

# SOUTH JORDAN CITY PURCHASING POLICY



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## **SECTION 1 LEGAL BASIS, POLICIES & OBJECTIVES**

### **1-01 Introduction**

This Policy provides information and direction to the various groups, departments and divisions of the City. Its primary purpose is to communicate policy and give guidance to personnel assigned to the purchasing function, and others with purchasing authority. It helps to ensure best service, materials and construction at the most reasonable cost to the City. In addition, this Policy establishes fair treatment of persons who conduct business, or wish to do business, with the City.

### **1-02 Purpose**

The purpose of this Policy is to establish operational policies for the City's purchasing process which assures the community that the goods and services required to support the operation of City government are procured in a manner consistent with provisions of the City's Articles of Incorporation, and to assure the community that the procurement process of the City is committed to fair and equal opportunity with integrity and openness.

The statements contained in this Policy represent the basic intentions and goals of the City. Nothing in this statement of purpose shall create rights or interests in third parties or impose obligations upon or create causes of action against the City, its officers, agents or employees. Failure to follow the procedures set out herein shall not invalidate procurement compliant with a City Council determination, as defined by this Policy, unless otherwise provided by law.

### **1-02 Objectives**

- To clearly establish that purchasing is the responsibility of designated employees, with the assistance of the Finance Department and the Purchasing Division.
- To ensure the proper use of public revenues.
- To provide for economy, efficiency, and to encourage open competition in City procurement activities.
- To exercise positive financial accountability in the expenditure of City funds.
- To establish and maintain high standards of quality based on suitability of use in all purchasing transactions.
- To ensure the fair and equitable treatment of all persons involved in the purchasing process of the City.

- To provide safeguards for the maintenance of a purchasing process with quality and integrity.
- To insure all parties involved in the negotiation, performance, or administration of City contracts act in good faith.

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## SECTION 2 DEFINITIONS

### 2-01 Definitions

The following definitions govern this Purchasing Policy:

**Addendum or Amendment** - any written modification or revision to any bid document or contract document.

**Contract** - all types of City agreements, regardless of what they may be called, for the procurement or disposal of real or personal property and/or service.

**Cooperative Purchasing** - the combining of requirements of two or more procurement units in order to obtain the benefits of volume purchases and/or reduction in administrative efforts and costs.

**Declared Emergency** - an unexpected situation or sudden occurrence of a serious and urgent nature that has been declared a local 'state of emergency' by the City Mayor.

**Emergency** - an imminent threat to the public's health, welfare, safety or of an imminent and substantial risk of injury or loss to property under conditions which reasonably do not permit fulfilling all the purchasing requirements in this Policy. An unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action. These situations can arise from acts of nature, conditions that are detrimental to the health, safety, or welfare of the public, or other unforeseen events that threaten the termination of essential services, including delays in the transportation of indispensable goods and materials.

**Insufficient Response** - less than (3) three responses to any RFB, RFP, or RFQ.

**Procurement Tools** - the City's preferred method of advertising and hosting RFB/RFQ/RFP's. These tools shall be selected and approved by the Purchasing Division and the Director of Finance.

**Professional Services** - any services based upon professional expertise rather than goods or products.

**Project Manager - (PM)** the individual who is in charge of managing the overall project. This person is the main point of contact for the project and is the individual ultimately responsible for the oversight and execution of the project.

**Purchasing** - the process of buying, procuring, renting, leasing, or otherwise acquiring any item. It also includes all functions that pertain to the obtaining of any item, including

description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

**Related Party** - any party, whether an individual, corporation, partnership, association, limited liability company or any other form of business association or other entity whatsoever related to any provider by blood, marriage, ownership or contract through which the party has a relationship of ownership, or other interest with the provider, so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a provider contract.

**Request for Bid (RFB)** - a competitive solicitation method that may be used when price is the primary consideration, other criteria may also be considered. A request soliciting price quotations or bids; contains, or incorporates by reference the specifications or scope of work and all contractual terms and conditions.

**Request for Proposal (RFP)** - a competitive solicitation method that may be used when other factors will be considered in the selection criteria in addition to price. A request containing or referring to a purchase description, specifications, services and all contractual terms and conditions applicable to a formal sealed bid purchase with the possibility of negotiation after the bids are opened. This method is used when the RFB is either not practical or not advantageous to the City.

