



PROCUREMENT POLICY

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**Procurement Division**

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## Procurement Division Responsibilities & Function

### 1. Policy Objective

- a. To set forth the City's policy regarding a centralized procurement system for the City, the purpose of which is to establish the rules and processes for procurements within the City, based on State and federal code.
- b. Commodities and services purchased in the public sector represent a direct cost to the citizens and taxpayer.
- c. Every purchase that City employees make is subject to public scrutiny. Ethics, Impartiality, Accountability, Professionalism, Service and Transparency are the values and guiding principles of public purchasing.
- d. The rules, processes and regulations contained in this policy were developed to encourage competitive solicitations, promote transparency, guard against collusion and comply with State Statutes.
- e. This Procurement Policy outlines the requirements for purchasing all goods and services.
- f. The policy addresses a variety of topics which include; Categories, Methods, Authority, Ethics, Appeals, and Payments.

### 2. Policy Details - Purchasing Categories, Methods and Authority

1. The City has assigned the following categories, methods and purchasing authority for purchases.
  - i. All employees are to identify which category is right for their respective request or purchase and follow that policy.
  - ii. General liability, automotive, and workman's compensation insurance are required for all contracts, written or verbal, which require services to be performed on City property.
  - iii. In addition, most professional services agreements will require professional errors and omissions insurance.
  - iv. It is each employee's responsibility to verify that such insurance is in place prior to the start of work.
  - v. Only the City's Risk Manager may waive any insurance requirement.
2. **Purchasing Categories**
  - i. **Category One - Goods, Supplies & Equipment (I.C. §67-2806)**
    - i.* Purchases up to \$15,000 do not require a quote. However, if Procurement issued purchase order is requested a quote will be required.
    - ii.* Purchases greater than \$15,000 to \$75,000 require three written quotes.
    - iii.* Purchases greater than \$75,000 to \$150,000 require an informal bid process.
    - iv.* Purchases greater than \$150,000 require a formal bid process.

- ii. **Category Two - Contracted Services (I.C. §67-2806)**
  - i. If at any time a contractor/vendor is requested to provide services on City property, a Procurement approved insurance certificate must be on file.
  - ii. Purchases *up to \$15,000* require one quote.
  - iii. Purchases greater than *\$15,000 to \$75,000* require three written quotes.
  - iv. Purchases greater than *\$75,000 to \$150,000* require an informal bid or RFP process.
  - v. Purchases greater than *\$150,000* require a formal bid or RFP process.
  
- iii. **Category Three - Professional Services**
  - i. Sub-category (a) I.C. §67-2320: Engineering, Architect, Construction Management, Land Surveyors
    - 1. Purchases *up to \$50,000* require a review of consultant's qualifications, and determination of Qualification, or selection from a current approved roster.
    - 2. Purchases *greater than \$50,000* require a formal RFQ process, or selection from a current approved roster created from a formal RFQ.
  - ii. Sub-Category (b) I.C. §67-2803(4): Attorney, Accountant, Planner etc.
    - 1. Purchases in this category are exempt from any solicitation requirement. All other policy and procedure requirements still apply.
  
- iv. **Category Four - Public Works Construction**
  - i. If at any time a contractor/vendor is requested to provide services on City property, a Procurement approved insurance certificate must be on file.
  - ii. Purchases in this category have special requirements that must be met regardless of which department conducts the purchase.
  - iii. All public works contractors performing work on projects with a value of \$100,000 or more (I.C. §54-1903(9)) must have a current Idaho Public Works Contractors License in the applicable trade(s). It is the responsibility of the employee making the purchase to verify that the contractor meets this requirement.
  - iv. Payment and performance bonds are required for all public works construction projects with a value of \$50,000 and above. These bonds shall be 100% of the contract price individually.
  - v. Purchases *up to \$25,000* require one quote.
  - vi. Purchases *greater than \$25,000 to \$50,000* require three written quotes.
  - vii. Purchases *greater than \$50,000 to \$200,000* require an informal bid process. (I.C. §67-2805)(2a)
  - viii. Purchases *greater than \$200,000 and above* require a formal bid process.
  - ix. TAX COMMISSION REQUIREMENTS FOR PUBLIC WORKS CONSTRUCTION

