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**PURCHASING PROCEDURES MANUAL  
CITY OF GEORGETOWN, KENTUCKY  
2012 REVISION**

**STATUTORY AUTHORITY**

Pursuant to Kentucky Revised Statutes, the Georgetown City Council has chosen not to adopt provisions of KRS 45A.345 through KRS 45A.460 as a local public agency.

**COMPETITION**

The purchasing policies for the City of Georgetown [the “City”] are based upon competitive purchasing procedures and are intended to provide open and fair competition to gain the best value for the taxpayers.

Competition is important at all levels of expenditures. All personnel must be aware and understand the need for and the value of competition in all purchasing activities.

These purchasing procedures are outlined to ensure that City purchases are made economically, within the requirements of local, state and federal laws, if applicable, and to allow our employees to provide service to our citizens in a timely manner.

The City is a public entity funded by public dollars and therefore we must provide anyone interested in obtaining our business a fair and open process to do so.

Laws and rules exist to maintain open and free competition in our purchases. Competition enables us to justify our expenditures.

**ETHICS**

It is imperative that all personnel involved in the purchasing activities for our City perform their duties in an ethical manner. These procedures are a mechanism to purchase but only our employees can make them work.

Employees must be fair and impartial in all aspects of purchasing. All contact with vendors must be open, honest and objective.

Favoritism in public purchasing is not acceptable. No matter one’s preferences, equivalent products or services must be given legitimate consideration. This is the only way to maintain a purchasing environment which fosters competition. Competition allows us to retain the best value for our citizens.

## **BIDDERS LIST APPLICATION AND PREQUALIFICATIONS**

- 1) Any person, firm or corporation desiring to receive written notice of procurement requirements of the City may make application to have his name placed on a bidders' list for the types or kinds of goods or services he wishes to supply or provide. The Mayor may specify the form to be used and the procedure to be followed by the prospective vendor to make application for inclusion on the bidders' list.
- 2) The Mayor may establish a program for vendor prequalification. To establish a program for vendor prequalification, the Mayor or administrative personnel so designated shall solicit from each prospective vendor sufficient information to permit evaluation of vendor's qualification in terms of:
  - a) The ability and capacity to perform on a timely basis under contract for goods or services he wishes to bid on and supply.
  - b) Good character, integrity, reputation and experience.
  - c) Satisfactory performance in prior dealings with the City.
  - d) Satisfactory performance in dealings with other local government units.
- 3) The Mayor may refuse to list any prospective vendor if that vendor does not meet the minimum requirements established for entry on a bidders' list. It is the responsibility of the vendor to show that he meets established qualifications for entry on the bidders' list to which he seeks to gain entry.
  - a) The prospective vendor will be promptly notified if his application is disapproved and the reason for disapproval shall be stated.
  - b) A prospective bidder may appeal the disapproval of his application to the Mayor. The appeal must be filed within two (2) weeks after the date of the notice of disapproval and must state the grounds for the appeal with reasonable particularity and must relate directly to the reason for disapproval of the application.
  - c) The Mayor may establish the time at which and the conditions under which a vendor whose application has been disapproved may reapply for placement on a bidder's list.
  - d) A bid may be accepted from a bidder who has not pre-qualified, provided that the bidder submits all information required by the Mayor to make a determination of the bidder's qualifications prior to award of the contract.

## **DEPARTMENTAL PURCHASING COORDINATOR**

The operation of the City's purchasing system depends to a great extent on certain employees within each department. These employees have been appointed as purchasing coordinators. There are currently several employees throughout the various City departments who have the authority to purchase goods and/or services for the City within the guidelines set forth in this procedural manual. These persons are responsible for coordinating the purchasing activities and ensuring compliance of the purchasing regulations for their respective departments.

### **Responsibilities of the Purchasing Coordinator:**

- 1) Creating requisitions in a timely manner prior to making an order to a vendor.
- 2) Ensuring that requisitions are accurate and complete. This involves using City established price contracts or state price contracts when available, providing quotes when required, or any other pertinent information required in order for the Finance Director to review the request for approval or not.
- 3) The budget should be checked to ensure funds are available before submitting requisitions into workflow paths that have been established based on department requirements.
- 4) To fully inform the Finance Director of any problems with vendor performance, including but not limited to timing of the problem and all pertinent circumstances related to the problem. All information related to vendor performance issues must be well documented chronologically and should be stored in a database available to all City departments to ensure that vendors not providing appropriate services to one department are not allowed to gain additional work from other departments. Taxpayer dollars shall be spent in the most responsible manner by our employees.
- 5) The purchasing coordinator shall research thoroughly any bid, request for proposal, quote or sole source procurement and develop a comprehensive specification for a procurement or provide justification for a sole source procurement. Specification drafting should take into consideration the good or service that is needed by the City and the perspective of the potential vendors.
- 6) The purchasing coordinator shall facilitate the process and assist with all necessary documentation for bid or RFP awards from the department head to the Finance Director.

## **PURCHASING PROCEDURES**

Purchases are made using one of the following methods:

1. Purchase Requisition
2. Procurement Credit Card
3. Petty Cash

### **Purchase Requisition & Purchase Order**

The purchase requisition to payment process is outlined below:

- 1) Purchase requisitions are completed and submitted to request goods or services. All purchase requisitions are generated manually by the department employee authorized to make a purchase. A purchase requisition appropriately funded, approved, and using the proper purchasing procedures outlined in this manual will result in the generation of a City purchase order.

- 2) When a completed purchase requisition is transmitted to the Finance Director, the Finance Director will review and either approve or reject the purchase requisition for assignment of a purchase order. If the purchase request is rejected, it will be returned to the requesting employee with the reason for the rejection.
- 3) An approved purchase order is signed by the Finance Director and the Mayor and issued to the vendor. The purchase order is a legal document that represents the City's firm order for the items listed and a commitment to pay the prices shown. It does not guarantee that the quantities or the total dollar amount on the purchase order will be used if circumstances arise prior to accepting delivery that may require the cancellation of the order based upon economic circumstances or other conditions.
- 4) When all goods ordered have been received, the purchasing employee shall send notification to the Finance Specialist that the items have been delivered and can be paid within the payment terms established by the City Finance Director. The only exception is if the item(s) are incorrect or defective. In that situation, receiving and notification should not be completed until the order is filled correctly. *Receiving and notification should not be delayed until an invoice is received. The purchase order directs the vendor to mail invoices to the Finance Specialist – City Hall, 100 N Court St. Failure to submit a receipt immediately can delay payment.*

### **Blanket Purchase Orders**

The City requires certain goods and services that are frequently purchased be purchased from the same vendor. Construction contracts and many professional services contracts require that periodic payments be made before the work is completed. The blanket purchase order procedure was developed to reduce the number of purchase orders issued in these circumstances. Annual expenditures to the same vendor cannot exceed the bid limit.

### **Department Approval**

All requisitions \$0 - \$5,000 and \$5,000 - \$10,000 require approval from the department head and the Finance Director. All purchases \$5,000 - \$10,000 require approval from the department head, Finance Director and the Mayor. All purchases over \$10,000 require all approvals listed above as well as City Council approval by municipal order.

### **Procurement Cards**

- 1) Procurement of lower cost, non-asset items can be purchased with the use of a procurement card/credit card by approved departments. The charges will be submitted electronically from the bank directly to the Finance Department.
- 2) Although the procurement card is managed by the City employee holding the procurement card, the disbursement of funds for settlement of valid claims is the responsibility of the Finance Director; therefore, use of the card must be in accordance with purchasing regulations as well as the internal controls and audit standards set forth by the Finance Director related to accounting and payments. Applications requesting a procurement card must be approved by the requesting employee's Department Head and the Finance Director. Upon approval, the Finance Director will schedule a training session for the applicant. After recipients are trained,

they must sign a user agreement which spells out the responsibilities of each cardholder.

- 3) There are dollar amount limits based on the types of purchases needed for the department, but not a number of transactions limit. The Finance Director will establish the dollar limit assigned to each card. There will also be limits on the types of merchants and the types of purchases. For example, convenience stores/quick marts will not be authorized merchants and purchases at those locations will be denied at the point of purchase.
- 4) The cardholder will reconcile all purchases and maintain a log of all card purchases with the date, vendor name, description of purchased items and the amount. This log will be audited annually by the Finance Director or his or her designee. It is the responsibility of the cardholder and Department Head to confirm the availability of budgeted funds and to deduct the amount from the Department budget immediately.

### **Petty Cash**

- 1) Petty cash may only be used if a petty cash fund exists, the purchase is for \$25.00 or less, and the vendor does not accept purchase orders or procurement cards.
- 2) Do not pay sales tax on petty cash purchases. Use the City of Georgetown tax exempt number.
- 3) Obtain a receipt for each purchase and sign and date the petty cash log form.
- 4) The fund shall be reimbursed regularly by sending receipts to the Finance Director for review and reimbursement.

### **Pricing Contracts**

- 1) A pricing contract is an agreement by a vendor to sell specified goods or services to the City at set prices for a period of time. A pricing contract is established through competitive bids. Any purchase made from a pricing contract meets legal requirements for competitive bidding. Anytime a City employee develops bid specifications for a good or service that may be used by other City departments input should be gained from the other departments related to its needs and estimated quantities. This method gives the City the best prices based upon economies of scale rather than individual purchases made by departments in lesser quantities and usually at much higher prices. The price contracts should be established with a 30 day termination clause, an extension clause with any possible price increase or decrease clauses for the contract term. These contracts should be honored unless the market conditions continually show that prices established by the price contract are higher than market. If this occurs all departments participating in the use of the contract should discuss with the vendor a price reduction. In the absence of a price reduction, the City shall consider terminating the contract and revising the specifications if necessary and bidding the contract again.
- 2) Kentucky law permits local governments to purchase from state procurement contracts that are established for "All State Agencies." The web site for contract listings is <http://opendoor.ky.gov>. Federal GSA contracts are not accepted in lieu of a competitive bid process due to the fact that these contracts are negotiated and not competitively bid.



- 3) It is the City's policy to purchase goods and services from procurement contracts whenever possible unless changes in market conditions would generate a substantial savings to City taxpayers by issuing a new bid for the goods or services provided time permits this process. In this case, the existing contract should be terminated and a new bid issued for the goods or services.

