

City of Lawrence
Purchasing Policy

SUBJECT Purchasing Policy		APPLIES TO All Departments	
EFFECTIVE DATE May 18, 2022	REVISED DATE Oct 1, 2025	NEXT REVIEW DATE Oct 2026	
APPROVED BY City Commission		TOTAL PAGES 7	POLICY NUMBER

1.0 **Introduction**

City Commission institutes this Purchasing Policy to establish a uniform policy for the purchase of goods and services. It is recognized that a centralized purchasing function offers considerable benefits by maximizing the use of financial resources through sound procurement practices. The effective administration of a centralized purchasing function requires outlining the duties and responsibilities of all the participants involved in the purchasing process, so goods and services are purchased in an efficient and organized manner. Purchasing procedures which further outline the purchasing process and internal procedures related to making purchases on behalf of the City shall be developed by the Finance Director, Purchasing Manager, or their designee. This policy applies to all City purchases unless Federal or State grant requirements supersede.

In support of the City of Lawrence Strategic Plan, this purchasing policy is guided by six commitments: community engagement, efficient and effective processes, equity and inclusion, sound fiscal stewardship, engaged & empowered teams, and environmental sustainability. These commitments are reflected in the decisions our employees make every day, including purchasing. The intent of incorporating the Strategic Plan into this policy is to have our business dealings reflect our commitment to these goals.

The Universal Public Procurement Certification Council (UPPCC) Body of Knowledge as incorporated by NIGP: The Institute for Public Procurement is the basis of the definitions and best practices contained within this policy.

2.0 **Policy**

The primary purpose in establishing centralized purchasing is to provide maximum service and efficiency in procuring items required by City departments and to assist their operation in an effective and economical manner. To accomplish this, the City's primary objectives are:

- A. To procure and authorize the procurement of all goods and services.
- B. To prescribe the way goods and services shall be purchased, delivered, and distributed.
- C. To establish standards of quality and quantity, and to coordinate the development of standardized specifications for use by all departments, when possible and applicable.
- D. To encourage competition by promoting, to the greatest extent possible, open and competitive bidding.

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- E. To consolidate purchase requirements to maximize the City's buying position.
- F. To avoid unnecessary/duplicative purchases of goods and services.
- G. To establish and maintain favorable relationships with vendors especially local and disadvantaged (DBE).
- H. To promote an understanding and appreciation of sound and ethical purchasing.
- I. To ensure controls over outstanding liabilities and encumbrances in order to maintain financial responsibility and proper budget administration.
- J. To comply with all local, state, and federal laws related to procurement activities.

The City Manager is charged with development of purchasing procedures which detail the implementation of this policy and reflect the statements within this policy, maintain public confidence regarding purchasing, achieve the best value for the City, establish appropriate purchasing controls, and foster broad-based competition. City employees shall consult the procedures for further guidance regarding this policy.

3.0 Purchasing Thresholds

The City of Lawrence has established incremental purchasing thresholds which must be followed. Bid Splitting, the subdividing of purchases for the purpose of circumventing these established requirements, is strictly prohibited. For regularly recurring purchases with a vendor, the entire amount reasonably anticipated to be spent in the fiscal year should be considered when determining the applicable threshold. For example, if a department anticipates making five (5) separate purchases with the same vendor throughout the calendar year of \$10,000 each, the dollar amount of the purchase is \$50,000, and that is the threshold that must be followed. It also applies to contracts, the expected expenditure over the life of the contract is the dollar amount that applies. The financial system of record shall be configured such that permissions to approve reflect the purchasing authority levels established by this policy.

- A. **Purchases less than/equal to \$10,000:** The Department Head responsible for the department requesting the expenditure or their designee is authorized to determine the vendor (including soliciting bids from multiple vendors if the department deems it appropriate) and approve the purchase. Bids or a formal selection process are not required for these purchases. Departments may not issue self-generated purchase orders and are prohibited from issuing or distributing other purchase related documents in the name of the City of Lawrence.

Purchasing cards are the most efficient form of payment and are the City's preferred payment method for transactions of \$10,000 or less. Personal credit cards must NOT be used as sales tax will be charged. The Director of Finance shall be responsible for establishing rules to effectively administer the Purchasing card program. Vendors requesting a purchase order shall be directed to the vendor portal to set up ACH payment. Vendors requiring a purchase order despite ACH payment must make a request to Purchasing.

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Requisitions for purchases under \$10,000.00 must have documentation attached to them in the financial system.