1. Within thirty (30) calendar days after City awards a contract to a public works contractor, the Procurement Division shall notify the State Tax Commission of the awarded contract, utilizing the Notification of Award form. See I.C. §54-1904A.
  2. If material or equipment is purchased or supplied by the City that is tax exempt, for subsequent use or installation by a Public Works Contractor, then the use by the contractor is may be required to pay a use tax on the cost of the equipment.
  3. For example, if a contractor has a public works contract to build a structure using materials owned and supplied by the City, the contractor is the consumer of the materials and may be subject to a use tax on their value.
  4. This tax falls directly upon the contractor and not the owner of the property. See Idaho Administrative Rules 35.01.02.12
- v. **Category Five - Repair of Heavy Equipment**
- i. Purchases in this category are exempt from solicitation requirement. See I.C. §67-2803(14)
- vi. **Category Six - Federal Grant Procurements**
- i. Besides following the appropriate process above, all Grant Procurements must adhere to Appendix B of this policy.

### 3. Procurement Methods

#### i. Quote

- i. It recommended that all quotes be obtained in writing and must contain the following:
  1. Description of the goods or services requested.
  2. All costs including delivery to the end user's location.
  3. Any vendor terms and conditions received.

#### ii. Invitation for Bid (Bid)

- i. All Invitation for Bids shall be issued by the Procurement Division and in one of two forms, Informal or Formal. In the event of a tie bid, the City may award to the bidder it chooses.
- ii. Requirements:
  1. Informal bid requirements
    - a. Be open for a minimum of three (3) days.
    - b. Must be sent to a minimum of three (3) vendors.
    - c. Be awarded to the bidder submitting the lowest responsive bid. (Goods and Services) or
    - d. Be awarded to the qualified bidder submitting the lowest responsive bid. (Construction).
  2. Formal bid requirements
    - a. Advertised in the local paper two consecutive publications with the first 14 days prior to the opening and the last at least seven (7) days prior to the opening.
    - b. Be open for a minimum of fourteen (14) days.
    - c. A public bid opening shall take place online.

- d. Be awarded to the bidder submitting the lowest responsive bid. (Goods and Services)
      - e. Be awarded to the qualified bidder submitting the lowest responsive bid. (Construction)
  - iii. Request for Proposal (RFP)
    - i. Request for Proposal's may be used for general services i.e. janitorial and landscape services or complex purchases i.e. software, specialized equipment, leases etc.
    - ii. Requests for Proposals shall be issued and managed by the Procurement Division.
    - iii. Minimum requirements for a Request for Proposal are as follows per I.C. §67-2806A:
      - 1. Describe what the product or service or solution is to accomplish.
      - 2. Provide weighted evaluation criteria of how the solicitation will be awarded.
      - 3. City Project Manager shall select the evaluation team.
    - iv. RFP Award
      - 1. Shall be awarded to the highest ranked proposer as ranked by the evaluation team.
    - v. Final terms and conditions of the contract, including cost, may be negotiated.
  - iv. Request for Qualifications (RFQ)
    - i. Request for Qualifications may be used for professional services and must be used for the selection of Engineers, Architects, Construction Managers and Land Surveyors (I.C. §67-2320).
    - ii. RFQ's shall be issued and managed by the Procurement Division.
    - iii. RFQ's, although not required, may also be used for other types of professional services, i.e. accountant, attorney, auditor etc. Contact Procurement for applicability.
    - iv. Request for Qualification requirements
      - 1. Describe the services required.
      - 2. Provide evaluation criteria of how the solicitation will be awarded.
      - 3. City Project Manager shall select the evaluation team.
      - 4. Cost may NOT be a factor in the evaluation process.
    - v. RFQ Award
      - 1. Shall be awarded to the highest qualified firm/individual as ranked by the evaluation team.
    - vi. Final terms and conditions, scope of work and cost may be negotiated.
  - v. Pre-Qualifications
    - i. The City may require Public Works Contractors to be pre-qualified for a particular project (I.C. §67-2805)(3)(b).
    - ii. Pre-Qualification Requirements