### **Cooperative Purchasing**

City employees should evaluate using cooperative purchasing arrangements with other public entities to obtain better pricing on commonly purchased goods.

### **Pricing Contract Procedures**

- 1) Verify the availability of the items requested, review the listings of contracts and/or items in the City shared contract database which can be found online in a City network drive established by the Finance Director.
- 2) If using a state contract, contact the listed vendor for availability and pricing of the goods or services to be purchased. When using a state contract, the state contract ID must be referenced on the purchase requisition. In addition, a copy of the proposed state contract should be maintained in the purchasing file and attached to the request for the good or service being purchased from the contract.
- 3) If the City pricing contract has expired, contact the Finance Director or the initiating department to obtain information concerning the status of the renewal or a new contract *prior* to any commitment for a purchase.
- 4) If the City has established a contract, that contract vendor must be used as long as the good or service is available from that vendor. If the contract vendor cannot provide the good or services needed, locate an alternate source of supply and complete the request and include the following:
  - a) Contract Vendor
  - b) Out-of-Stock Item
  - c) Date of Stock-Out

All appropriate purchasing dollar threshold requirements should be followed according to the procedures set forth in this manual if a price contract cannot be used due to unavailability of a good or service.

### **MULTIPLE AND PARTIAL CONTRACTS**

- 1) Multiple contracts may be awarded on the basis of a single invitation for bids or after competitive negotiation for bids or when it is determined in writing by the Department Head, in advance of the invitation for bids or the advertisement and solicitation for proposals for competitive negotiations that the award of multiple contracts is in the best interest of the City provided its needs are met at a reasonable cost. A determination and notice to potential offerors that multiple contracts may be awarded for any procurement shall not preclude the award of a single contract for such procurement.

- 2) When it is determined after evaluation of competitive bids or the close of competitive negotiation, that acceptable bids or offers have been received for only part(s) of the requirements of the procurement:
  - a) A contract may be awarded for the part(s) of the procurement for which acceptable bids or offers have been received, or
  - b) All bids or offers may be rejected and a new invitation for bids or requests for proposals based on the same or revised terms, conditions, and specifications may be issued; or
  - c) All bids found unacceptable for part(s) of the procurement may be rejected and an invitation for bids or request for proposals, based on the same or revised terms, conditions and specifications for the part(s) of the procurement for which no acceptable bids were received may be issued.

## **PURCHASING POLICIES**

The City has four (4) purchasing procedures in place to ensure that our policies are in compliance with state law and that we are maximizing competition and receiving the best value. The correct procedure to use for a specific purchase depends on both the nature of the purchase and the amount to be spent.

### **Purchasing Thresholds Commodities and Services**

- Small Purchase from Best Source Available or Contract - \$0 - \$1,000
- Informal Quotations - \$1,001 - \$5,000
- Formal Written Quotes - \$5,001 - \$9,999
- Formal Bid - \$10,000 and above

### **Small Purchases (for purchases \$0 to \$1000)**

Small purchases should be made from existing City contract or state contracts where available. If contracts are not available, purchases should be made from the best source available based upon cost, availability, and location of the vendor.

### **Informal Quotations (for purchases \$1,001 to \$5,000)**

- 1) It is a policy of the City to achieve the highest level of practical competition in all of our purchases. Certain requirements for informal quotations have been established to assure maximum practicable competition.
- 2) Informal quotations differ from competitive bids (see next section) in the following ways:
  - a) Quotations do not require formal specifications.
  - b) Quotations do not require public advertising.
  - c) Quotations do not require Council action to complete the proposed purchase.
  - d) Quotations may be obtained much more quickly than competitive bids.

- 3) Informal quotation requirements apply to purchases for amounts between \$1,001 and \$5,000. Purchases that are not purchased from a procurement contract may be made only after quotations have been received from three (3) or more vendors by telephone or in person.

### **Procedures for Informal Quotations**

- 1) Requesting department should research the availability to purchase the good or service from an existing City or state price contract.
- 2) Requesting department should determine if the good or service is a one time or recurring purchase.
- 3) If a one time purchase, the requesting department is required to contact three (3) or more vendors from the appropriate vendor pool for the good or service.
- 4) Identify yourself as a City employee and the department you represent when requesting a quote.
- 5) Give each vendor identical information and description of requirements. Do not use a price quoted by vendor to bargain with other vendors this is considered unethical in public entity purchasing.
- 6) Make note of and attach the following information to the purchase request and maintain the information in your purchasing records.
  - a) Vendor name
  - b) Name of person giving quotation
  - c) Price
  - d) Other relevant information
- 7) The Finance Director may request additional quotes for some purchases.
- 8) All vendors have the right to request the final information used to determine which vendor the purchase request was issued to. This is public record and should be made available to the vendors that pricing was solicited from upon their request. This exemplifies an open and transparent bidding environment that fosters competition which helps obtain the best available pricing for our citizens.
- 9) If recurring purchase will exceed the statutory limit of \$10,000 in any one fiscal year, the requesting department must develop bid specifications and follow the formal quotation or bid process outlined below.
- 10) The City is subject to the Open Records Act in KRS 61.870 to 61.884.

### **Formal Quotations (for purchases \$5,001 to \$9,999)**

- 1) Purchases for amounts between \$5,001 and \$9,999 may be made only after written quotations have been received by the requesting department using the formal quotation process and a written request sent to the Finance Director.

- 2) This requirement may be waived when one or more of the following conditions exist. (Note: Any waiver of this requirement must be submitted for approval to the Finance Director, with written justification for the requested waiver, prior to submitting a requisition for the good or service.)
  - a) Time does not permit quotations to be obtained.
  - b) Only one (1) vendor can reasonably supply the item or service.
  - c) Other conditions exist which make obtaining quotations impossible.

### **Procedures for Formal Quotations**

- 1) The departmental purchasing coordinator should follow the procedures below as required before transmitting the purchase requisition to Finance Director.
- 2) The purchasing coordinator shall:
  - a) Research the availability to purchase the good or service from an existing local or state price contract.
  - b) Determine if the good or service is a one time or recurring purchase.
  - c) If a one time purchase, the requesting department shall develop a written description of the service or good requested into a specification to be used for the formal quotation.
  - d) Clearly define in the specifications if it will be lowest quote or best value quote. If best value quote the evaluation criteria and the weighting must be clearly defined in the specifications.
  - e) Provide the name of a contact person within the requesting department if site inspection is required or vendors have questions.
  - f) If vendors ask questions, it is imperative that questions and answers are documented and provided to **all** vendors that are involved in the process. It is unethical to provide information only to the vendor that asked the question. Any information not issued by a formal addendum to vendors would not be binding in the process.
  - g) Establish a list of vendors to be contacted for quotes (optional).
  - h) Prepare quotation template and submit to Finance Director for approval.
  - i) Mail Quotations to established vendor list with a deadline date and time for submittal just like a formal bid process.
  - j) Set time and date for opening of quotations and submit to the City Clerk. (Generally 7 - 14 days.)
  - k) Solicit quotations from vendors by distributing packets online (if available). If not, packets should be delivered using regular mail.
  - l) City Clerk will open quotations and tabulate the pricing for public distribution.
  - m) Submit a purchase requisition.
  - n) Issue purchase order to the vendor who submitted the lowest quote or the best value quote.

### **Competitive Bids (for purchases \$10,000 and above)**

KRS 424.260: "Except where a statute specifically fixes a larger sum as the minimum for a requirement for advertisement for bids, no city, county or district, or board or commissioner of a city or county may make a contract, lease or other agreement for materials, supplies or equipment, or for contractual services other than professional, involving an expenditure of more than ten thousand dollars (\$10,000) without first making newspaper advertisement for bids. Provided, however, that this requirement shall not apply in an emergency if the Chief Executive Officer (Mayor) of such city, county or district has duly certified that an emergency exists, and has filed a copy of such certificate with the Chief Financial Officer (Finance Director) of such city, county or district."

- 1) The final decision as to whether a purchase must be made by competitive sealed bid shall be made by the Director of Finance.
- 2) Additional requirements for the purchase of any item or class of items may be established by Director of Finance and/or the Mayor. If such requirements are adopted by the City Council, they become part of the purchasing procedures going forward.
- 3) The competitive bid process is a lengthy one. It is essential that adequate lead time is permitted to complete the process.
- 4) Award of a bid may be based on one of two conditions:
  - a) The bid may be awarded to the bidder who submits the lowest bid that meets requirements.
  - b) The bid may be awarded to the bidder who submits the lowest evaluated bid that provides the best value to the City.
- 5) If the lowest evaluated bid standard is used, the factors to be evaluated and the method of evaluation must be stated in the invitation for bids.
- 6) All purchases for more than \$10,000, except for those items or services specifically exempted, are required by law to be purchased by competitive sealed bids. This procedure involves public advertising of the invitation for bids, submission of sealed offers by vendors and acceptance of one offer or multiple awards if set forth in the bid specifications by the City. All City pricing contracts are established by competitive bids; therefore, any purchase made from a City pricing contract is a result of the competitive bid process.
- 7) The following kinds of purchases may be exempt from the competitive bidding requirement:
  - a) Purchase of services from a public utility company franchised by the City.
  - b) Purchase of services from a non-profit agency.
  - c) Purchase of services from licensed professionals (architects, engineers, CPAs, etc.).
  - d) Purchase of services from craftsmen or tradesmen, provided that they provide only labor and tools and that the City supplies materials.
  - e) Purchase of real property (land and buildings).

- f) Purchase of goods or services from a unit of the federal government, a state government or a local government.
- g) Purchase of goods or services from a City or a Commonwealth of Kentucky "All State Agencies" procurement contract.
- h) Purchase of perishable meat, fish and vegetables.
- i) Purchase of goods or services under a condition of emergency declared by the Mayor of the City.

Nevertheless, the City of Georgetown may elect to bid any of these items.