See Purchasing Card Policy and Procedure Document

- B. **Purchases of \$10,000.01 to less than/equal to \$50,000:** Employees are required to obtain a minimum of 3 bids or quotes. The use of a formal solicitation process (RFPs, IFBs, and RFQs are examples) is not required but is available for use. An analysis supporting the award decision along with the bids or quotes received must be attached to the requisition in the financial system. Department Directors or their designee must approve these purchases before a purchase order is issued and the vendor is paid.
- C. **Purchases of \$50,000.01 to \$100,000:** Employees are required to work with City Purchasing on the formal selection process (RFPs, IFBs, RFQs, and RFIs are examples) for these purchases. The City Manager may waive this requirement upon a determination that waiver is in the best interest of the City. Should the solicitation process be waived, a minimum of three vendor responses shall be required. The City Manager or their designee must approve these items before a purchase order is issued and the vendor is paid.
- i. Sealed Bids are required for public improvement projects over \$50,000.
 - ii. Per [1-304](#) bids for public improvement projects estimated to cost over \$50,000 shall be invited by advertisement and published by the City Clerk once in the official City newspaper.
 - iii. Professional services with a projected expenditure of less than \$50,000 do not require formal solicitation. All instances where the projected expenditure is expected to exceed \$50,000 require formal solicitation by conducted by City Purchasing.

The City Manager may waive this requirement for legal services that are less than \$100,000 and the Governing Body may waive this requirement for legal services more than \$100,000.

- D. **Purchases greater than \$100,000:** The Governing Body must approve these items prior to a purchase order being issued, a contract being executed or vendor payment. These purchases shall be made through a sealed bid process or formal selection process conducted by City Purchasing unless the process is waived by the Governing Body. For construction of public improvements, the Governing Body may waive the sealed bid process if it determines the waiver is in the City's best interest.
- E. Item cost shall not exceed \$10,000 on purchases from vendors that have City Commission approval for annual spend to exceed \$100,000.00.
- F. **Purchases from [State](#) or [Federal Funds](#):** The requirements established

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by the Office of Management and Budget (OMB) [Uniform Guidance](#) or the specific funding guidance of the awarding/oversight agency shall prevail. The City has established internal control procedures to ensure federal funds are expended according to the requirements in the OMB Uniform Guidance. The policy is subject to any revisions to OMB Uniform Guidance regardless of whether the guidance is currently in the policy.

SEE GRANT POLICY

4.0 **Approval of Claims**

The City Commission has authorized the City Manager sole authority to establish and administer procurement policies and procedures for all City purchases. The City Manager has the authority, within the parameters of the approved budget, to authorize payment of obligations for purchases. A claim register listing these payments must be presented to the City Commission for their acknowledgment at a City Commission meeting.

SEE ACCOUNTS PAYABLE POLICY AND PROCEDURES

5.0 **Sustainable Purchasing**

The City has made a formal commitment to environmental sustainability. The City shall consider both the lifecycle impacts of the goods and services that are purchased, as well as the sustainability practices of its suppliers. The sustainability aspects that may be considered for any procurement include, but are not limited to:

Environmental aspects, including purchasing Goods and Services from suppliers that:

- i Reduce material use, waste and packaging and promote reuse, recycled content, recyclability, reparability, upgradability, durability, biodegradability, and renewable products.
- ii Maximize energy efficiency.
- iii Reduce greenhouse gas (GHG) emissions and air pollution, mitigate climate change and support climate change adaptation.
- iv Conserve water and/or improve water quality.
- v Reduce or eliminate the use of toxins and hazardous chemicals.
- vi Contribute to biodiversity preservation and habitat restoration.

Social aspects, including purchasing goods and services from:

- i Suppliers, including social enterprises, which provide employment and training for youth and people with employment barriers (e.g., people with disabilities, new immigrants, chronically unemployed, ex-offenders, etc.).
- ii Suppliers that Implement an employment nondiscrimination policy prohibiting discrimination in hiring, discharging, promoting or demoting, matters of compensation, or any other employment-related decision or benefit on account of actual or perceived race, ethnicity, color, religion, national origin, gender, disability, age, military status, sexual

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orientation, gender identity, gender expression, or marital or familial status.

- iii Suppliers that make and or sell Goods that are certified Fairtrade (i.e., distinguished by the independent consumer product label that meets the international Fairtrade Standards, meaning the product has been certified to offer a better deal to the farmers and workers involved), and Suppliers with good health and safety workplace practices.

6.0 Local Preference

In order to balance support for local businesses and the goal to have the best value for the City, the City of Lawrence passed [City Ordinance 8386](#) dated August 14th, 2009 which established a structured local preference policy. Ordinance No. 9287 dated September 13th, 2016 updated the City's formal bidding threshold from \$15,000 to \$50,000.

7.0 Cooperative Purchasing Allowed

Cooperative purchasing has the benefits of reducing administrative costs, eliminating duplication of effort, lowering prices, sharing information, and taking advantage of expertise and information that may be available in only one of the jurisdictions. Departments are permitted to use State of Kansas contracts that are available to political subdivisions as well as purchasing cooperatives whose practices are in conformance with City policy.