1. Advertised in the local paper two consecutive times with the first 14 days prior to the opening and the last at least seven (7) days prior to the qualification due date.
2. Describe the construction services to be performed.
3. Provide weighted evaluation criteria of how contractors will be evaluated.
4. City Project Manager shall select the evaluation team.
5. Only Contractors selected through the Pre-Qualification process will be allowed to bid on the construction project. All other bids received will be deemed non-responsive.

vi. Leases

- i. All leases must be processed through the Procurement Division regardless of dollar amount.
- ii. Capital leases must be appropriated and expensed for the full amount the first year of the lease.

vii. Cooperative Purchasing

- i. With the approval of the Procurement Manager, purchases may be completed using cooperative purchasing agreements with any State Agency or Political Subdivision or government entities or associations thereof.
- ii. Purchases may also be completed utilizing any purchasing cooperative that offers goods and/or services as a result of competitive solicitation in accordance with I.C. §67-2807, and that have been approved by the Procurement Manager.
- iii. **PUBLIC WORKS CONSTRUCTION PROCUREMENTS ARE EXCLUDED FROM COOPERATIVE PURCHASING.**
- iv. The Department may use the established state, federal, city, or county contracts to make purchases. The Division of Purchasing contract information is located at: <http://purchasing.idaho.gov/statewide-contracts>
- v. In accordance with I.C. §67-2803(1) and §67-2807(1), the City may also piggyback on other city or county bids if the pricing is consistent with the original bid and the bid process followed I.C. Title 67.
- vi. All contract documentation should accompany the purchase request.

viii. Emergency Purchases

- i. Emergency purchases may be completed without the requirement of a solicitation (I.C. §67-2808)(1). All other policy and process requirements still apply.
- ii. Emergency Purchase Requirements
  1. The emergency purchase is necessary to safeguard life, health or property.
  2. The City Council must declare that an emergency exists within 60 days of the emergency event.

- ix. **Sole Source Purchases**
  - i. Sole Source purchases are exempt from solicitation requirements and are broken into two categories
  - ii. Category 1 - Sole Source Purchases up to \$50,000.
    - 1. Procurement Manager approval is required
    - 2. Only one source is reasonably available.
    - 3. Sole Source purchases must meet one of the requirements listed in Category b below:
  - iii. Category 2 - Sole Source Purchases above \$50,000 (I.C. §67-2808)(2).
    - 1. Only one source is reasonably available.
    - 2. Procurement Manager & City Council approval is required prior to purchase.
    - 3. Sole Source must be advertised in the local paper fourteen (14) calendar days PRIOR to making purchase.
  - iv. Both Category a and b sole source purchases must meet one of the following requirements:
    - 1. Compatibility of equipment, components, accessories, computer software, replacement parts or service is the paramount consideration;
    - 2. Where a sole supplier's item is needed for trial use or testing;
    - 3. The purchase of mass-produced movies, videos, books or other copyrighted materials;
    - 4. The purchase of public works construction, services or personal property for which it is determined there is no functional equivalent;
    - 5. The purchase of products, merchandise or trademarked goods for resale at a political subdivision facility;
    - 6. Where competitive solicitation is impractical, disadvantageous or unreasonable under the circumstances.

#### 4. Purchasing Authority

- i. By adoption of this Policy, the City Council has set the following signatory thresholds for purchases through the Procurement Division.
- ii. Through adoption of this Policy the Mayor has delegated signing authority to the Procurement Manager for purchases made per this policy:
- iii. Purchases *up to \$15,000*
  - i. Purchase Orders and Contracts in this range may be signed by any Department Director or Authorized City Personnel. Department Directors shall have the City Attorney's office review all contracts before signing.
  - ii. All City Department Directors are required to insure all employees have read the Procurement Policy prior to delegating signing authority for purchases in this range.
  - iii. The employee is responsible for verifying that there are funds available for the purchase and for obtaining all required documentation, i.e. insurance, licenses etc., for the applicable Procurement category.
  - iv. The employee is responsible for obtaining the City Attorney's approval of any contract the employee is signing.