**Request for Qualifications (RFQ)** - a bid solicitation method when the award will be made on the basis of the provider being able to satisfy each of the mandatory requirements and having the lowest cost. An RFQ can be used in a two step bidding process. Step one is to obtain qualified providers and step two is to release the RFB or RFP to the pre-selected qualified providers.

**Reverse Auction** - a process where contracts are awarded in an open and interactive environment, which may include the use of electronic media; and bids are opened and made public immediately, and potential providers given opportunity to submit revised, lower bids until the bidding process is complete.

**Sole Source Procurement** - a situation where a particular supplier or person is identified as the only source available for the requisitioning authority.

**Specification** - any description of the physical or functional characteristics or nature of an item. It may include a description of any requirement for inspecting, testing, or preparing an item for delivery.

**Provider** - any person who does business with the City, other than as an employee or volunteer, whether by purchasing, selling, constructing, providing services, or commodities. The term Provider shall be interchangeable with the terms Vendor, Supplier, Contractor, Consultant etc. for the purpose of this Policy.

## **SECTION 3 REGULATIONS GOVERNING COMPETITIVE BIDDING**

### **3-01 General Guidelines**

Any contract shall be made pursuant to this Section except as otherwise provided within this Policy. This Policy establishes the following monetary limits and method of competitive procurement.

- Purchases not exceeding \$5,000.00 may be made with the Department Director's approval, with or without competitive bidding.
- All purchases of \$5,000.00 or more shall be made only after competitive bidding as described elsewhere herein.
- All purchases exceeding \$25,000.00 shall be made only after formal competitive bidding described elsewhere herein.
- Recurring purchases that exceed \$15,000.00 in a 12 month period shall be made only after competitive bidding as described elsewhere herein.

The City prohibits the subdivision of contracts or purchases for the purpose of evading requirements of competitive bidding.

### **3-02 Competitive Bids**

Contracts made for purchases of more than \$5,000.00 and not exceeding \$25,000.00 shall be made after ample fair and open competition and receipt of bids, based upon bid documents and specifications prepared and submitted to potential providers using the City's preferred procurement tools. A public notice of bid opening shall not be required. The bid period shall be no less than (3) three business days or otherwise required by state law, from the first advertisement or longer if it is advantageous to South Jordan City, taking into account the overall size and complexity of the project, the project schedule and the current bidding climate.

### **3-03 Formal Competitive Bids**

Contracts made for purchases of goods or services or other items exceeding \$25,000.00 shall be made after fair and open competition and receipt of bids on the bid documents and specifications prepared and submitted to potential providers using the City's preferred procurement tools. The bid period shall be no less than (3) three business days or otherwise required by state law, from the first advertisement or longer if it is advantageous to South Jordan City, taking into account the overall size and complexity of

the project, the project schedule and the current bidding climate. Such bids shall be made based on the bid documents and specifications and shall be received in a sealed manner and not opened until the time established by the formal notice.

### **3-04 Bidding Methods**

Competitive bids exceeding \$5,000.00 may be made utilizing one of three methods:

- 1. Request for Bid (RFB)** - The bid documents and specifications are definite and specific. Awards shall be made to the potential provider offering the lowest cost who is responsive to the requirements of the bid documents, without material exception, and who is responsible and capable of providing the item(s) to be purchased. Evaluation and award are limited to cost, determination of compliance with the specifications and conditions specified in the bid documents, and the responsibility of the potential provider. Negotiations are not permitted.

This method does not permit comparison of the relative specifications of competing potential providers but only comparison to the specifications contained in the bid documents.

- 2. Request For Proposal (RFP)** - This method can be used whenever detailed specifications cannot be determined, whenever several possible methods may satisfy the City's requirements, or whenever the nature of the requirements is such that subjective evaluation of criteria other than cost is necessary or when the Purchasing Division or the City Manager, or the City Manager's designee has determined it is in the best interest of the City. This method can be utilized when definite specifications cannot be determined in advance, when a scope of work is required which makes comparison of competing proposals relative to each other appropriate, or when it is in the interest of the City to have a provider design and/or build the public improvement.