8.0 Non-competitive Purchasing

The City of Lawrence may utilize non-competitive selection for certain goods or services without competition. Some procurements by nature cannot be competed.

- i. Easements, both temporary and permanent,
- ii. Land or Right of Way (ROW) purchase,
- iii. Utility Services,
- iv. Debt Issuance Costs,
- v. Insurance Premiums,
- vi. Price established by law,
- vii. Emergency purchase orders/emergency change orders,
- viii. Goods purchased for resale,
- ix. Intergovernmental purchases,
- x. Sole source purchases,
- xi. Ammunition

Renewal costs for service, maintenance, licensing or similar agreements do not require competition since the original acquisition was either competitively bid by the City, purchased off a State of Kansas or a purchasing cooperative contract or authorized by sole source approval.

9.0 Change Orders

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A change order is a written amendment to an existing purchase order, agreement or construction contract after the effective date that alters the work, the contract sum, or the contract time.

All change order requests must include departmental authorization and documentation of the proposed changes.

Change Orders are the proper method for requesting the following changes:

- Increase/Decrease the value.
- Modification to materials or services.
- Distribution of funds between accounts.
- Close a Purchase Order or Contract.
- Reconcile PO value to payment.
- Change contract dates.
- Change Ship to/Bill to information.

Purchase Order, Contract or Construction Contract Change Orders whose revised total moves it into the next purchasing threshold shall require the approval workflow of the new purchasing threshold. The requirements apply to individual change orders, not the cumulative total of all change orders to date.

Any change order whose amount exceeds \$100,000 or is more than 10% of the original contract amount

- Under \$100,000 - Departmental and Purchasing approval is required if the revised total amount from the change order for an informally bid procurement results in it moving to the threshold requiring formal solicitation.
- Over \$100,000 – City Commission approval is required when the change order amount of any informally or formally solicited procurement results in the revised total exceeding \$99,999.99. *The requesting department is responsible for creating the agenda item.*
- Individual construction change orders whose amount is over \$100,000 or more than 10% require approval by the City Commission.
- Subsequent change orders below \$100,000 or 10% do not require City Commission approval.
- Extra work beyond the original project scope requires City Commission approval. The requesting department is responsible for creating the agenda item.
- The amended construction contract must include written indication that it is a change order.
- Construction contract change orders must include documentation that clearly defines what the change(s) is with the financial impact, plus or minus, shown by line. Detail must be in units of measure (UOM) of linear feet, square feet, cubic yards, etc. rather than a lump sum.

Contracts for projects over \$50,000 may be awarded with a percentage contingency amount set by the City Commission. The percentage amount awarded shall depend on the scope and complexity of the project. Any request for expenditures exceeding the contingency amount shall require City Commission approval for the additional funds.

10.0 **Ethics in Purchasing**

[Resolution 7269](#) establishes a Code of Ethics for all City employees. This Code of Ethics reflects the City's values and is further defined in the [Employee Handbook](#). [General Employee Conduct](#), Section VI of the [Employee Handbook](#) applies, including disciplinary action.

City employees, elected, appointed officials, and City employees are bound by the City's values, Code of Ethics, and Personnel Policies/Procedures. An employee who has, or obtains any benefit from, any City contract with a business in which the employee has a financial interest shall report such benefit to the Finance Director; provided, however, these Sections shall not apply to a contract with a business where the employee's interest in the business has been placed in an independent trust. Any employee who knows or should have known of such benefit and fails to report such benefit to the Finance Director, is in breach of ethical standards.

Procurement with State and/or Federal grants or funds is subject to the respective entity's rules regarding conduct, conflicts of interest, improper business practices or related standards.

City personnel at all levels deal with vendors, contractors, suppliers as they transact business on behalf of the City. It is vital that clear communication between the supplier and City with the objective of understanding, agreeing, and codifying, when possible, the interactions between the vendor and the City. City personnel should consider more than just how much money is spent with a vendor, rather they should have a clear understanding of which suppliers are the most strategically important to the organization and which are less important.

Vendors shall not discriminate in the performance of the contract on account of actual or perceived race, ethnicity, color, religion, national origin, gender, disability, age, military status, sexual orientation, gender identity, gender expression, or marital or familial status. This requirement applies to all of the vendor's subcontractors,

Vendor Ethics: Any efforts to influence any City employees to breach the standards of ethical conduct set forth in this policy is also a breach of ethical standards. *Vendors found to be conspiring with employees in this manner, may be debarred from future purchasing with the City.*

11.0 **Enforcement**

The City Manager will have overall responsibility for administering this purchasing policy. The Finance Director or their designee will have responsibility for developing procedures and providing oversight regarding adherence to this policy and the purchasing procedures. Department Heads will be entrusted with the responsibility of implementing and enforcing the policy within their departments.