- iv. Purchases *above \$15,000*
  - i. Purchase Orders and Contracts in this range must be signed by either the Procurement Manager, the Mayor or their respective designees, prior to the purchase.
  - ii. The Chief Financial Officer will stand as the signatory in the absence of the Procurement Manager.
- v. Contracts *above \$200,000*
  - i. All contracts in this range require legal review and City Council approval.
- vi. Change Orders
  - i. Employees may create change orders.
  - ii. Employees are to contact the Procurement Division prior to drafting and issuing a change order to confirm current contract values and change order numbers.
  - iii. All change orders must utilize the standard City form and be approved by the Procurement Manager.
  - iv. The Procurement Manager shall determine if specific change orders require Council approval.
- vii. Credit Card Usage
  - i. This policy states the minimum guidelines required by the City [Credit Card Policy](#), City Policy 9.5, and by law.
  - ii. Individual departments may establish more restrictive guidelines for usage.
  - iii. Credit card purchases must comply with the Procurement Policy requirements stated above.

### 3. Procurement Ethics and Vendor Relationships

- a. Every City employee has a personal responsibility to conduct government business in an ethical manner and assure the integrity of the City Procurement Process.
- b. All City employees and elected officials are responsible for adherence to City and State Procurement rules, and regulations.
- c. [Code of Ethics](#)
  - i. All City employees responsible for procuring goods or services shall:
  - ii. Follow the rules and regulations of the City Standards of Conduct Policy 7.5 and the laws of the State of Idaho.
  - iii. Avoid activities that would compromise or give the perception of compromising the integrity of the procurement process and the best interests of the City. (ref. City Conflict of Interest Policy 6.18).
  - iv. Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition.
  - v. Act as good custodians of public money by obtaining maximum benefit for funds spent
  - vi. All employees are required to comply with the City's Policy 6.11 in regards to gifts and gratuities.

- vii. In addition to City Policy 6.11 employees in a position to make or recommend an award of a City purchase shall not solicit or accept gifts, money, prejudicial discounts or entertainment material which might influence or appear to influence Procurement decisions.
- d. **Vendor Relationships**
  - i. Developing and maintaining good relationships with our suppliers is important. City personnel should work through the Procurement Division for vendor communication during any solicitation period.
  - ii. Maintain and practice, to the highest degree possible, business ethics, professional courtesy, and competence in all transactions.
  - iii. Adhere to and protect the supplier's business and legal rights to confidentiality for trade secrets, and other proprietary information.
- e. **Loyalty Awards (Gift Cards) and Gifts**
  - i. Employees are prohibited from personally accepting loyalty/gift cards and/or gifts from vendors for making purchases on behalf of or in any capacity for the City.
  - ii. The City, and not the employee, is being rewarded for its faithful business.
  - iii. Therefore, employees are to ask for discounts on the purchase being made in lieu of gift cards.
- f. **Prohibitions**
  - i. The City has adopted the following in regard to Procurement prohibitions:
  - ii. I.C. §67-9230 –Conflict of interest regarding the holding of contracts or selling to the City, property or supplies by City employees unless award is made after competitive bids per City Policy 6.18.
  - iii. I.C. §67-9230 – Prohibition regarding the influencing or conspiring to influence public Procurement decisions and contract awards. No officer or employee shall conspire with a vendor or its agent, and no vendor or its agent shall conspire with an officer or employee, to influence or attempt to influence the award of a contract, or to deprive or attempt to deprive a vendor of a contract. Attempts at influence may include kickbacks and bribes, peddling or payment of a fee, back door selling, hard-sell tactics, fraternization, or offering gifts to avoid following published procedures or gain personal advantages.
  - iv. I.C. §67-9230 – No vendor or related party, or subsidiary, or affiliate of a vendor may submit a bid to obtain a contract to provide property to the City, if the vendor or related party, or affiliate or subsidiary was paid for services utilized in preparing the bid specifications or if the services influenced the procurement process.
  - v. I.C. §59-1026 – Circumventing Procurement Authorization – Prohibits efforts by employees to obtain products or services by avoiding the competitive process by splitting purchases or creating false emergency situations.