This method permits negotiations and discussion with competing providers to determine the best solution to the City's needs. Proposals may be revised or modified at the request of the City. Subjective criteria may be used in the evaluation of competing proposals. The relative value of evaluation criteria shall be clearly established in the RFP documents published by the City.

This method of procurement permits negotiations and discussions with competing providers after proposals are opened; therefore, no information taken from proposals received shall be disclosed to any competing provider. Award shall be made to the potential provider who is most responsive to the criteria established in the RFP documents.

- 3. Request for Qualifications (RFQ)** - Two-step Awards. When it is considered impractical to prepare initially a purchase description to support an award based

on price, a RFQ may be issued requesting the submission of un-priced offers and qualifications to be followed by a RFB limited to those potential providers whose offers have been qualified under the criteria set forth in the first solicitation.

### **3-05 Additional Bidding Guidelines**

The following additional bidding guidelines apply to all RFB's, RFP's, and RFQ's released by the City.

### **3-06 Receipt of Bids**

Bids or proposals shall not be accepted or received after the time set in the bid documents for receipt of proposals or bids.

### **3-07 Withdrawal of Bids**

Bids or proposals may be revised, modified, or withdrawn by the potential provider at any time prior to opening. Any such revision, modification, or withdrawal shall be in writing. After the bids are opened, they shall be irrevocable for the period specified in the bid documents. Correction or withdrawal of erroneous bids after opening, or cancellation of awards or contracts based on such bid mistakes, shall not be permitted except as authorized elsewhere in this Policy.

### **3-08 Relief Due to Computation Error**

Any potential provider who seeks to withdraw or modify a bid because of computational error shall notify the Purchasing Division no later than three (3) business days following the bid closing. The potential provider shall provide worksheets and such other information as may be appropriate or required by the City to substantiate the claim of inadvertent error. Failure to do so may bar such relief.

### **3-09 Tie Bids**

In the event two or more bids are equal in all evaluation criteria, the City in its sole discretion will make the award.

### **3-10 Non-Responsive or Unacceptable Bids**

The City may reject any bid or proposal which is materially non-responsive to the requirements set forth in the bid documents. The City may reject all responses to any RFB, RFP, or RFQ and re-solicit bids or proposals if bid responses received as a result of a solicitation for bids or proposals are not acceptable for any reason. Such re-solicitation shall not be for the purpose of directing the award to a particular provider.

### **3-11 Cancellation and Rejection of Bid and Proposals**

An RFB, RFP, or RFQ may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interest of the City in the reasonable discretion of the Purchasing Division, the Department Director or designee responsible for the purchase. The reason for the cancellation shall be made part of the procurement file.

### **3-12 Right to Disqualify**

After review of all bids, if all criteria have been met by the low provider as described herein the low provider will be selected. The City reserves the right to disqualify any provider or subcontractor of a provider as stated in this Policy. The City also reserves the right to review and consider all subcontractors individually when hired by a general contractor and consider their qualifications as outlined in this Policy. The City reserves the right to deny any or all bids with or without cause.

### **3-13 Determination of Non-responsive Potential Provider**

Written determination of non-responsibility of a potential provider shall be made in accordance with this section. The unreasonable failure of a potential provider to promptly supply information in connection with an inquiry with respect to reasonability may be grounds for a determination of non-response with respect to the potential provider's bid. Information furnished by a potential provider pursuant to this section shall not be disclosed to other potential providers without prior written consent by the potential provider. After reasonable notice to the person involved, the PM and the Purchasing Division may make recommendations to the City Manager to disqualify a person or company for cause from consideration for award of City contracts.

### **3-14 Ineligibility**

In addition to all other remedies permitted by law, the Mayor or the City Council may declare a potential provider ineligible to bid on City procurement and public services contracts for a period not to exceed (5) five years for any of the following grounds: two or more claims of computational errors in bid submission within a (2) two-year period; a not-reasonably-justified refusal to provide or execute contract documents; unsatisfactory performance of a contract; unjustified refusal to perform or complete contract work or warranty performance; unjustified failure to honor or observe contractual obligations or legal requirements pertaining to the contract; conviction under state or federal statutes for fraud, bribery; theft falsification or destruction of records; receiving stolen property or of any other similar crime or offense indicating a lack of business integrity and which would directly affect the reliability and credibility of performance of such a provider with future contracts with the City.

