expenditure when it is provided by the manufacturer.

Quick Checks

The use of quick checks is discouraged, however, on those occasions with time constraints, the department director or designee may request a quick check with supporting documentation. All requests for quick checks must be approved by the Finance Director or designee and cannot circumvent authorized purchasing

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authority. The quick check information will appear in the claims run on the next City Council consent agenda.

Sole Source Purchases

Sole source purchases are permissible if the item or service being requested is available from only a single supplier. Some examples of circumstances that could necessitate sole source purchases are:

- Compatibility of technical equipment, accessories, or replacement parts is the paramount consideration.
- The purchase of supplies or equipment for which there is no competitive product.
- The purchase of used equipment, which may become immediately available and subject to prior sale.
- There is a clear and compelling reason that sole source purchasing is justified, and it is approved by the City Administrator.

Any request that a purchase be restricted to one potential supplier shall be accompanied by a written explanation as to why no other supplier will be suitable or acceptable to meet the need. In cases of reasonable doubt, competition should be solicited.

Emergency Purchases

Occasionally purchases need to be made on an emergency basis. An emergency is defined as a situation that occurs and if not immediately corrected would jeopardize the health, safety, and/or property of residents, the health and safety of City employees, and/or the property of the City.

Emergency purchases shall be limited only to a quantity of those supplies, equipment, materials, or services necessary to meet the emergency.

All emergency purchases will require notification to the City Administrator or designee as soon as practical. The department director or designee shall clearly note the lack of budget authorization and proposed source of funding.

Expenditures to Be Reimbursed by Insurance

When requesting approval of an expenditure that is to be considered for insurance reimbursement, the potential for such reimbursement shall be noted in the request.

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Credit Card

City credit cards may be issued to department directors, mid-level managers, and/or a department authorized employee to make authorized purchases for official City business.

A. Responsibilities

- The Finance Director (or designee) is the administrator of the credit card program.
- A department director, where appropriate, may authorize an employee(s) under their direction to use a credit card. The director will make recommendations to the Finance Department as to recommended limits on the account, including monthly spending limits, number of transactions per day, number of transactions per billing cycle, and merchant category restrictions.
- An employee who will be issued a credit card must sign a credit card agreement prior to being issued a credit card. The employee is responsible for not only protecting the card but is also responsible and accountable for all purchases made using the credit card. The employee will assume responsibility that all purchases made with the credit card adhere to this policy and will ensure that no unauthorized purchases are made. The City will consider unauthorized purchases to be a misappropriation of City funds that violates City policy and potentially state law. The employee authorized to use the credit card and the department director are responsible for the integrity and accuracy of credit card purchases and as such, are responsible for receipts for all credit card purchases and transactions. All purchases processed against a credit card must be made by or under the immediate direction of, the employee to whom the card is issued. Credit card receipts must specify all purchased items. Receipts that show only a total amount without any itemized details are unacceptable. The employee should inform the merchant of the City's tax-exempt status. The City may hold the employee personally responsible for items purchased without the supporting documentation.
- The Finance Department or authorized designee will return incomplete receipts to the P-card holder who will then be responsible for obtaining a detailed receipt or attaching a signed statement.

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- Credit card holders who do not retain acceptable receipts for credit card purchases may have their authority to use the credit card revoked. The Finance Director will notify a department director concerning any misuse of a credit card.
- B. Reconciliation-Finance places spending limits and other restrictions on each credit card issued to an authorized employee depending on the purchasing authority of the cardholder. Generally, that purchasing limit shall not exceed five thousand dollars (\$5,000), but may be exceeded for an employee with extensive business travel requirements. The Finance Department or designee must review the charges and reconcile the amounts with the receipts for the purchases.
- C. Disputed Charges-An authorized employee who is issued a credit card is responsible for attempting to resolve any dispute with a vendor. The employee shall work with the Finance Department to resolve any such charge. If a resolution is not possible, the employee/Finance department must immediately notify the bank of the disputed item and follow the bank's dispute process.
- D. Termination or Transfer of Employee-When an employee, who has been issued a credit card, terminates from City employment or transfers from a department, the department director **should notify the finance department of the change immediately.**
- E. Loss of Credit Card-A credit card holder must report to the Finance department a lost credit card immediately and no later than within one business day of the discovered loss. The City may hold an employee liable for any losses not covered by the protection plan. The City may also hold an employee responsible for the cost of a replacement card.
- F. Travel Expenses-All travel expenses paid for using a credit card must be documented in accordance with the City's Travel Policy.
- G. Personal Use-The City credit card shall not be used for personal identification or as a personal credit reference. Personal expenses processed on a City credit card violate the program policies and are subject to disciplinary action up to and including termination of the cardholder.