g. Appeals

- i. The City strives for a fair, legal and transparent solicitation process.
- ii. Any bidder, proposer or vendor who believes they were aggrieved in connection with a solicitation or award may appeal to the Procurement Manager.
- iii. The solicitation appeals are as follows:
  1. Specification Appeal
    - a. Informal Solicitation – A bidder/proposer must submit an appeal to the Procurement Manager at least one (1) day prior to the due date and time of the solicitation.
    - b. Formal Solicitation – A bidder/proposer must submit an appeal to the Procurement Manager no later than three (3) days prior to the due date and time of the solicitation.
  2. Appeal of Award
    - a. Formal Solicitation – A bidder/proposer must submit an appeal to the Procurement
    - b. Manager within seven (7) calendar days of the transmittal of the Notice of Intent to Award, stating the express reason(s) the aggrieved bidder feels that the award decision is in error

h. Payment Processing

- i. See [Accounts Payable Policy](#)

I. **CONTRACT MANGEMENT**

The City of Meridian has developed a Contract Management Database (CMDB) to assist those employees and Project Managers (PM's) who have been assigned a contract, to more efficiently manage contracts. PM's/Contract Mangers are responsible for the following:

- a. Send all Notices to Proceed to the Procurement Division on a timely basis.
- b. Read and understand and manage the Contract and Task Order Scopes of Work and Milestones that they have been assigned.
- c. In agreements where the City is due a payment, pay special attention to invoicing date requirements and contact the Accounting Division to request an invoice be sent prior to any agreement due dates.
- d. Ensure all payment are accurately and timely processed against the correct Purchase Orders.

## ATTACHMENT "A"

### Definitions

**Appeal:** An objection to a specification, process, procedure or award.

**Award:** The City's acceptance and approval of a bid or proposal.

**Bid:** A competitive price offer submitted by a prospective vendor in response to a formal or informal invitation issued by the City.

**Bid Documents - Formal and Semi-Formal:** A set of documents, made available to bidders that may include an invitation to bid, instructions to bidders, bid form, general conditions, supplemental general conditions, special provisions, technical specifications, drawings, or other information necessary to adequately convey the characteristics of the item or service being sought.

**Change Order (CO):** A written alteration that is issued to modify a Contract or Purchase Order. A bilateral request that directs the Contractor to make changes to the contracted Scope of Work or Specifications. The modification may include time and/or costs changes. In reference to construction contracts, it relates primarily to changes caused by unanticipated conditions encountered during construction not covered by the drawings, plans, or Specifications of the project.

**Consultant:** A person or firm that possesses unique qualifications that allow them to perform specialized advisory services usually for a fee. Serves in an advisory capacity.

**Contract:** Contract types include, Professional Services Agreements, Master Agreements, Task Orders, Contracted Services Agreements and Purchase Orders.

**Contracted Services:** Janitorial services, landscape services etc.

**Contractor:** An individual or firm who has been awarded a contract to provide goods and/or services to the City.

**Emergency Purchase:** A purchase made without a solicitation to safeguard life, health or property in response to a disaster, public calamity, or other unforeseen situation. Emergency purchases **MUST** be approved by Council.

**Idaho Code (I.C.):** Legal code of Idaho found in the Idaho State Statutes. (This policy refers to several Idaho Statutes. See Appendix A for a list of all statutes that impact Public Procurement).