## **SECTION 4 BID EXCEPTIONS**

### **4-01 General Guidelines**

The competitive purchasing requirements of this Policy need not be followed in the following circumstances:

### **4-02 Grant, Gift, Bequest**

In complying with the terms and conditions of any grant, gift, or bequest to the City, or to one of the City's departments or subdivisions, committees, or a community organization which functions under City auspices if such action is approved by the City Manager in writing and is otherwise consistent with law the department buyer may procure without competitive bids.

### **4-03 Federal or State Funds**

When procurement involves the expenditure of Federal or State assistance funds, and to the extent that doing so requires that Federal or State Law be followed to the exclusion of City ordinances the department buyer may procure without competitive bids. In such cases, written documentation should be made to the Purchasing Division and the Director of Finance or designee.

### **4-04 Intergovernmental Purchasing**

The department buyer may procure, without competitive bids, supplies and services which are the subject of contracts with the State of Utah and set forth in Utah Statutes, or are the subject of contracts with the U.S. Federal General Services Administration, such, as, but not limited to WSCA, NASPO and NPP Contracts.

### **4-05 Cooperative Procurements**

The City may join with other units of Federal, State or local government, or with special districts, school districts, and such other similar agencies as the City Council or City Manager may by resolution or order direct, in purchasing commodities. In such cases the City is not required to follow a competitive bidding process where that would be required if the service, construction, or commodities were procured by the City alone. Notwithstanding the foregoing, purchases shall be made in accordance with applicable State Law.

#### **4-06 Emergency Procurements**

Notwithstanding other provisions of this Policy, procurements may be made in emergencies by the department buyer, a Department Director, or designee of either in instances in which the procurement could not reasonably have been made pursuant to this Policy, provided that procurements shall be made with as much competition as practical under the circumstance. Within (2) two business days after the procurement the Department Director shall provide a signed written statement to the Purchasing Division setting out in reasonable detail the procurement, the price, cause and basis for the emergency and why the procedures set out in this section were not followed. A copy of the statement shall be included in the procurement contract file. Failure to anticipate a need or situation(s) created by improper planning or negligence are not to be considered an emergency unless such failure creates a public health and or safety concern.

#### **4-07 Declared Emergency Procurements**

Under a declared local “state of emergency” the Mayor may temporarily suspend the Purchasing Policy for the first (72) seventy-two hours, or as determined necessary and in the best interest of the City to provide for emergency related response activities.

#### **4-08 Sole Source Procurements**

Sole source procurements are procurements of commodities, construction items or services available only from a single provider. The Assistant City Manager or City Manager will certify the sole source in writing to the Purchasing Division that there is only one source for the commodity or service. A notice containing the nature of the procurement may be posted using the City’s procurement tools that the City intends to award a contract without competition. The notice invites any companies who believe they can provide the goods and services to contact the Purchasing Division within the specified time.

#### **4-09 Compatibility, Parts, Training**

The department buyer may procure, without competitive bids, equipment and supplies which, by reason of the training of City personnel who service such equipment, or which is an addition to or for the repair or maintenance of equipment owned by the City which may be more efficiently added to, repaired or maintained by a certain brand, person or firm. In such cases, written documentation should be made to the Purchasing Division and the Director of Finance or designee.

#### **4-10 Additional or Replacement Parts**

The department buyer may procure, without competitive bids, equipment or parts which, due to an inventory of replacement parts maintained by the City being compatible only with existing equipment owned, leased or used by the City. In such cases, written documentation should be made to the Purchasing Division and the Director of Finance or designee.

#### **4-11 Professional Services**

Contracts for professional services reasonably expected to cost less than \$10,000.00 for the service specifically set out in the contract shall be awarded at the discretion of the Department Director, or a person designated by the Department Director. In such cases, written documentation should be made to the Purchasing Division and the Director of Finance or designee.

#### **4-12 City Council Determinations**

The City Council may authorize the procurement of commodities, and services without complying with the provisions of this Policy. A memo shall be placed in the file for the purchase setting out the reason for not following the purchasing provisions which otherwise would apply.