The use of competitive techniques other than sealed bids may be required for certain of these categories if required by state or federal grants. The Finance Director may determine that the use of alternate competitive techniques best serves the interest of the City. Any applicable state or federal requirements for a particular bid process (e.g. state or federal funds involved)

*Procedures for Formal Bids*

- 1) Requesting department drafts technical specifications to be used for the bidding process, consultants or other departmental employees may be used to assist with this process.
- 2) The specifications should be reviewed by the Finance Department.
- 3) The requesting department establishes the date and time for opening bids.
- 4) City Clerk places legal notice (advertisement) in local newspaper and on City website.
- 5) Requesting department submits list of proposed vendors to the City Clerk who distributes bid documents. (This function may be performed by a consultant hired by the City to coordinate a specific construction project.)
- 6) City Clerk receives and opens bid at the appropriate date and time and transfers the bid documents to the requesting department.
- 7) Requesting department transmits recommendation for bid acceptance, incorporating the accepted response, to Finance Director who assumes that sufficient funds are budgeted for the purchase.
- 8) Finance Director in conjunction with the City Attorney transmits recommended bid to the Georgetown City Council for approval.
- 9) City Clerk submits municipal order for bid acceptance and departmental memo to City Council and places on docket for Council action.
- 10) Georgetown City Council gives bid acceptance by municipal order.
- 11) The department issues a purchase request for the good or service and Finance Director issues purchase order and contract if required.

### *Clarification for Specifications*

- 1) The most important element in the competitive bid process is the development of specifications. Specifications are a description of requirements that must be met for the goods or services to be purchased. There are several different types of specifications:
  - a) Design Specifications - describe precisely how something is to be built. Construction specifications are almost always design specifications.
  - b) Performance Specifications - establish requirements for evaluating how well a service or good performs.
  - c) A combination of design and performance specifications.
  - d) Brand Name or Equivalent Specifications may be used, but burden or proof to establish equality is on the vendor. The vendor must provide enough information to prove that the product bid is equal.
  - e) Specifications must clearly define that the award will be based on either a) the lowest bid or b) the best value bid with evaluation factors clearly stated and weighted in the invitation to bid.
- 2) Contracts should be included in specifications if they are available. As necessary, pre-bid meetings will be coordinated with the City Clerk to clarify specifications and answer vendor questions. Only the Finance Director and the City Clerk are authorized to receive and respond to inquiries concerning bid clarifications from vendors. All clarifications must be made available to all vendors in writing by issuing an addendum to all vendors who request notice and by publication on the City website.
- 3) Specifications establish the level of quality required for the goods or services to be purchased. While specifications must be drafted to assure that the items purchased will conform to the level of quality required, care must be taken to assure that the specifications do not unduly restrict competition. Unjustifiably restrictive elements in specifications are unacceptable. Specifications should always allow for minor exceptions to the bid specifications which may be waived if they are immaterial or in the best interest of the City. All documents should clearly state the City reserves the right to reject any and all responses for fiscal or technical reasons.
- 4) Specifications may be modified to conform to a standard format. Other changes may be suggested by the Finance Director.

### *Advertisements*

- 1) All sealed bids shall be advertised not less than seven (7) not more than twenty-one (21) days prior to the date set for opening of bids. The date the advertisement appears shall not be counted as advertising time.
- 2) Advertisements shall be entered in the Legal Notices section of the newspaper with the largest circulation within the jurisdictional area of the City. All advertisements shall be headed by "City of Georgetown."

- 3) Advertisement for bids may be placed in other publications when, in the judgment of the requesting department, such advertisement would be best to secure the interests of the City. Bids will also be posted on the City website.
- 4) If it is determined during the advertising period that additional time should be allowed for the preparation of bids, the bid opening date may be extended by placing a legal notice, specifying the revised bid date in the local newspaper with the largest circulation, and by posting on the City website. The revised bid opening date shall be no less than seven (7) not more than twenty-one (21) days after the appearance of the legal notice.
- 5) If it is determined to be in the best interest of the City to advertise the bid for more than twenty-one (21) days, a second advertisement, identical to the first advertisement, shall be entered in the Legal Notices section of the newspaper with the largest circulation on the twenty first (21<sup>st</sup>) day after initial advertisement. The original date the advertisement appears shall not be counted as advertising time.

#### *Bid Extensions*

Extensions of bid opening date may be permitted when:

- 1) Changes are made in the bid specifications after the advertisement.
- 2) One or more bidders notify the Finance Director of discrepancies, errors, or areas requiring clarification in the bid specifications. An addendum cannot be issued within three (3) days of the bid opening.
- 3) When specifications require design work on the part of the bidders and completion of the bid preparation prior to the bid deadline is impossible.
- 4) Other reasons as may be determined by the Mayor, after recommendation of the Finance Director.

#### *Rescinding of Bid Invitation*

An invitation for bids may be rescinded when:

- 1) Conditions change within the City to make the proposed purchase unnecessary.
- 2) Funds for the purchase become unavailable.
- 3) It becomes apparent that the item or service is currently unavailable, the bid price will apparently exceed available funds, or major revisions in the specifications are necessary to ensure that responsive and responsible bids are received.

#### *Withdrawal of Bids*

- 1) No bid, once submitted, may be withdrawn unless:
  - a) Bids have not been opened and a written request is received by the Mayor from a bidder for withdrawal of bid before the time set for date opening.
  - b) An error has been made that is obvious in the request for bid.



- c) The bidder can demonstrate from worksheets or other documents than an error has been made in preparation of the submitted bid documents.
- 2) Any bid withdrawn except under the circumstances set forth here in shall require forfeiture of bid security.

#### *Opening Time for Bids*

- 1) An opening time for each bid shall be stated in the advertisement and invitation for bids.
- 2) The time set for receipt of bids shall be established by a clock in the Office of the City Clerk. It shall be the bidder's responsibility to ensure that his/her bid is in the office before the time set for receipt of bids.
- 3) The City Clerk shall, at the time set for opening bids, publicly open all bids submitted. If the structure of the invitation for bids permits, all bids submitted shall be read aloud.
- 4) Bids shall not be examined, inspected or reviewed by persons present at the opening until all bids have been opened.
- 5) The City Clerk shall prepare a tabulation of all bids received. The tabulation shall be made available to the public upon request.
- 6) The City Clerk will return unopened to the bidder all bids that arrive after the published opening date and time. Late bids cannot be accepted after the opening time has passed.

#### *Evaluation and Awards*

- 1) After the bids are opened and tabulated, the City Clerk shall forward copies of all bids received to the requesting department.
- 2) The requesting department shall review all bids for compliance with specifications, terms and conditions. The requesting department shall submit recommendation for acceptance or rejection of a bid through the Finance Director.
- 3) The Finance Director or City Clerk shall request written clarification on any submitted bid. Any bidder who fails to provide such written clarification when requested shall not be considered for award. The written clarification of a bid shall be incorporated in and become part of any contract awarded on the basis of that bid.
- 4) Alternate bids will be considered for award only if the invitation of bids specifically requests that alternates be submitted and establishes conditions under which alternate bids will be considered for bid.
- 5) After reasonable evaluation, a contract shall be awarded to the responsive and qualified bidder whose bid is either the lowest bid price or the best evaluated bid price, as designated in the invitation for bids as the basis for award of the contract.
- 6) Before any official award is made, the recommended award shall require approval of the City Council.

### *Rejection of Bids*

The Mayor and/or Department Head can recommend rejection to the Finance Director of any or all bids and to waive informalities and minor irregularities in the bids. Grounds for rejection include, but shall not be limited to:

- 1) Failure of a bid to conform to the essential requirements of an invitation for bids.
- 2) Failure to conform to specifications contained in or referred to in any invitation for bids unless the invitation authorized submission of alternate bids and the alternate proposal meets the requirements specified in the invitation for bids.
- 3) Failure to conform to a delivery schedule established in the invitation for bids.
- 4) Imposition of conditions which would modify the terms and conditions of the invitation for bids, or which would limit the bidder's liability to the City under terms of the contract awarded on the basis of such invitation for bids.
- 5) Failure of a bid to be reasonable in price.
- 6) Failure of a bid to be responsible or responsive.
- 7) Failure to furnish a bid guarantee which such a guarantee is required by an invitation for bid.
- 8) Prior past performance on previous City contracts.

### **Contract Modification and Termination**

- 1) The Department Head shall be authorized to provide, by appropriate clauses to contracts for supplies or services of all types for changes and modifications to such contracts and providing for the method or methods of calculating the contract price resulting from such changes or modifications. **These changes are subject to the limitations for change orders outlined in a later section of this Manual.**
- 2) Increase in unit price shall not be permitted in such contracts for increased quantities except as provided by a price escalation formula authorized by the invitation for bids or requests for proposals for competitive negotiations.
- 3) All changes or modifications to contracts for the purchase of commodities, supplies, equipment and construction services shall be effected by an advice of change in order to the contract which shall be supported by a written determination documenting the reason and basis for the change or modification to the contract.
- 4) A copy of the change in order and the supporting documentation relative to any change or modification to a contract shall be filed and maintained in the contract file.
- 5) Every contractor to whom a contract containing clauses authorizing changes or modifications to the contract shall be deemed by acceptance of the contract to have agreed to the changes or modifications of the contract as provided therein.
- 6) Any contractor who is determined in writing by the Department Head to be in breach of any of the terms and conditions of a contract, at the discretion of the Department Head, may be declared in default and such contract may be terminated for any of the following:

- a) Failure to perform the contract according to its terms conditions and specifications.
  - b) Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract.
  - c) Late payment or non-payment of bills for labor, materials, supplies or equipment furnished in connection with a contract for construction services as evidenced by a mechanic's lien(s) filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors.
  - d) Failure to diligently prosecute the work under a contract for construction service.
  - e) The City shall not be liable for any further payment to a contractor under a contract terminated for the contractor's default after the date of such default except for commodities, supplies, equipment or services delivered and accepted on or before the date of the default and for which payment had not been made as of the date.
  - f) The contractor and/or his surety, if a performance bond or payment bond has been required under the contract, shall be jointly and severally liable to the City for all losses, costs or damages sustained as a result of the contractor's default.
- 7) A contractor's surety's liability shall not exceed the final sum specified in the contractor's bond.
  - 8) The City shall be authorized to terminate for its own convenience all contracts for the procurement of supplies and services when the Department Head determines in writing that such termination will be in the best interest of the City.
  - 9) When it has been determined that a contract should be terminated for convenience of the City, the Mayor is authorized to negotiate a settlement with the contractor according to terms deemed just and equitable, after approval by the City Council.
  - 10) Compensation to a contractor for lost profits on a contract terminated for convenience of the City shall not exceed an amount proportionate to the sum that the contractor's total expected margin of profit on the contract bore to the contract price, based on the total out-of-pocket expenses incurred by the contractor as of the date of termination of the contract. The contractor shall have the burden of establishing the amount of compensation to which he believes himself to be entitled by the submission of complete and accurate cost data employed in submitting his bid or proposal for the contract, and evidence of expenses paid or incurred in performance of the contract from the date of award through the date of termination.