**Notice of Intent to Award:** A formal notice sent to the respondents to a bid or RFP stating the low bidder/highest ranked proposer and the City's intent to enter into contract with the successful bidder/proposer.

**Payment Bond:** A financial or contractual instrument, issued by a surety that guarantees that subcontractors and material providers to contractors will be paid for labor and materials expended

by the subcontractor. Acceptable forms of payment bonds may include cashier's check, certified check, or a surety bond. Also known as Labor and Materials Bond.

**Performance Bond:** An instrument executed, subsequent to award, by a successful bidder that protects the public entity from loss due to the bidder's inability to complete the contract as agreed.

**Piggyback:** A form of intergovernmental cooperative purchasing in which an entity will extend the pricing and terms of a contract entered into by a separate entity

**Project Manager (PM):** The City employee responsible for procurement of goods, services, equipment or a construction project. They are accountable for accomplishing the stated project objectives and have the responsibility of the planning, execution, and closing of a project, including processing of payment requests.

**Professional Services:** Services rendered by members of a recognized profession or a person possessing a special skill. Such Professional Services are generally acquired to obtain information, advice, training, or direct assistance. This includes but is not limited to accounting and auditing, legal, education, engineering, architecture, construction management and research.

**Proposal:** A document submitted by a firm or individual in response to a Request for Proposals (RFP).

**Proposer:** A person or entity who submits a proposal in response to a Request for Proposals (RFP).

**Public Procurement:** The Procurement of an item or a service for a Public Entity using public funds.

**Public Works Construction:** Public works construction includes any or all of the following branches:

(i) Heavy construction, which is defined as constructing substantially in its entirety any fixed works and structures (not including "building construction"), without limitation, for any or all of the following divisions of subjects: irrigation, drainage, sanitation, sewage, water power, water supply, reservoirs, flood control, reclamation, inland waterways, railroads, grade separations, track elevation, elevated highways, hydroelectric developments, aqueducts, transmission lines, duct lines, pipelines, locks, dams, dikes, levees, revetments, channels, channel cutoffs, intakes, drainage, excavation and disposal of earth and rocks, foundations, piers, abutments, retaining walls, viaducts, shafts, tunnels, airports, air bases and airways, and other facilities incidental to the same;

(ii) Highway construction, which is defined as all work included in highway construction contracts, including, without limitation, highways, roads, streets, bridges, tunnels, sewer and street grading, street paving, curb setting, surfacing and other facilities incidental to any of the same;

(iii) Building construction, which is defined as all work in connection with any structure now built, being built, or hereafter built, for the support, shelter and enclosure of persons, chattels, personal and movable property of any kind, requiring in its construction the use of more than two (2) unrelated building trades or crafts.

(iv) Specialty construction, which is defined as any work in connection with any public works construction, requiring special skill and the use of specially skilled trades or crafts.

Statute and this policy cover any construction, repair or reconstruction of any public work (including, but not limited to, buildings, pipelines, irrigation, drainage facilities, curbing, and numerous "specialty construction" types of work). See I.C. §54-1901 for further definition and types

of work subject to the requirements of this policy.

**Purchasing:** The process of ordering and receiving goods and services. A subset of the wider procurement process.

**Procurement Manager:** The professional within the City who is responsible for procuring or approving the acquisition of goods and services needed by the company. A Procurement Manager oversees the acquisition of materials needed for production, general supplies for offices and facilities, equipment, or construction contracts.

**Purchase Order (PO):** A short form of contract. PO includes goods and services to be purchased, amount and payment terms.

**Qualified Bidder:** A bidder, determined by the Procurement Division, that

- a) meets the minimum standards of business competence, reputation, financial ability, and product quality for placement on the bidders List, and/or
- b) has met the requirements of a solicitation.

**Request for Proposal (RFP):** A method for acquiring services, equipment and supplies that permits the negotiation of all terms, including scope and price, prior to the award. RFP's are typically utilized where the need is known but the solution is not. An RFP describes a problem or need in general terms and seeks a written proposal. RFP's are evaluated and awarded on criteria listed in the solicitation. Price is often one of the evaluation factors, however it is typically not the predominate basis for contract award.