#### **4-13 Special Opportunity Purchases**

Where a substantial savings will be realized thereby in the purchase of commodities or non-professional services a department may avoid competitive bidding or the RFP requirements set out in this Policy, by the following streamlined procedures, provided other applicable provisions of this section are met before the purchase is made:

The department shall, in its reasonable discretion, obtain offers from competing sources in a manner most likely to meet the purpose of this section;

The appropriate cabinet member shall disclose the proposed purchase in a signed written memorandum to the City Manager, setting out in reasonable detail the reason the purchase is recommended, the reason normal purchasing procedures are not recommended, and the proposed savings, and what efforts have been made to obtain competitive offers; and

The City Manager agrees in a signed memorandum that the purchase is justified, and that the purposes of this Section will be met thereby. A copy of the signed memorandum shall be sent to the Purchasing Division.

**4-14 Commodities**

The procurement of commodities for resell are exempt from the competitive bid process.

**4-15 Insufficient Bids**

In the rare instance or occasion where there are insufficient responses to a RFB, RFQ or RFP the City Manager in consultation with the Purchasing Division may elect to re-release the RFB, RFP or RFQ, or bypass the competitive bidding process set out in this Policy.

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## **SECTION 5 MISCELLANEOUS PURCHASING POLICIES**

### **5-01 Performance and Bid Bonds**

Performance and bid bonds in such amounts as the PM along with the Purchasing Division determine are needed to protect the best interest of the City may be required. The nature, form and amount of such bonds shall be described in the RFB, RFP or RFQ documents.

### **5-02 Approval of Contract as to Form**

The approval of the City Manager in consultation with the City's legal office is required for all contracts. No contract shall be valid unless and until approved as to form by the City's legal office. The City's legal office may establish discretionary procedures by which contracts may be pre-approved as to form.

### **5-03 Personal Purchases**

Unauthorized personal procurements shall be considered cause for disciplinary action. City officers and employees may purchase goods or services for personal use from suppliers at discounted rates offered to the City where the supplier makes such goods or service available to all City Officials and employees on the same terms, provided the official or employee pays for such items from the official's or employee's own money, and provided that these purchases will not improperly influence the officials, employees or a City department in the discharge of their duties or in making purchases of commodities.

### **5-04 Right to Inspect Place of Business**

The City may, at reasonable times, inspect the part of the plant or place of business of a contractor, or any subcontractor that is related to the performance of any contract awarded to or to be awarded by the City.

### **5-05 Cost-Plus-Percentage-of-Cost Contract Prohibited**

Subject to the limitations of this section or other applicable law, any type of contract that will promote the best interests of the City may be used. Normally, a cost-plus-a-percentage-of-cost contract is prohibited, except where, a determination is made in writing by the department buyer, Purchasing Division, Department Director, or Cabinet Member and approved by the City Manager, that such a contract is likely to be less costly to the City than any other type, or that it is impracticable to obtain the commodities or construction required except under such a contract.

### **5-06 Participation by Provider who Supplies Specifications**

A provider who has prepared specifications or bid documents used by the City in determining from which potential provider it wishes to purchase commodities or services may participate in a bid or proposal procurement in the City only where the Purchasing Division determines in his or her reasonable discretion that such participation will be in the best interest of the City in light of the stated purpose of this section.

### **5-07 Collusion**

Any agreement or collusion among potential providers is deemed to be contrary to the best interest of the City. Any agreement to bid a fixed price, or other similar actions among prospective providers, shall render the response of such providers void.

### **5-08 Gratuities**

The acceptance of any gift, benefit or gratuity in the form of cash, merchandise or any other item of value by an official or employee of the City from a provider or potential provider, which would reasonably be expected to substantially influence the action of the official or employee in favor of the giver in future procurements or negotiations may be deemed to be a violation of this Policy and may be cause for removal or other disciplinary action as per Utah Code Annotated 63-G-6-1001 and 1002 as amended or other applicable State Laws.

### **5-09 Failure to Follow Policy**

The failure to follow any provisions of this Policy shall neither render procurement invalid, nor give a potential provider a claim or right against the City or the employee responsible for such failure. Disciplinary action for failure to follow this Policy shall follow the guidelines established in the City's Employee Handbook.