## **SURETIES AND BONDS**

- 1) Each bidder responding to invitations for bids for construction contracts estimated to exceed \$10,000.00 or to other invitations for bids wherein bid security is required shall submit required security with his bid.

- a) Bidder's security shall be in the form of a bond, executed by a surety company authorized to do business in the Commonwealth of Kentucky, or the equivalent in cash in a form acceptable to the City.
  - b) Bidder's security shall be in an amount equal to at least five (5) percent of the amount of the bid. The City may require that bidder's security be furnished in an amount greater than five (5) percent of the amount of the bid.
- 2) Every contractor to whom it is proposed to award a contract for construction services costing more than \$10,000.00 shall, prior to the award of such contract give a bond or bonds to the City as obligee, in a form satisfactory to the City and executed by a surety company authority to do business in the Commonwealth of Kentucky.
  - 3) Bond or bonds shall be in a penal sum equal to 100 percent of the contract price, as it may be increased, and shall bind the contractor, as principal, and the surety to the performance of the contract according to the terms, conditions and specifications thereto, and to the payment of all costs for labor, materials, equipment, supplies, taxes and other proper charges incurred or to be incurred in the performance of the contract.
  - 4) Every contractor to whom it is proposed to award a contract for the purchase of commodities, supplies, equipment or services shall, when required by the terms of an invitation for bids, request for proposals, give bond with surety satisfactory to the City in a penal amount not to exceed 100 percent of the contract price. The actual amount of the bond required will be that determined by the Department Head as sufficient to assure faithful performance of the contract by the contractor according to its terms.
  - 5) A contract shall not be awarded to any contractor who fails or refuses to give bond when required as provided by KRS 45A.435 and this regulation.
  - 6) All bonds required by these regulations shall be in such form as directed by or acceptable to the Department Head.

## **PROFESSIONAL SERVICES**

- 1) As used in these regulations "Personal/Professional Services" shall mean services whereby an individual, firm, partnership or corporation is to provide the City certain services requiring professional skill or judgment. The City will only procure Personal/Professional Services if City personnel are not available or if it is not feasible for City personnel to perform the service. The Finance Director shall determine whether any City personnel (regardless of Department) can reasonably provide the needed service prior to initiating the Personal/Professional Service procurement procedure provided for herein. If a dispute exists as to the necessity of acquiring the services from outside the City, the decision to proceed will be made by the Mayor.
- 2) The retention of Personal/Professional Services pursuant to these regulations will not be used if as a result of the procurement there would be established an employee/ employer relationship between the City and the service provider or its employees or agents. An employee/employer relationship exists when the City has the right to direct and control the worker in the way he works, both as to the final results and as to the details of when, where and how the work is done. The acquisition of

commodities or biddable services may not be undertaken through the “Personal/Professional Services” process provided herein.

- 3) Professional services are services provided by a person or firm licensed by the state or by an organization approved by the state to provide those services. Professional services include services provided by doctors, lawyers, architects, engineers, planners and Certified Public Accountants.
- 4) Purchase of professional services differs from the purchase of goods and other services in several ways:
- 5) For professional services, the following applies:
  - a) Purchase of professional services is exempt from the competitive bidding requirement; however, other forms of competition shall be used.
  - b) Purchase of professional services usually requires a written contract along with a purchase order.
  - c) Purchase of a professional service normally requires a selection group.
  - d) Purchase of professional services usually involves some form of negotiation.

### **Procedures for Professional Services**

Note: Only the Mayor is authorized to sign written contracts on behalf of the City of Georgetown.

The provisions of these regulations shall not apply to any purchase constituting an emergency within the meaning of KRS 424.260. It is not the intent of these regulations to eliminate the ability of the City to advertise, as appropriate and in accordance with any applicable publication laws, any announcement soliciting general letters of interest from those parties who may be qualified to perform various Personal/Professional Services on behalf of the City. These regulations shall not limit the City’s ability to pursue the acquisition of Personal/Professional Services pursuant to state law, in which instances the City may elect to follow those provisions in lieu of these regulations, or modify these regulations as necessary to accommodate the process and procedure provided pursuant to the law.

### **Procurement of Personal/Professional Services of \$10,000 or more**

- 1) The procurement of project specific architectural and engineering services may be undertaken either through the Qualifications Based Selection (QBS) Process or the RFP process depending on the funding source for the project.
- 2) All departments requiring Personal/Professional Services must submit a written request form to the Finance Director. The request should be submitted well in advance of the need for the services as the procurement process for Personal/Professional services typically requires considerable time to complete. In most instances the entire process takes at least 60-90 days.
  - a) The request must be signed by the appropriate Department Head or Mayor and include a description of the services desired, the estimated amount of work involved, the estimated cost per fiscal year, and the appropriate contact person who is able to answer any questions or provide any additional information .

- b) Requests for legal services, auditing services, computer services, or other area of expertise for which the City has professional employees on staff will be submitted by the Finance Director to the appropriate department for a determination as to whether the services can or should be performed by City personnel.
- 3) The Finance Director will review the request form and any additional information submitted to determine whether to proceed with procuring the services.
- 4) If the decision is made to proceed with procurement, the Finance Director will work with the requesting department and any other necessary City personnel to develop the appropriate Request for Proposal ("RFP") and any other necessary documents, including an agreement for services developed by the City Attorney.
- 5) The City Clerk will issue an RFP to solicit proposals for the services required. Each RFP shall at a minimum describe the services required, list the type of information and data required of each offeror, and state the evaluation factors or criteria.
- 6) The City Clerk will distribute the RFP, giving adequate (and any legally required) public notice of the need for services, which may include newspaper advertising and other means when available such as placing a notice on the City's website. The notice will contain, at a minimum, a brief description of services requested, estimated amount of work involved, and the name of the person to contact in order to obtain additional information and a copy of the RFP.
- 7) Upon receipt of the responses to the RFP, the Department Head, the Finance Director and the City Attorney may conduct discussions with any offeror submitting a proposal to determine the offeror's qualifications for further consideration but such discussions shall not disclose information derived from another offeror's proposal. If discussions are conducted with offerors for purposes other than to secure qualification information, the same discussions must be conducted with all offerors.
- 8) The Finance Director and the Department head will appoint a proposal evaluation group comprised of the Finance Director, Department Head, a Council member or other personnel as directed by the Finance Director. The Finance Director has the discretion to appoint representatives of other entities (i.e., state or local governments or educational institutions) if such representation would be of value to the City. However, under no circumstances shall a party with any conflict of interest be appointed. In most instances, a private party or citizen would not have a conflict of interest. A non-conflict of interest form shall be executed by all selection group members prior to a selection being made.
- 9) The Finance Director and the evaluation committee shall review the proposals received and record the committee's final determination of the qualification rankings of the offerors based on the evaluation factors or criteria set forth in the RFP. This written determination shall be maintained by the Finance Director/ or the requesting Department.
- 10) After determining the best qualified offeror, the Finance Director or the requesting department (with assistance from the Finance Director & the City Attorney) will negotiate the fair and reasonable compensation for the provision of the services with the selected offeror. If compensation cannot be agreed upon with the best qualified offeror, negotiations may be conducted with other offeror(s) in the order of their respective qualification ranking.

- 11) Upon reaching an agreement for compensation with the offeror, the requesting department, in coordination with the City Attorney and the Finance Director, will generate an agreement for services which includes the scope of the services to be performed, the compensation for such services, and all other terms and conditions agreed upon, which shall also include, at a minimum the following:
  - a) The duration of the Agreement;
  - b) A sworn statement regarding campaign finance laws;
  - c) A provision indicating that the offeror and its employees or agents are not employees of the City;
  - d) A termination clause under which the City may terminate the agreement by providing no more than thirty (30) days notice;
  - e) In the event that (d) above is not deemed sufficient by the Georgetown City Attorney, an additional termination clause for those agreements covering multiple fiscal years in the event that sufficient funds are not appropriated as part of the budget process;
  - f) A provision that Kentucky law applies to interpretation of the agreement and any disputes and that venue shall be in Scott County, Kentucky;
  - g) A provision that the services cannot be assigned without the prior approval of the City;
  - h) Any indemnity and insurance requirements deemed necessary by the Georgetown City Attorney.
  - i) Any other necessary provisions from the RFP.
- 12) All agreements must be signed by a representative of each party having the legal authority to bind that party to the agreement. The Mayor will sign all agreements on behalf of the City unless legal authority has otherwise been provided for someone else to obligate the City to the terms of the agreement. If a final agreement cannot be reached with the best qualified offeror, negotiations may be conducted with other offeror(s) in the order of their respective qualification ranking.
- 13) The City may make payments for services under the agreement once final approval is obtained, but shall not pay in advance of receipt of services.
- 14) The City Council will approve by municipal order of the execution of the agreement by the City or the execution of any change order or amendment to an agreement which increases the cost of procurement above \$10,000, and will be provided the opportunity to obtain additional information and/or take action regarding the agreement, amendment or change order.

#### **Procurement of Personal/Professional Service of Less Than \$10,000**

- 1) If the Personal/Professional Services required is less than \$10,000, the department may informally solicit proposals, make a determination of the best qualified provider and establish a Personal/Professional Service Agreement if necessary. At a minimum, the department must use a Personal/Professional Service Scope document and have the provider sign and submit the documents to Purchasing for processing. The submittal to the Finance Director must also include the proposals

received and considered by the department and a properly authorized requisition requesting the Finance Director to issue a purchase order.