**Request for Qualification(RFQ):** A Request for Qualification is a form of solicitation used to obtain statements of qualifications for professional services. The basis for award shall be established in the solicitation. RFQ's may not consider pricing in the evaluation and award of solicitations.

**Responsive Bidder:** A contractor, business entity, or individual who has submitted a bid or proposal that fully conforms in all material respects to the Invitation for Bids (ITB)/Request for Proposals (RFP) and all of its requirements, including all form and substance.

**Scope of Work/Services:** A detailed, written description of the requirements for a procurement contained within an Invitation for Bids or Request for Proposals and/or contract. The scope of work should establish a clear understanding of what the City requires.

**Specialized Repair:** Specialized repair refers to repair of rolling stock (vehicles, trailers and equipment) where the repairs cannot be determined without tearing down the vehicle/equipment.

**Specification:** A precise description of the physical characteristics, quality, or desired outcomes of good or services to be procured, which a supplier must be able to produce or deliver for consideration of award of a contract. Specifications are written not to restrict bidding but to encourage open competition. The goal is to attract maximum reasonable competition.

**Statement of Work (SOW):** Describes the work necessary to complete the required tasks. Used most commonly to procure services.

**Statutes:** The written laws approved by legislatures, also known as legislation.

**Surety:** A pledge or guarantee by an insurance company, bank, individual, or corporation on behalf of the bidder/proposer that protects against default or failure of the contracted bidder/proposer to satisfy the contractual obligations.

**Surplus Property:** Personal property owned by the City that is of no further use to the City, obsolete and/or where the cost of maintenance, transportation, storage, or other costs exceed the economic or useful life of the property.

**Terms and Conditions:** Standard boilerplate language that includes standard clauses and rules that apply to bids and proposals formally solicited that may become incorporated into the final contract.

**Transparency:** In an ethical context, the idea that the more information disclosed about a business, financial, or economic activity, the better. Transparency improves ethical conduct. Maximum disclosure is for the betterment of the public and will help to discourage more regulation.

**Use Tax:** A tax imposed on contractors when they install City owned and/or pre-purchased goods, materials or equipment.

## ATTACHMENT "B"

### Procurements Using Federal Grant Funds

1. **Definitions.** Terms used in this Policy shall be defined as set forth in 2 CFR § 200.1.
2. **Applicability.** In the procurement of goods and services using Federal Award funds awarded to the City, in addition to all applicable City policies and local, State, and Federal laws and regulations, the City and its Contractors shall comply in all respects with the following, as applicable:
  - a. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
  - b. Davis-Bacon Act, 40 U.S.C. 3141–3148 (2 CFR Part 200, Appendix II, § D; applicable to all prime construction contracts in excess of \$2,000).
  - c. Copeland "Anti-Kickback" Act, 40 U.S.C. 3145 (2 CFR Part 200, Appendix II, § D)
  - d. Debarment and Suspension, Executive Orders 12549 and 12689 (2 CFR Part 200, Appendix II, § H; 2 CFR Part 180).
  - e. Procurement of recovered materials (2 CFR Part 200, Appendix II, § J, 2 CFR § 200.323; applicable where the price of the item purchased exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000).
  - f. Domestic preferences for procurements (2 CFR Part 200, Appendix II, § L; 2 CFR § 200.322).
  - g. Internal controls (2 CFR § 200.303).
  - h. General procurement standards (2 CFR § 200.318).
  - i. Small, Women- and Minority-Owned Businesses (2 CFR § 200.321).
  - j. Procurement of recovered materials (2 CFR Part 200, Appendix II, § J, 2 CFR § 200.323; applicable where the price of the item purchased exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000).
3. **Additional Requirements.** In the addition to all other Policy requirements, all federally funded grant procurement must adhere to the following:
  - a. Prior to effecting a purchase using any federal grant funds, procurement staff must verify through the System For Award Management (SAM) that the contractor/vendor's has a registered Unique Entity Identifier (UEI), and is not excluded from doing business under a federal grant.
  - b. The City must avoid acquisition of unnecessary or duplicative items per 2 CFR 200.318. An analysis of the purchase should be made to determine if consolidation or breaking up procurements (within the confines of State Statutes) could be economically advantageous. If applicable, a lease vs purchase alternative should be considered to determine the most economical approach.
  - c. The City is encouraged to make efforts to discover if the goods or services being sought could be effectuated more economically through cooperative contracts or Federal excess and surplus property in lieu of purchasing new equipment when feasible.
  - d. The City must maintain records sufficient to detail the history of the procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.