### **5-10 Period of Time for Contract of Supplies**

Unless otherwise provided by law, a contract for supplies or services may be entered into for any period of time deemed to be in the best interests of the City; provided that the term of the contract and conditions of renewal or expansion, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds.

### **5-11 Records**

Procurement records shall be maintained in accordance with the State of Utah's Municipal Retention Schedule for purchasing records.

## **5-12 Protests**

Any actual or potential provider who is aggrieved in connection with the solicitation or award of a contract of procurement may protest the procurement by filing a written statement with the City Recorder that will be forwarded to the Director of Finance or designee within (15) fifteen days of the procurement decision. The statement shall contain the following information:

1. The protesting party's name, address, and daytime telephone number, the signature of the protesting party or the attorney for the protesting party, and the date the protest statement was signed; and
2. The relief sought, supported by a statement of fact and the recitation of the reasons and the legal authority in support of the protest sufficient to permit review.

The City may proceed with the protested procurement except that the Director of Finance may suspend the procurement process for so long as he or she determines is appropriate. The Director of Finance may designate another individual to assist in reviewing the matter, which assistance may include finding facts, analyzing the protest, and making recommendations.

The Director of Finance or designee may request additional information from the protesting party or from other persons to make a determination. The protesting party shall provide all information reasonably needed to decide the protest except information which is protected from disclosure by law, or which could reasonably be expected to result in unfair, competitive injury to the protestor in spite of the protections for the protestor provided by law, including the Utah Government Records Access Management Act, Chapter 63 G-2, Utah Code Annotated as amended.

The Director of Finance or designee shall review and decide protests, and shall issue a written determination to the protesting party within (15) fifteen days of receipt of the protest. If the Director of Finance fails to issue a decision within (15) fifteen days after the receipt of the protest, said failure shall be considered in the equivalent of an order denying the appeal or defacto.

## **5-13 Notice of Appeal**

The protesting party may appeal the written decision of the Director of Finance by filing a written appeal with the City Recorder that will be forwarded on to the Assistant City Manager of Administrative Services or designee within (5) five days of receipt of the Director of Finance's decision or defacto denial. The notice of appeal shall contain the following information:

1. The petitioner's name, mailing address and day time telephone number,

the signature of the petitioner's or of the attorney for the petitioner, and date; and

2. The relief sought, a statement of facts, and recitation of the reasons and legal authority in support of the protest sufficient to permit review.

The Assistant City Manager or designee shall review and hear the appeal. No later than (5) five days after receiving a notice of appeal, the designated person shall schedule a hearing on the appeal. Unless otherwise agreed to by the City and the petitioner, the hearing shall be held no sooner than (5) five days and not later than (30) thirty days from the date of the filing of the appeal.

Any final action or order may be appealed by either the employee or the City to the Utah District Court by filing with that court a notice of appeal no later than 30 days from the date of the issuance of the final action or order of the board.

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## **SECTION 6 SURPLUS SUPPLIES & EQUIPMENT**

### **6-01 Definitions**

**Surplus Property** - any item acquired for operations or City purpose that is not needed, is no longer useful, or is no longer functional and cannot be repaired or improved in a cost-effective manner.

**Personal Property** - every kind of property that is not real property, it is moveable without damage to itself or the real estate.

**Real Property** - land and any permanent structures attached to it.

**Di Minimus Property** - personal property with an estimated current market value of \$200.00 or less.

**Current Market Value** - the current and most probable price an item should bring in a competitive and open market under all conditions requisite to a fair sale.

### **6-02 Regulations Governing the Surplus Process**

The Department Director shall identify surplus property within the control of or procurement by that department. The Department Director may also periodically review inventory levels of City supplies and equipment to determine whether there is excess property on hand. The Department Director shall identify the surplus property in a memo that contains a description of the item(s) and the estimated current market value. The City Purchasing Division shall sell or exchange it for other property, or otherwise dispose of it obtaining the highest and best return and to the best advantage of the City.