- 2) The department requiring the services may submit an On-Line Requisition to the Finance Director and forward the services required scope. The Finance Director will solicit competitive proposals, negotiate pricing and contract for the necessary services. If this process is used, the Finance Director will communicate with the department for any additional information necessary to complete the process. The Finance Director will also generate a purchase order authorizing the provider to begin work and allowing payments to be processed.
- 3) In any solicitation for professional services changes to the request for proposals should only be made by a formal addendum issued to all participants. Discussions with vendors independent of the others are inappropriate and should not occur. If a vendor has questions they should be formally submitted to the City Clerk in writing and then the appropriate City employee will formalize a written response in an addendum and provide to all vendors. In addition, it is inappropriate for City employees to request information from a vendor or vendors after the submittal closing deadline if the information was originally requested in the proposal document and by providing the information it would give the respondent an advantage in the evaluation process.

## **EMERGENCY PURCHASES**

- 1) Purchases of goods or services not otherwise exempted by law may be made without competitive bidding only when the Mayor formally declares that an emergency exists which will cause public harm or extensive property damage as a result of the delay in the competitive procedures. The Mayor may authorize the purchase of goods or services without competitive bidding by approving an emergency purchase document.
- 2) The Finance Director and the City Attorney shall approve the emergency request prior to presenting to the Mayor.
- 3) Do *not* use this procedure to circumvent competitive bidding requirements. A *bona fide* emergency must exist before this procedure may be used.
- 4) This procedure does not budget funds. Contact the Finance Director to ensure that funds are available for the purchase.
- 5) This procedure is not required if the expenditure does not exceed \$10,000 but still requires appropriate authorization as an emergency. If time does not allow following appropriate purchasing procedures, the emergency form should be completed. If the Department Head is not sure that the purchase will exceed \$10,000, complete the certificate of emergency when the emergency occurs rather than after the fact.
- 6) Forms required to file a certificate of emergency may be obtained from the finance director.



## **SOLE SOURCE PROCUREMENT**

- 1) A sole source procurement situation exists if the good or service needed is available from only one source. A good or service is not sole source if an equivalent good or service is available from another source. A sole source letter from the vendor is insufficient to declare a sole source status. The requesting department should adequately research appropriate areas to ensure a sole source situation exists.
- 2) If a sole source exists, a purchase requisition, sole source procurement form, and a letter from the Department Head must be submitted to the Finance Director and City Council for approval of any items \$10,000 or greater. All purchases under \$10,000 require that this form, along with any supporting documentation, be forwarded to the Finance Director for approval prior to requesting the good or service.

## **CHANGE ORDERS**

- 1) A change order is required, **prior to authorizing delivery of goods or performance of services**, when any change to a purchase order is required for an increase of 10% or \$10,000, whichever is greater.
- 2) Change orders increases for contracts approved by Council which exceed the above limits will require Council approval.
- 3) A change order is not required if the change is a decrease to a contract approved by Council. A change request to decrease a purchase order may be requested in order to return funds not needed to pay the purchase order to the budget of the requesting agency.
- 4) The change order will require the appropriate approvals.

## **APPROPRIATIONS**

- 1) The City shall not award a contract for any procurement when the contract price would exceed the funds appropriated for the procurement by the Legislative Body.
- 2) If all bids received in response to an invitation for bids exceed the amount appropriated for the procurement and sufficient additional funds are not authorized to permit an award to the lowest responsive and responsible bidder, the Mayor or his/her designee shall proceed with competitive negotiations in accordance with KRS 45A.375.
- 3) An invitation for bids or requests for proposals may be advertised in anticipation of an appropriation provided such invitation or request clearly states that funds for the procurement while anticipated have not been appropriated.
- 4) The Mayor or his/her designee may award a contract for the procurement of supplies, equipment or services for a period that exceeds the fiscal year provided the contract permits cancellation without penalty in the event that funds for the contract are not appropriated for any succeeding year.

## **VERIFICATION AND PUBLIC AVAILABILITY OF RECORDS**

- 1) Copies of records, specifications, procedures and regulations relating to purchasing shall be available to the public during normal business hours, upon request, and at a cost not to exceed the cost of copying.
- 2) The Mayor or his/her designee may not disclose to the public or to a prospective vendor's competitors:
  - a) Information furnished in response to a request by the Mayor or his/her designee for information necessary to determine a bidder's responsibility (KRS 45A.395).
  - b) Information obtained from a prospective vendor during negotiations which qualify as confidential technical information or trade secrets, and/or the disclosures of which violate patent rights or copyrights.

## **GRANT REQUIREMENTS**

A contract shall not be awarded to any contractor who fails or refuses to give bond when required as provided by KRS 45A.435 and this regulation. Nothing in these regulations shall be construed in such a manner as to relieve the City of the responsibility to comply with any procurement requirements imposed by any agency from which the City may receive funds, including but not limited to state or federal agencies.

## **EQUAL EMPLOYMENT OPPORTUNITY**

The City shall include as part of any invitation for bids or request for proposals for supplies, equipment or services, Equal Employment Opportunity language as may be required by local ordinance, KRS 45.570-45.640 and the procurement requirements of any agency from which the City may receive funds.

## **DETERMINATION OF PREVAILING WAGE**

The City shall apply to the appropriate federal or state agency for a determination of prevailing wage for any contract for construction services in accordance with all applicable federal and state laws and regulations. Such information shall be included in part of any contract for construction services and shall be included in any invitation for bids or request for proposals for any procurement of construction services.

## **SURPLUS**

The Mayor of the City, or any employee designated by the Mayor shall have the right and authority to dispose of, sell and/or convey surplus or obsolete personal property of the City to any qualified purchaser and in the manner and under the conditions herein described.

- 1) All surplus or obsolete personal property and any motorized vehicle in operating condition, regardless of value, shall be sold by sealed bid or public auction. The regulation of such an auction shall be in a manner designated by the Mayor and a record shall be kept of all such property sold at any such auction in a book or file

- which shall be kept in the Finance Director's office. Sealed bids or public auction shall be advertised in accordance with KRS 45A.365.
- 2) In the event of any disputes as to the fair market value or between prospective purchasers, the decision of the Mayor shall be final and the Mayor may require and reserve approval on any and all purchases or dispositions of property.
  - 3) The Mayor shall require that a record be made of all items disposed of, sold and/or conveyed and the Mayor, or his/her designated employee responsible for completing the transaction, shall sign a statement showing the determined value of all items, and the name and address of the purchaser. A record of all such sales shall be kept by the Finance Director in a book or file designated solely for the purpose.
  - 4) All monies received from any sale shall be deposited with the Finance Director of the City who shall keep a record of all such funds to the General Fund unless required by applicable law to do otherwise.

## **GENERAL PROCUREMENT PROVISIONS**

- 1) It is the full intent of the Legislative Body of the City to purchase any and all materials and services as may be applicable through local vendors or a local manufacturer. The administration will take into consideration the prices and quality of materials and services offered and the follow-up service of the vendor. If, in the opinion of the administrative body these criteria cannot be met locally, the purchase will be made outside the City.
- 2) No invoice for goods or services shall be processed for payment without proof of receipt by the City of said goods or services which shall be in the form of a receiving ticket or a signature of the receiving Department Head.
- 3) The City may sell or otherwise dispose of any personal property which is not needed or has become unsuitable for public use, or which would be suitable, consistent with the public interest, for some other use. A written determination as to need or suitability of any personal property of the City shall be made; and such determination shall fully describe the personal property; its intended use at the time of acquisition; the reason why it is in the public interest to dispose of the item; and the method of disposition to be used. Surplus or excess personal property as described in this section may be transferred, with or without compensation, to another governmental agency; or it may be sold at public auction or by sealed bids in accordance with KRS 45A.365; or it may be sold by private sale.

## **APPENDIX A: QUICK GLANCE REFERENCE**

### **PURCHASES**

- 1) Purchase Requisition - Can be for any dollar amount, but a procurement card should be used for small dollar purchases.
- 2) Procurement Card - Can be used for pre-approved dollar amounts and transactions.
- 3) Petty Cash - Purchases of \$25.00 and under when vendor will not accept purchase requisition or procurement card.

Special note: Never pay tax on any purchases. The City of Georgetown tax exempt number should be provided to vendors.

### **QUOTES**

- 1) Quotes are not required for any purchases made from a local or state procurement contract. The amount of these type purchases are only limited by the requesting department's budget.
- 2) Quotes are not required for any purchases under \$1,000 but should be made in a fiscally responsible manner.
- 3) Purchases over \$1,000 (not covered by a local or state procurement contract) and up to \$5,000 require three (3) verbal quotes.
- 4) Purchases from \$5,001 to \$9,999 (not covered by a contract) require processing an invitation to quote by the requesting department.

### **FORMAL BIDS**

- 1) Any purchases \$10,000 and above must be placed out for bid by the requesting department. This amount is for a one time purchase or total purchase for the fiscal year.
- 2) Professional Service Contracts must be completed using the procedures outlined in this manual.

### **CHANGE ORDERS**

Change orders are used to increase line amounts of purchase orders or to change terms and conditions of contracts.

**APPENDIX B: FORMS**

DRAFT

## Emergency Purchase Order

(Emergency purchases approved by Mayor)

**Part I**

TO: Mayor

FROM: \_\_\_\_\_  
(requesting agency)

DATE: \_\_\_\_\_

I recommend the immediate purchase of \_\_\_\_\_ of \_\_\_\_\_  
(quantity) (description)

from \_\_\_\_\_  
(vendor)

for the total price of \_\_\_\_\_ without competitive

bidding on the ground that an emergency exists and the purchase must be made not later

than \_\_\_\_\_ because of the following circumstances (describe  
(date)

emergency in detail, attach separate sheet if necessary).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Part II**

I hereby certify that an emergency exists as described above necessitating the above purchase without competitive bidding.

Filed with me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Finance Director

**Approved as to legality:**

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Department Head/ Employee Requesting

**Sole Source Document**  
**(Good or service is available from only one vendor)**

**NOTE: Amounts in this form will be revised once Council has provided final approval of the revised Purchasing Manual.**

**JUSTIFICATION FOR SOLE SOURCE CERTIFICATION**

being satisfied, shall be limited only to those specific instances in which compatibility or technical performance needs are unique and/or cost effective feature requirement. The use of sole source purchases must be justified and grounds such as operational compatibility with existing equipment and related parts or upon a clearly **Sole Source Purchases** are defined clearly, based upon a legitimate need, and are limited to a suppliersingle. Sole source purchases are normally not allowed except when based upon strong technological location required, or warranty or defect correction service obligations of the service provider. the service. The justification shall be based on the uniqueness of the service, sole availability at the nature that the service provider is clearly and justifiably the only practicable source available to provide **Sole Source Services** are defined as a service provider providing technical expertise of such a unique

This form must be filled out for the request to purchase any good or non-professional service that requires a competitive procurement process (informal quotes (\$1001-\$10,000), formal quotes (\$10,001 - \$19,999.99), or formal bid (\$20,000 or more) as defined in the Purchasing Manual. This form must be completed in its entirety and attached to the purchase requisition.