Vendor Credit Accounts

Credit accounts for specific vendors (i.e. Office Depot, Hobby Lobby, Wal-Mart) may be issued to the City by the vendor.

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Purchases made on a vendor credit account require that the department director or designee note the expenditure code and sign the receipt before processing for payment.

Under no circumstances are vendor credit accounts to be used for personal expenditures, even if the expenditure is made with the intent to reimburse the City.

Consent Agenda Purchases

The following items will be processed for payment on the City Council Consent Agenda:

- Invoices for progress payments on a contract authorized by the City Council.
- Contract change orders over 10% of the authorized contract amount or exceeding fifty thousand dollars (\$50,000).

Competitive Bidding and Selection

Bid Process (Including RFP)

The department or project manager will prepare bid/proposal specifications, mailing lists, and advertising dates and schedule the bid/proposal opening date, time, and location. Where appropriate, the City will utilize website notices for national advertising.

For bids required to be opened publicly the City must publish a notice indicating the time and place at which the bids or proposals will be publicly opened and read aloud. The notice must be published at least once a week for two consecutive weeks. The first publication must appear before the 14th day before the date that the bids or proposals are publicly opened and read aloud. The notice must be published in a newspaper of general circulation.

The City Clerk will receive bids and maintain them until the date of the bid opening. At the time of the bid opening, the City Clerk will present all bids to the department or project manager for opening, review, and analysis. The

City will reject as nonresponsive any bid which is received after the due date and time. The timestamp in the City Clerk's Office will be the official time.

The City Clerk, or designee, will conduct the bid opening and read the bids aloud at the designated time and place. Bid openings are open to the public.

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For proposals that do not require a public reading, the City Clerk will receive proposals and maintain them until the date of the proposal opening. At the time of the proposal opening, the City Clerk will present all proposals to the department or project manager for opening, review, and analysis. The City will reject as nonresponsive any proposal which is received after the due date and time. The timestamp in the City Clerk's Office will be the official time.

Pursuant to state law, the City must award bids/proposals based on the lowest responsible bidder or the bid that provides the best value. As for "best value", the City, pursuant to law, may consider:

- A. the price
- B. reputation of the bidder, including safety record and financial capability
- C. reputation of the bidder's goods or services
- D. the quality of the bidder's goods or services, including proposed personnel
- E. the extent to which the goods and services meet the City's needs
- F. the bidder's past relationship with the City
- G. total long-term cost to the City of acquiring the goods or services

After reviewing the bids/proposals, the department or project manager will prepare an agenda item with the staff recommendation for Council approval and award.

The City has the option to reject any or all bids/proposals even if only one bid/proposal is received.

Contracts

Contracting for professional services (consulting, engineering, etc.) or for ongoing technical services (maintenance, IT services, etc.) may be done on a negotiated basis. Where practical, however, those vendors providing such services should be asked to submit formal proposals to provide the services requested. Such proposals shall be evaluated on the basis of the vendor's reputation, experience, and understanding of the work to be done. Price, while being a factor, should not be the primary factor. City Administrator and City Council authorization or affirmation is still required at the same dollar limitations as semi-formal or formally bid contracts.

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Contract Administration

- A. The City Clerk or designee will advertise and bid all contracts qualifying for formal bidding procedures. The City Clerk or designee will oversee receiving, opening, and announcing all formal bids. Bids received late will be immediately returned to the late bidder unopened.
- B. Formally bid contracts will be executed by the Mayor and attested to by the City Clerk. The City Administrator or designee shall execute all other contracts on behalf of the City. Copies of all contracts will be forwarded to the City Clerk.
- C. The City Administrator or designee will administer all contracts on the authority of the City Council.
- D. The City Administrator or designee will approve all change orders to contracts. City Council must approve all change orders for contracts that were bid using formal bidding procedures.
- E. Contractual payments on formally bid contracts must be approved, individually, by City Council action. Other contractual payments must be approved by the City Administrator or designee and listed on the claims list presented to the City Council.
- F. Where appropriate, retainage shall be withheld on contracts for public improvements or on other contracts as deemed appropriate or necessary.
- G. Purchase orders are not required for periodic payments on contracts.
- H. The invoice may be entered directly into the accounts payable system and the contract electronically attached to the invoice.
- I. Contracts can be extended or renewed at the discretion of the City Administrator or designee.

Survey of Nebraska City's Purchasing Authority Thresholds Before Going to City Council

City	Dollar Amt to		Notes
	Council	Level 2	
La Vista	5,000		
Kearney	40,000		
Fremont	50,000		
Norfolk	30,000		
South Sioux City	30,000		
Papillion	50,000	*30,000	*For contracts for enlargement or general improvements in water, sewer, heating systems, bridges, or any other work or improvement where the cost of such improvement shall be assessed to the property
Hastings, NE	40,000		
Columbus, NE	40,000		