### **6-03 Monetary Regulations**

Surplus personal property with an estimated current market value over \$2,000.00 requires the Department Director to give written notice to the City Manager of the personal property to be sold, exchanged, or otherwise disposed of. The memo will include a description of the surplus personal property and the estimated current market value.

Surplus personal property with a current market value between \$200.00 and \$2,000.00 requires the Department Director to provide written notice to the Purchasing Division of the personal property to be sold, exchanged, or otherwise disposed of.

Surplus personal di minimus property with a current market value up to \$200.00 may be disposed of at the discretion of the Department Director.

Surplus real property, shall be disposed of as per South Jordan Municipal Code 1.32 as amended and applicable state law.

The Director of Finance or designee shall report in writing to the City Manager the result of any such sales, exchanges or other disposal of personal property pursuant to this section. The report to the City Manager shall describe the property disposed of and state the consideration received by the City for such property.

#### **6-04 Deposit of Funds**

All proceeds from the sale of surplus property will be deposited into a revenue account in the general fund. However, proceeds from the sale of property originally procured by the City from an enterprise fund shall be deposited into a revenue account within that fund unless otherwise determined by the City Manager or City Council.

#### **6-05 Gifts or Conveyance**

In addition to compliance with the other provisions of this section, every conveyance, gift, or encumbrance of inventoried City property shall be made by the City Manager, or under the City Manager's express written authority specifying what items are covered thereby.

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## **SECTION 7 CITY CREDIT CARDS**

### **7-01 General Guidelines**

The City's credit cards are intended for the following usage:

### **7-02 Unforeseen Circumstances**

- Quick, minor purchases in situations where obtaining a check is impractical; these situations should generally be unforeseen circumstances in which a quick purchase is necessary.
- Expenditures in any one or more transaction shall not exceed the cardholder authorized limit.

### **7-03 Authorized Travel & Training**

- Course, seminar, or other training approved by the supervisor.
- Authorized out of state travel where rental car is required or if hotel requires credit card for check out. Supervisor signature on travel application form temporarily authorizes employees to carry City credit card.

### **7-04 General Guidelines**

- Cabinet members are issued personalized credit cards and are authorized to carry the card with them. All other credit cards issued will be held and safely stored by a designated credit card custodian, for each Department and that employee will maintain a log and a receipt file to track usage. Employees will be required to produce a valid "Authorized to Purchase" City ID or signed travel application form to check out a credit card. Individual employees do not carry on their person city credit cards for every day use unless approved by the City Manager.
- Authorized employees may check out a credit card for use and must return the credit card at the earliest opportunity.
- All purchases require proper documentation and must be submitted with the card. It is the user's responsibility to obtain transaction receipts from the merchant each time the credit card is used.
- Credit Card custodians are responsible for coding each transaction to GL accounts, and submitting statements with backups to finance so timely payments are made and late fees and finance charges are avoided.
- All finance charges and late fees will be charged to departments incurring those charges. Any transaction without a receipt will not be honored and payment obligation will remain with the department and/or employee.
- Department Director or designee will monitor credit card usage monthly.
- Credit cards shall only be used by those given expressed authority by a cabinet member. Employees are still held to spending limits even though credit card limits may exceed authorized spending authority.

- South Jordan City is exempt from all federal excise and state sales and use taxes. Utah State's Sales Tax I.D. Number is 12253695-002-STC.

### **7-05 Credit Card Violations**

Violation of credit card use will lead to cancellation of card privileges and may be cause for disciplinary action. Credit card violations include but are not limited to:

- Purchase of items for personal use.
- Use of the credit card for cash advances.
- Under unforeseen circumstances, use of credit card for purchase of more than the users authorized spending limit by splitting purchases into more than one transaction.
- Failure to turn in packing slips, receipts or other back up documents to the custodian upon return of credit card for the purpose of establishing account reconciliation procedures.

### **7-06 Protecting the Credit Card**

- The credit card is valuable property which requires proper treatment by users to protect it from misuse by unauthorized parties.
- If the credit card is lost or stolen, contact the Bank immediately, and notify the finance department.

### **7-07 Contact Information**

#### **Zion's Bank Contact**

Local: 801-974-8847  
Outside: 1-888-294-7834  
After Hours: 1-800-556-5678

#### **US Bank Contact**

24 Hour 1-800-344-5696