**Note: Sole Source Purchase requests for goods exceeding \$20,000 will require approval by the Georgetown City Council. A copy of this form must be signed off by the Finance Director.**

**Requesting Department**

Name Department

Phone Email

Type of Purchase: ( ) Goods/Materials/Equipment ( ) Services

Cost:

Sole Source Request for the Purchase of:

---

One Time Purchase  To Establish Sole Source Provider Contract  
(subject to annual review and approval  
by the Finance Director and  
Georgetown City Council)

**Vendor Information**

Business Name

Contact Name

Address \_\_\_\_\_

Phone Email

**STATEMENT OF NEED: (Add additional pages as needed) JUSTIFICATION FOR SOLE SOURCE CERTIFICATION**

My department's recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of the City of Georgetown. I know of no conflict of interest on my part, and I have no personal involvement in any way with this request. No gratuities, favors, or compromising actions have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials, persons or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

**1. Describe the product or service and list the necessary features this product provides that are not available from any other option.**

**2. Below are eligible reasons for sole source. Check one and describe.**

Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations to the consultant.

Describe why it is mandatory to use this licensed or patented product or service.

Existing City of Georgetown equipment, inventory, custom-built information system, custom-built data inventory system, or similar products or programs. Describe. If product is off-the-shelf, list efforts to find other vendors (i.e. web site search, contacting the manufacturer to see if other dealers are available to service this region, etc.)

Uniqueness of the service. Describe.

The City of Georgetown has established a standard for this manufacturer, supplier, or provider and there is only one vendor. Attach documentation from manufacturer to confirm that only one dealer provides the product.

Factory-authorized warranty service available only from this single dealer. Sole availability at the location required. Describe.

Used item with bargain price (describe what a new item would cost). Describe.

Other – The above reasons are the most common and established causes for an eligible sole source. If you have a different reason, please describe:

- \_\_\_\_\_ **JUSTIFICATION FOR SOLE SOURCE CERTIFICATION**

**3. Describe efforts to find other vendors or consultants (i.e. phone inquires, web site search, contacting the manufacturer to see if other dealers are available to service region, etc.).**

\_\_\_\_\_  
**4. How was the price offered determined to be fair and reasonable?**  
(Explain what the basis was for comparison and include cost analyses as applicable.)

\_\_\_\_\_  
**5. Describe any cost savings realized or costs avoided by acquiring the goods/services from this supplier.**

\_\_\_\_\_



## Non- conflict of interest form

City of Georgetown

### NON-CONFLICT OF INTEREST/CONFIDENTIALITY STATEMENT

I, the undersigned, a member of the Selection Committee for Request for Proposal #XX-XX for **XXNAME OF RFPXX** will perform the evaluation under the guidelines, procedures and requirements in the evaluation plan. Further, whether I am an employee of the City of Georgetown or a consultant assisting in the evaluation of the proposal, I represent as follows:

1. I have a professional interest in seeing that the scoring and evaluation of the vendor responses to this request for proposal can be supported and defended, and that the recommendation of the Selection Committee will lead to the selection of the proposal most advantageous to the City of Georgetown, taking into consideration the price and evaluation factors set forth in the RFP.
  
2. Except as I have disclosed in detail, I neither have nor shall I during the evaluation acquire any financial interest, direct or indirect, in any offeror or otherwise that would conflict in any manner or degree with my evaluation responsibilities. Member of my immediate family(spouse or children) and other family members who are in my household are subject to the same restriction and disclosure requirements. For purposes of this provision, publicly traded shares in stock of any offeror that are selected and administered by a third person, e.g. a mutual fund or retirement plan, are not subject to this restriction. Otherwise, the nature and extent of such financial interests must be disclosed by me to the purchasing agent for their evaluation of the significance of the financial interest on participation in this evaluation.
  
3. Notwithstanding my termination of employment or other later disassociation from this selection committee, I may not participate in the development of proposals in response to this solicitation.
  
4. I am aware that this evaluation will involve my knowledge of official information and possible vendor commercial information not publicly known. I agree not to disclose any information gained during the course of my service on this evaluation committee to any person, except to other City of Georgetown employees who may in the normal course of City of Georgetown business have a need for such information.

If I should become aware of any situation, which might arise, that could alter any of the representations above, or that might otherwise create the appearance of a conflict or other impropriety, I will notify the purchasing agent and committee chair immediately.

Name (print) \_\_\_\_\_

Title (print) \_\_\_\_\_

Signature \_\_\_\_\_

## **Procurement Card User Agreement**

**This form will be designed based on the terms and conditions for the vendor contract for procurement card services**

## **Proposal Ranking Forms**

**Individual ranking forms will be designed based on the project, key characteristics to evaluate, and composition of review team.**

## Proposal Final Committee Ranking Form

### Selection Committee Ranking Form After Presentations

Date: \_\_\_\_\_ RFP # \_\_\_\_\_

Division: \_\_\_\_\_ Project: \_\_\_\_\_

FIRM	SELECTION COMMITTEE RANKING							TOTAL	FINAL RANKING

The Consultant Selection Committee certifies that all firms that properly responded to the above project were given equal consideration to be selected, and the above ranking represents the three (3) best qualified firms for this project.

<b>Chairman</b>	<b>Member</b>
<b>Member</b>	<b>Member</b>
<b>Member</b>	<b>Member</b>
<b>Member</b>	<b>Member</b>
<b>Member</b>	<b>Member</b>

## **Request for Proposal Template**

**SPECIFICATIONS FOR [REDACTED]  
BID# [REDACTED]**

**BID OPENING: 2:00 PM PREVAILING LOCAL TIME**  
[REDACTED]

### **SCOPE:**

The City of Georgetown is seeking BIDS for the [REDACTED].

### **GENERAL COMPLIANCE:**

Please read these instructions carefully.

"NO BID:" Bidders unable or unwilling to submit a bid should immediately return the "Quote Sheet" only with "No Bid" marked clearly on the outside of the envelope. Any vendor not submitting a bid is encouraged to indicate the reason(s) for not participating.

ALTERNATE BIDS: It is not the intention of the specifications contained herewith to eliminate any bidder; however, quoted items must equal or exceed stated specifications. Alternate bids will be accepted only when such alternates have been requested.

INDICATION OF COMPLIANCE: The bidder shall indicate compliance with either a "Yes" or a "No" for each item specification. Blank spaces shall be considered non-compliance. Any deviation from the specification or where submitted literature does not fully support meeting the specification(s) must be clearly cited on the attached page labeled "Exceptions to Bid Specifications." No deviation below "minimum" specifications will be accepted.

At the time of bid submission, each bidder will be presumed to have inspected the site(s) and to have read and to be thoroughly familiar with the plans and contract documents (including any and all addenda). The failure or omission of any bidder to examine any form, instrument, or document shall in no way relieve any bidder from any obligation in respect to his bid.

**BID SUBMISSION:** All pages of the bid shall be signed in ink on designated signature lines. Typed quotation sheets are preferred; however, if hand written, the sheets must be legible and in ink. Any pricing information that is illegible may result in the rejection of the bid.

Quotations must be made on the form provided. An accompanying letter of explanation is acceptable if bidder deems it necessary, but only quotes made on the provided forms will be evaluated.

All Bids, any accompanying letters, forms, samples, pictures, catalogs, or any other pertinent material that accompanies the bid becomes the property of the City of Georgetown and will not be returned to the bidder unless an agreement in writing is secured before the bid is submitted to the City of Georgetown.

The signed completed original bid package and two (2) copies must be sealed in an envelope with the bid number, project name, bidder's name and opening date clearly marked on the outside of the envelope. The first page of the original bid should be marked "Original" and the first page of the copies should be marked "Copy." The bid shall be addressed and delivered to City Clerk, 100 North Court Street, Georgetown, KY 40324 prior to bid opening scheduled for [REDACTED], 2:00 PM prevailing local time.

ANY BIDS OR PROPOSALS NOT RECEIVED PRIOR TO SCHEDULED OPENING TIME WILL BE REJECTED AND RETURNED UNOPENED.

**METHOD OF PROCUREMENT:** Competitive Sealed Bidding (KRS 45A.365) will be the method of procurement for the purchase of the item(s) specified herein.

**KENTUCKY OPEN RECORDS LAW:** At the time a bid or proposal is submitted to the City, Vendor shall identify any information that is submitted as part of the bid that is proprietary or confidential in nature and not subject to release for public inspection. The City of Georgetown will protect any proprietary or confidential information to the extent allowable under the Kentucky Open Records Act.

**NEW GOODS, FRESH STOCK:** Unless otherwise specifically stated, all Contractors shall provide new commodities, fresh stock, latest model, design or package.

**METHOD OF AWARD:** This bid will be evaluated on the evaluation criteria established in the bid specifications.

The City of Georgetown reserves the right to reject any and all bids or to waive any irregularities in said bids. The right is also reserved to award bids based on the best interest and/or most advantageous to the City of Georgetown.

Award will be made to the lowest responsive and responsible bidder meeting specifications on each item. The City of Georgetown reserves the right to consider as a part of the bid evaluation the stated warranty, stated delivery schedule and payment terms.

**PRICING:** All prices shall be quoted exclusive of any taxes. The City of Georgetown is exempt from Federal excise, transportation and/or Kentucky sales tax. Any items supplied directly to the City from a supplier/manufacturer are exempt from sales tax. Any items purchased by a contractor that will be used in the fulfillment of a contract are not exempt from sales tax.

In case of a discrepancy in the extension of a unit price, the unit price shall govern the total price.

Bidders must provide manufacturer's product literature if available and appropriate with the bid submission.

Prices quoted shall remain firm and open to acceptance by the City of Georgetown for a minimum period of sixty (60) days after bid opening.