- e. Disadvantaged Business Enterprise. The City shall take all necessary affirmative steps to assure that minority business, women’s business enterprises, and labor surplus are firms are used when possible. Affirmative steps shall include the following:
- f. Placing qualified small and minority businesses and women’s business enterprises on solicitation lists;
- g. Assuring that small and minority business, and women’s business enterprises are solicited whenever they are potential sources;
- h. Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women’s business enterprises;
- i. Establish delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women’s business enterprises;
- j. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- k. Require the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs a through e of this section.
- l. If the Grant is subject to EPA requirements (2 CFR 200.322) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.
- m. “To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements. The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.”(2 CFR 200.318)

For the purpose of this section:

- i. "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- ii. "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.
- iii. Federal agencies providing Federal financial assistance for infrastructure projects must implement the Buy America preferences set forth in 2 CFR part 184.
  - h. Recovered Materials, if the Grant is subject to EPA requirements (2 CFR 200.322) the City should consider the use of recovered materials.
  - i. Equal Employment Opportunity
  - j. David-Bacon Act: Any grant funded construction contract is subject to the David-Bacon Act as follows:
  - k. All grant funded contracts greater than \$100,000 that includes mechanics or laborers must include Contract Work Hours and Safety Standards as follows:

## ATTACHMENT "C"

### **Idaho Statutes Regarding Procurement, and Contracting**

#### Public Works Contractor Licensure Requirements

I.C. §54-1903 (i)

#### Exemptions to Public Works Contractor Licensure

I.C. §54-1903 (i) & (k)

#### Filing of Notices and Income Tax Returns -- Payment of Income Taxes by Contractors

I.C. §54-1904A

#### Public Works Construction Bidding

I.C. §67-2803 (2) & (3)

#### Public Procurement of Goods and Services Bidding

I.C. §67-2803 (2)

I.C. §67-2805 (2) & (3)

#### Purchasing By Political Subdivisions

I.C. Title 67, Chapter 28

#### Exemptions to Public Procurement of Goods and Services Bidding

I.C. §67-2803 (1) through (7)

I.C. §67-2806

I.C. §67-2808 (1)

#### Joint Procurement Program

I.C. §67-2807 (1)

#### Penalties – Political Subdivisions/Public Officials

I.C. §54-1914 (2)

I.C. §54-1920 (2)

I.C. §59-1026

#### Penalties – Contractors

I.C. §54-1914 (1)

I.C. §54-1920 (1) & (3)

#### Prohibitions

I.C. §67-5726

#### Professional Service Contracts with Design Professionals, Construction Managers and Professional Land Surveyors

I.C. §67-2320

Disposal of Surplus  
I.C. Title 50, Chapter 14

Abandoned or Unclaimed Property in Possession of Sheriff or City Police Department -- Sale at Public Auction.  
I.C. §55-403

Written Plans and Specifications for Work To Be Made by Officials – Availability  
I.C. §67-2309

Leases  
I.C. §50-1409

### **Related Statutes and Rules**

Public Works Contractors  
I.C. Title 54, Chapter 19

IDAHO ADMINISTRATION RULES  
Idaho Sales and Use Tax Administrative Rules – Contractors  
35.01.02.12

STATE OF IDAHO BOARD OF EXAMINERS  
State Personal Surplus Property Policy and Procedures  
Policy No. 442-40