Chapter 3.16 Procurements

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3.16.010 Contract and purchase procedure. The City Manager or his designee may carry out any of the following.
a. Contract for, purchase or issue purchase authorizations for all supplies, materials, equipment and services for the offices, departments, and agencies of the City;
b. Contact for construction, repair or improvements of the City facilities. (Ord. 84-32 (part) 1984.)

3.16.020 Limitation on Manager's authority. a. The manager may not make an acquisition or contract authorized by Section 3.16.010 of this chapter if the value of the property, service or contract exceeds ten thousand dollars, without first obtaining City Council approval of the appropriation or unless the property, service or contract is listed in the City's annual budget.
b. If the value of the property, service or contract exceeds ten thousand dollars but does not exceed twenty five thousand dollars, the Manager may authorize the acquisition or contract with the written concurrence of the Finance Director if appropriated funds are available, and upon seeking at least three competitive bids from a minimum of three vendors. The acquisition or contract will be awarded to the lowest responsive and responsible bidder as determined in 3.16.070 and without observing the procedure prescribed for the award of formal sealed bids. Written notice of such an acquisition or contract must be given to the City Council within 24 hours and at the next regular Council meeting.
c. If the value of the property, service or contract exceeds twenty five thousand dollars, and is not listed in the City's annual budget, the acquisition or contract must be approved in advance by the City Council. (Ord. 01-06(A) 1 part, 2001; Ord. 84-32 (part), 1984.)

3.16.030 Open market procedures. a. Purchases or contracts authorized by Section 3.16.010 having an estimated value that does not exceed twenty five thousand dollars may be made in the open market without publishing notice in a newspaper.
b. A purchase or contract authorized by Section 3.16.010 having an estimated value that exceeds ten thousand dollars but does not exceed twenty five thousand dollars shall be based on at least three competitive written bids and be awarded to the lowest responsive bidder as determined in 3.16.070 and without observing the procedure prescribed for the award of formal sealed bids.
c. Small procurement greater than two thousand dollars but not exceeding ten thousand dollars shall, whenever practical, be based on at least two written or oral price quotations without observing the procedure prescribed for the award of formal sealed bids.
d. All purchases or contracts less then two thousand dollars shall be made on the open market with such competition as is reasonable and practical in the circumstances.(Ord. 01-06(A) 1 part, 2001; Ord. 87-29 1, 1988)

3.16.040 Advertising for bids. a. Purchases or contracts authorized by Section 3.16.010 having an estimated value of more than twenty five thousand dollars may be made only after a notice calling for bids is printed in a newspaper of general circulation within the City once a week for not less than two consecutive weeks prior to the date for the bid award, unless another form of media is authorized by the City Manager. The notice shall contain a general

description of the property, work or service; state where the bid forms and/or specifications may be obtained; specify the place for submission of bids and the time by which they must be received.
b. The bid closing date shall be no sooner than five working days after the last date of advertisement.
c. The purchase or contract shall be awarded to the lowest responsive and responsible bidder as determined in 3.16.070. (Ord. 01-17, 2001; Ord. 01-06(A) 1 part, 2001; Ord. 84-32 (part), 1984)

3.16.050 Processing of bids. Notwithstanding other provisions of this chapter relating to the award after competitive bid for purchases and contracts, the City may: a. Reject defective or nonresponsive bids.;
b. Waive any irregularities in any and all bids;
c. Reject all bids;
d. Readvertise for bids with or without making changes in the plans, specifications or scope of work. (Ord. 84-32 (part), 1984)

3.16.060 Exceptions to bidding requirements. Unless otherwise authorized by law, all procurement actions shall be by competitive bidding. Authorized exceptions include: a. Negotiated procurement following unsuccessful efforts to obtain competitive bidding.
b. Small procurement, below twenty five thousand dollars.
c. Emergency procurement.
d. Procurement of consultant and technical services.
e. Procurement of real estate.
f. Procurement of architect-engineer, construction manager, or construction completion services.
g. Interagency agreements.
h. Utilization of State or Local government contracts.
i. Sole source procurement.
j. Procurement resulting from competitive sealed proposals as defined in Section 3.16.100.
k. Placement of insurance coverage.
l. Electronic data processing software and hardware. Competition will be sought to the maximum extent practicable. (Ord. 01-06(A) 1 part, 200 1; Ord. 84-32 (part), 1984)

3.16.070 Lowest responsive and responsible bidder. In determining the lowest responsive and responsible bidder, the City shall consider: a. The price;
b. The ability, capacity and skill of the bidder to perform the contract within the time and price specified;
c. The reputation and experience of the bidder;
d. The bidder performance under previous contract. (Ord. 01-17, 2001; Ord. 01-06(A) 1 part, 2001; Ord. 84-32 (part), 1984)