**DELIVERY SCHEDULE:** Delivery date shall be specified on each item quoted. The vendor will be expected to fulfill the delivery as specified.

**PAYMENT:** The bid must clearly state the payment terms, including prompt payment discounts and payment due dates. Discounts should be figured into the unit price of the quoted item. The City of Georgetown reserves the right to select the most beneficial terms.

**BONDING:** A certified check or Bid Bond in the amount of five percent (5%) of the bid price must be included on the bid response. If a certified check is supplied it must be made payable to the City of Georgetown, and will be returned upon receipt of the performance bond and entering into a contract in accordance with specifications. In the event of failure to enter into a contract within the time period set forth in this bid, it is agreed the certified check may be cashed and the funds retained by the City of Georgetown as liquidated damages. Checks of unsuccessful bidders will be returned when the bid has been awarded.

The successful vendor shall provide a performance bond, with sufficient surety satisfactory to the City, in an amount equal to the contract price.

#### DEFAULT; TERMINATION OF CONTRACT

In the event that any of the provisions of this Contract are violated by the Vendor such breach shall constitute a default. In the event of a default, the Owner may serve written notice upon the Vendor of its intention to terminate the Contract, such notice to contain the reasons for such intention to terminate the Contract, and unless within ten (10) days after the serving of such notice upon the Vendor, such violation or delay shall cease and satisfactory arrangement of correction be made, the Contract shall, upon the expiration of said ten (10) days, cease and terminate.

**SAFETY:** Vendor must perform work in a safe and timely fashion, maintain a clean and safe work environment, follow safety requirements established by OSHA and the City of Georgetown, and may be required to provide safety equipment. If, in the opinion of the City, safety precautions are not in existence, work will cease immediately until corrective action is taken. Work will begin again only when vendor demonstrates to the satisfaction of the City that conditions are without risk.

**INSURANCE REQUIREMENTS:** The successful bidder covenants and agrees to maintain and keep in force during the term of the contract worker's compensation, property, casualty, and general liability in the following minimum amounts:

<u>Type of Insurance</u>	<u>Limits</u>
Worker's Compensation	Statutory
Commercial General Liability	\$1,000,000/\$1,000,000 CSL
Commercial Automobile Liability	\$1,000,000

On all general and automobile liability policies of insurance contractor shall have the City named as an additional insured and shall further require that their liability carrier(s) notify the City at least thirty (30) days prior to the effective date of any change(s) in or cancellations of said insurance policies. A current copy of bidder's insurance certificate providing proof of insurance as stated above must be on file in the Purchasing Department prior to bid award. Submission of insurance certificate copy may be included with the bid package.

**HOLD HARMLESS AGREEMENT:** The contractor/subcontractor covenants to save, defend, keep harmless, and indemnify the City of Georgetown and all of its officers, departments, agencies, agents, and employees from and against all claims, loss, damage, injury, fine, penalties, and costs including court costs and attorney's fees, charges, liability, and exposure however caused resulting from, arising out of, or in any way connected with the contractor's/subcontractor's negligent performance or non-performance of the terms of the contract.

**BIDDER'S QUALIFICATIONS:** Vendor must demonstrate to the satisfaction of the City of Georgetown that he has adequate equipment, personnel, experience and understanding of the specifications to perform service under the contract.

No contract will be awarded to any bidder who, in the opinion of the City, is not qualified to perform satisfactorily due to a previously unfavorable performance, reputation or lack of experience, capital, organization, equipment, and/or personnel to conduct and complete the services in accordance with the terms and conditions of the contract.

Successful bidder must comply with the City of Georgetown ordinances relating to Occupational License Fees, Business Licenses, payroll and net profits and any other ordinances which may apply to any particular bid package.



**EQUAL OPPORTUNITY STATUTES:** The City of Georgetown is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, marital status, physical or mental disability, or any other characteristic protected by law. The City is also committed to employing only United States citizens and aliens who are authorized to work in the United States. The City complies with the Immigration Reform and Control Act of 1986. Therefore, the successful bidder must demonstrate to the satisfaction of the City that he also conforms to all Federal, state, and local equal opportunity statutes. Further, the contractor will reimburse the City of Georgetown for any damages incurred due to any violation of the above mentioned statutes by the contractor while under contract to the City.

**"OR EQUAL" CLAUSE:** Whenever a material, article or piece of equipment is identified on the plans or in the specifications by reference to manufacturer's or vendors' names, trade names, catalog numbers, etc., it is intended merely to establish a standard; and, any materials, article or equipment of other manufacturers and vendors which will perform adequately the duties imposed by the general design will be considered equally acceptable provided the material, article or equipment so proposed, is, in the opinion of the Owner of equal substance and function.

**ADDENDA AND INTERPRETATIONS:** No interpretation of the meaning of the plans, specifications or other pre-bid documents will be made to any bidder orally.

Every request for such interpretation should be in writing addressed to [REDACTED], Georgetown, KY 40324, and to be given consideration must be received at least three (3) days prior to the date fixed for the opening of bids. Any and all such interpretations and any supplemental instructions will be in the form of written addenda to the specifications which, if issued, will be mailed by certified mail with return receipt requested to all prospective bidders (at the respective addresses furnished for such purposes). Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his/her bid as submitted. All addenda so issued shall become part of the contract documents.

**CONFLICTS OF INTEREST:**

All bidders are responsible for complying with the following KRS 45A.455: Conflicts of Interest - Gratuities and Kickbacks - Use of Confidential Information

It shall be a breach of ethical standards for any employee with procurement authority to participate directly in any proceeding or application; request for ruling or other determination; claim or controversy; or other particular matter pertaining to any contract or subcontract, and any solicitation or proposal therefore, in which to his knowledge:

He, or any member of his immediate family has a financial interest therein; or a

business or organization in which he or any member of his immediate family has a financial interest as an officer, director, trustee, partner, or employee, is a party; or any other person, business, or organization with whom he or any member of his immediate family is negotiating or has an arrangement concerning prospective employment is a party. Direct or indirect participation shall include but not be limited to involvement through decision, approval, disapproval, recommendations, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment, in concoction with any decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract any solicitation or proposal therefore.

It is a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the price contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

The prohibition against conflicts and gratuities and kickbacks shall be conspicuously set forth in every local public agency written contract and solicitation therefore.

It shall be a breach of ethical standards for any public employee or former employee knowingly to use confidential information for his actual or anticipated personal gain, or the actual or anticipated personal gain of another person.

For further information on the conflict of interest statutes, see the "Recovery of Value of Anything Transferred or Received in Breach of Ethical Standards" at KRS 45A.460, and "Definitions for Terms Used in KRS 45A.445 to 45A.460" at KRS 45A.445.

**ADDITIONAL INFORMATION:** Requests for additional information or clarification of bid specifications should be directed to Jebb S. Warner, Telecommunications Coordinator, by mail or fax to 502-863-3204. All inquiries shall be made no later than three (3) days prior to the bid opening date.




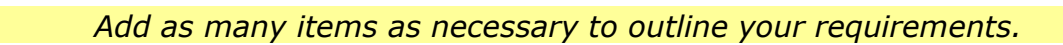
SPECIFICATIONS

GENERAL REQUIREMENTS:

The City is seeking a vendor(s) to provide the items listed below.



Requirements:

1. 
2. 
3. 
4.  *Add as many items as necessary to outline your requirements.*

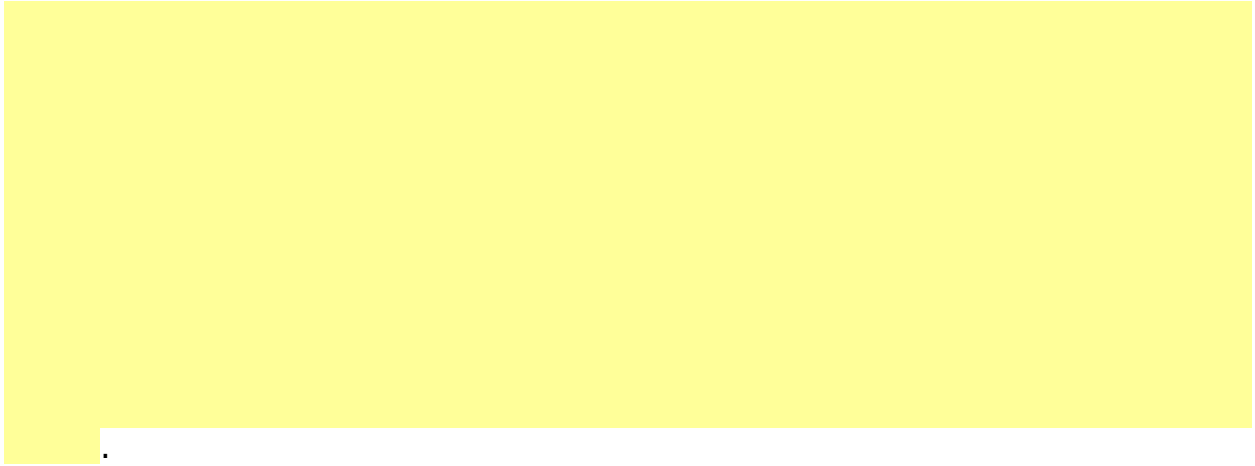
WARRANTY:



SALES AND SERVICE SUPPORT:



TECHNICAL SERVICE SUPPORT



AFFIDAVIT

Comes the Affiant, \_\_\_\_\_, and after being first duly sworn under penalty of perjury as follows:

1. His/her name is \_\_\_\_\_ and he/she is the individual or the authorized representative of \_\_\_\_\_ (hereinafter referred to as "Bidder"), and is authorized to submit the bid response form, equal opportunity agreement and Vendor's Statement Pursuant to KRS 45A.343 attached hereto and incorporated herein by reference.

2. Bidder will pay all taxes and fees, which are owed to the City of Georgetown at the time the bid is submitted, prior to award of the contract and will maintain a "current" status in regard to those taxes and fees during the life of the contract.

3. Bidder will obtain a City of Georgetown business license, if applicable, prior to award of the contract.

4. Bidder has authorized the City of Georgetown to verify the above-mentioned information with the Division of Revenue and to disclose that taxes and/or fees are delinquent or that a business license has not been obtained.

5. Bidder has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky within the past five (5) years and the award of a contract to the Bidder will not violate any provision of the campaign finance laws of the Commonwealth.

6. Bidder has not knowingly violated any provision of Chapter 2 of the City of Georgetown Code of Ordinances, known as "Ethics Act."

7. Bidder acknowledges that "knowingly" for purposes of this Affidavit means, with respect to conduct or to circumstances described by a statute or ordinance defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Further, Affiant sayeth naught.

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STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was subscribed, sworn to and acknowledged before me by \_\_\_\_\_ on this the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

My Commission expires: \_\_\_\_\_

---

NOTARY PUBLIC, STATE AT LARGE



**EQUAL OPPORTUNITY AGREEMENT**

The Law

- Title VII of the Civil Rights Act of 1964 (amended 1972) states that it is unlawful for an employer to discriminate in employment because of race, color, religion, sex, age (40-70 years) or national origin.
- Executive Order No. 11246 on Nondiscrimination under Federal contract prohibits employment discrimination by vendor and sub-vendor doing business with the Federal Government or recipients of Federal funds. This order was later amended by Executive Order No. 11375 to prohibit discrimination on the basis of sex.
- Section 503 of the Rehabilitation Act of 1973 states:
  - The Vendor will not discriminate against any employee or applicant for employment
  - Because of physical or mental handicap.
- Section 2012 of the Vietnam Era Veterans Readjustment Act of 1973 requires Affirmative Action on behalf of disabled veterans and veterans of the Vietnam Era by vendors having Federal contracts.
- Section 206(A) of Executive Order 12086, Consolidation of Contract Compliance Functions for Equal Employment Opportunity, states:
  - The Secretary of Labor may investigate the employment practices of any Government
  - vendor or sub-vendor to determine whether or not the contractual provisions specified in Section 202 of this order have been violated.

\*\*\*\*\*

The City of Georgetown practices Equal Opportunity in recruiting, hiring and promoting. It is the Government's intent to affirmatively provide employment opportunities for those individuals who have previously not been allowed to enter into the mainstream of society. In following this commitment to Equal Employment Opportunity and because the Government is the benefactor of the Federal funds, it is both against the Government policy and illegal for the Government to let contracts to companies which knowingly or unknowingly practice discrimination in their employment practices. Violation of the above mentioned ordinances may cause a contract to be canceled and the vendors may be declared ineligible for future consideration.

Please sign this statement in the appropriate space acknowledging that you have read and understand the provisions contained herein. Return this document as part of your application packet.

Bidders

I/We agree to comply with the Civil Rights Laws listed above that govern employment rights of minorities, women, Vietnam veterans, handicapped and aged persons.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Business



**VENDOR'S STATEMENT PURSUANT TO KRS 45A.343**

45A.343 Local Public Agency may adopt provisions of KRS 45A.345 to 45A.460—  
Effect of adoption – Contracts are required to mandate revealing of violations of and compliance with specified KRS chapters – Effect of nondisclosure or noncompliance. (KRS 136 – Corporate taxes; KRS 139 – Sales & use taxes; KRS 141 – Income taxes; KRS 337 – Wage and hour; KRS 338 – Occupational safety; KRS 341 – Unemployment; KRS 342 – Workers Comp.)

The undersigned, as a duly authorized officer of \_\_\_\_\_  
pursuant to KRS45A.343 states;

1. To the best of my knowledge, information and belief, \_\_\_\_\_ has not been finally determined to have violated any of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341, or 342 that apply to it within the five year period preceding this statement.

2. \_\_\_\_\_ acknowledges that it will be required to be in compliance with those provisions of KRS Chapters 136, 139, 141, 337, 338, 341, and 342 that apply to it for the duration of the Contract to be entered into with the City of Georgetown, Kentucky.

3. \_\_\_\_\_ acknowledges that if it fails to reveal any final determination of violation of KRS Chapters 136, 139, 141, 337, 338, 341, or 342, or to comply with the applicable provisions of those statutes for the duration of the aforesaid Contract, such shall be grounds for The City of Georgetown, Kentucky to:

- a) Cancel its contract with \_\_\_\_\_, and
- b) Disqualify \_\_\_\_\_ from eligibility for future contracts awarded by The City of Georgetown for a period of two years.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
(Company Name)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## **APPENDIX C: DEFINITIONS**

### **Addendum**

A document issued to provide clarification to all vendors in any procurement process based upon a vendor request or change to specifications.

### **Advertising**

Placement of a legal notice in the local newspaper, according to legal requirements, to inform the public and prospective vendors that the City of Georgetown is requesting bids for a specific purchase.

### **Best Value Bid Evaluation**

Specifications are written in a manner whereby other evaluation factors along with cost are used to determine the best value for the city. The evaluation factors and their weighting must be clearly defined in the specifications. Factors provided in a bid but not listed in the evaluation criteria may not be considered in the evaluation process.

### **Bid** (also referred to as a formal bid and sealed bid)

A bid is an offer to sell goods or services to the City. A bid is a response to an invitation for bids and remains confidential (sealed) until a set time when all bids are opened.

### **Bid Acceptance**

The award of a contract to a bidder. This is currently done by the Georgetown City Council which accepts bids by enactment of an ordinance.

### **Bid Limit**

The dollar value of supplies and equipment above which formal bids must be requested. That figure is \$10,000 pursuant to Georgetown City Ordinance.

### **Bidder's List**

A listing maintained by the City of those bidders/vendors who have expressed an interest in bidding on various supplies, equipment and services.

### **Bid Security**

A guarantee, in the form of a certified check or bond provided by an insurance company, that the bidder will sign a contract if their bid is accepted.

### **Bidder**

A person or firm who submits a bid.

### **Blanket Purchase Order**

A purchase order which authorizes delivery of work or materials over a specific period of time.

### **Change Order**

A document used to modify information on an existing purchase order

### **City**

Refers to the City of Georgetown.

**Construction Change Order**

A document used to modify the scope of work included in a construction contract

**Contract**

A legal agreement between two competent parties to perform or not to perform a specific act or acts.

**Contractor**

A person or firm who contracts to perform work or furnish materials in accordance with a contract

**Departmental Purchasing Coordinator**

A City employee appointed by a Department Head or other appointing authority to coordinate purchasing activities in a certain area of the City.

**Equipment**

Property of a durable nature which retains its identity through its useful life.

**Fiscal Year**

The period for which funds are appropriated for the operation of the City of Georgetown. The fiscal year begins July 1 and ends the following June 30.

**Formal Quotation**

Any purchase which will cost between \$5,000 and \$10,000 requires that the formal quotation be used as outlined in this manual.

**Informal Quotation**

Any purchase of goods or services between \$1,000 and \$5,000 requires the informal quote process be used as outlined in this manual.

**Lease**

A contract that gives one party (lessee) use of property for a specified term in return for payment of rent or other consideration to the other party (lessor). Does not result in ownership.

**Lease/Purchase**

A form of rental in which rent payments or a portion thereof are applied to ownership of the good. Results in ownership of the good at the end of the lease period.

**Low Bid Evaluation**

Bids are evaluated based upon the lowest cost that complies with the specifications.

**Maintenance**

To keep something in proper operating condition.

**Non-Conflict of Interest Form**

Refers to a form given to selection group members which must be signed prior to them serving as a member of an evaluation group.

**Non-Voting Selection Committee Member**

A person may be involved in a selection process if they have existing knowledge of the project but may be non-voting in the selection based upon the fact that they may have working relationships with the parties selected or not by the selection committee.

**Partial Payment**

Payment for a part of the total amount due under terms of a contract or blanket purchase order.

**Performance Bond**

A guaranty provided by a third party to protect the City from loss due to the inability of a contractor to perform a contract as agreed.

**Pricing Contract**

An agreement which binds a vendor to sell specified goods or services to the City at a specified price.

**Purchase Order**

A document, issued by the requesting department, used to formalize a purchase transaction with a vendor. Acceptance of a purchase order by a vendor results in a contract.

**Purchase Requisition**

An internal document that requests the Finance Director to begin the procurement process for specified goods or services. Results in the issuance of a purchase order.

**Quotation**

An informal statement of price, description of goods and services offered for sale, and the terms and conditions of the offer to sell. Does not require advertising.

**Repair**

To restore to sound condition after damage or injury.

**Request for Proposals**

The process used to obtain firms for professional services in which evaluation criteria that include cost and other factors such as qualifications and past performance along with other important factors are weighted. These factors are used to rank the respondents by a selection group as outlined in this manual.

**Request for Qualifications**

In limited cases professional services may be obtained using a Qualification Based Selection process, usually for engineering and architectural services. In this process the selection is made based entirely on weighted qualifications stated in the request, the respondents are ranked and fee negotiation begins with the top ranked firm, if a successful fee cannot be negotiated in good faith then the negotiation team will move on to the next highest ranking respondent until a successful contract has been negotiated.

### **Responsive Bidder**

A **responsive bid** is one that meets all the terms, conditions and specification of the bid. The bid submitted must comply with the content requirements of the bidding documents. In other words the bidder must do what the bid documents say they must do, whether it is pricing in a certain way, attending a mandatory pre-bid conference or submitting a bid bond. Other examples where a bid may be considered non-responsive include:

- Bid is incomplete
- Bid is not signed
- Bid is late
- Discrepancies in the bid

### **Responsible Bidder**

A **responsible bid** is one where the bidder has the overall capability to satisfactorily perform the contract. A responsible bidder will be one that has the financial resources, employees, facilities and references that will ensure it performs the contract. Examples where a bidder may be considered not responsible include:

- Poor references
- Bidder does not have proper business registration or licenses
- Banned from working with other agencies
- Not qualified as a foreign corporation
- Questions about financial capability to perform

### **Sole Source Procurement**

There is only one available source from which to purchase a good or service. Many times this will be a purchase directly from a manufacturer of patented product or something such as proprietary software. This also included the ongoing maintenance of proprietary software the no other vendor is authorized to maintain. Minor technicalities or variances of a similar product should not be used as grounds for not accepting a similar product just because our preference is not that product. If the product meets our needs and the specifications outside of minor insignificant technicalities is should be evaluated as an equivalent.

### **Specification**

A description of what the City requires and what a bidder must offer.

### **Supply**

An item which is consumed or expended in the course of being used.