3.16.080 Local Bidder Preference. a. It is the policy of the City of Homer to give preference to City of Homer residents, workers, businesses, contractors, producers and dealers to the extent consistent with law.
b. A contract or purchase shall be awarded to a local bidder where the bid by such local bidder is, in all material respects, comparable to the lowest responsible non-local bid if the amount bid by such local bidder does not exceed the lowest non-local bid by more than the following percentages, unless such an award is contrary to state or federal law or regulation or unless the Council, at its discretion, determines prior to giving notice soliciting bids that the provisions of this section shall not apply to the contract or purchases:
Non - local bid is: Local bid is not more than:
$0 - $ 500,000.00 5 percent higher than non-local bid
$0 - $1,000,000.00 5 percent higher than non-local bid on first $500,000.00 and 2.5 percent higher than non-local bid on amount in excess of $500,000.00 to $1,000,000.00
No additional adjustment for bids above $1,000,000.00
c. "Local bidder," for purposes of this section, means a person or firm who:
1. Holds a current Alaska Business License to provide such goods or services, and such other Alaska regulatory licenses as are required to provide such goods or services; and
2. Submits a bid for goods or services under the name appearing on the person's or firm's current Alaska Business License; and
3. Has maintained and staffed a place of business within the boundaries of the City of Homer for a period of at least six (6) months immediately preceding the date of the bid and intends to permanently maintain such place of business in the future; and
4. Is registered in the Kenai Peninsula Borough to collect sales tax and locally provides the products and services sought; and
5. Is not delinquent in the payment of any taxes, charges, or assessments owing to the City of Homer on account of

that business.
d. The City Manager may require such documentation or verification by the person or firm claiming to be a local bidder as is deemed necessary to establish the requirements of this section.
e. Local bidder's preference does not apply to sale or other disposal of personal property in chapter 18.30 of the City Code.(Ord.01-13(S)(A), 2001.)

3.16.090 Requirements mandatory. Except as provided in Section 3.16.100, a purchase, contract or sale subject to the provisions of this chapter shall not be valid, enforceable or binding upon the City unless the established requirements have been satisfied and the contract or purchase is approved by the City Council. (Ord. 01-06(A) 1 part, 2001; Ord. 84-32 (part), 1984)

3.16.100 Change orders - Manager authority. The City Manager or his designee is authorized, without Council approval, to enter into change orders where the amount of additional expenditure occasioned by the change order or orders does not, in the aggregate, exceed any contingency fund previously established with respect to the particular project or change the scope of work. The Manager or his designee shall report monthly to the Council the nature and amount of such change orders. Change orders exceeding in the aggregate the foregoing limitation or which change the scope of work are not binding without prior approval of the Council. (Ord. 01-06(A) 1 part, 2001; Ord. 84-32 (part), 1984)

3.16.110 Competitive sealed proposals - Negotiated procurement. a. If the City Manager determines that use of competitive sealed bidding is not practicable, the City may procure supplies, services or construction by competitive sealed proposals under this section.
b. The City Manager shall solicit competitive sealed proposals by issuing a request for proposals. The request for proposals shall state, or incorporate by reference, all specifications and contractual terms and conditions to which a proposal must respond, and shall state the factors to be considered in evaluating proposals and the relative important of those factors. Public notice of a request for proposals shall be given in accordance with Section 3.16.040 (a) and (b).
c. Sealed proposals shall be designated as such on an outer envelope and shall be submitted by mail or in person at the place no later than the time specified in the request for proposals. Proposals not submitted at the place or within the time so specified shall not be opened or considered.
d. Proposals shall be received at the time and place designated in the request for proposals, and shall be opened so as to avoid disclosing their contents to competing proponents during the process of negotiation. Proposals, tabulations and evaluations thereof shall be open to public inspection only after the contract award. The City Manager shall issue a notice of recommendation to award to all responding proponents at least four days prior to approval by the final decision-making authority.
e. In the manner provided in the request for proposals, the City Manager may negotiate with those proponents whose proposals are determined to be responsive to the request for proposals. Negotiations shall be used to clarify and assure full understanding of the requirements of the request for proposals after submission and prior to award to obtain best and final offers. Proponents deemed eligible for negotiations shall be treated equally regarding any opportunity to discuss or revise proposals. In conducting negotiations or requesting revisions, no city officer or employee shall disclose any information derived from proposals of competing proponents.
f. If fair and reasonable compensation, contract requirements and contract documents can be agreed upon with the most qualified proponent, the contract shall be awarded to that proponent.
g. If fair and reasonable compensation, contract requirements and contract documents cannot be agreed upon with the most qualified proponent, the City Manager shall advise the proponent of the termination of negotiations. If the proposals were submitted by one or more other proponents determined to be qualified, negotiations may be conducted with such other proponents in the order of their respective rankings. The contract may be awarded to the proponent then determined to be most qualified and advantageous to the City.
h. Awards shall be made by written notice to the proponent whose final proposal is determined to be most advantageous to the City if satisfactory compensation, contract requirements and contract documents are agreed upon pursuant to subsection (f) or (g). No criteria other than those set forth in the request for proposals may be used in proposal evaluation. If the City Council, or the City Manager,(if the contract is within the Managers authority to award), determine that it is in the best interest of the City to do so, the City may reject all proposals.
i. When the service is routine and repetitious, the cost of the anticipated service shall be considered during evaluation of proposals. This paragraph shall not apply to a qualifications-based selection process. (Ord. 01-06(A) 1 part, 2001; Ord 92-38 1, 1992; (Ord. 84-32 (part), 1984)

3.16.120 Procurement Policy Procedure Manual. a. The City Council herein incorporates by reference procurement policies and procedures specified in the City of Homer Procurement Policy and Procedures Manual.

b. The Manual may be revised with Council approval.
c. A copy of the Manual shall be available to the public at all times at the Homer City Hall.(Ord. 01-06(A) 1 part, 2001; Ord. 87-29 2, 1988.)

Footnote: For provisions restricting business dealings with violators of tax code, see 9.04.050. Local Bidders Preference 3.16.080 to be reviewed in April 2003.

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