

ORDINANCE NO. 20-01

AN ORDINANCE OF THE CITY OF RICHMOND, KENTUCKY AMENDING ORDINANCE NO. 18-14 PERTAINING TO THE PURCHASING AND PROCUREMENT POLICIES FOR FEDERAL GRANTS

WHEREAS, the City of Richmond has established Federal Grant procurement policies and procedures as codified in the City of Richmond, Kentucky Ordinances, Chapter 38.01; and

WHEREAS, due to the passage of time which has occurred since the time that Ordinance No. 93-32 was adopted the Ordinance should be modified in the particulars hereinafter set forth;

NOW, THEREFORE, BE IT ORDAINED THAT:

SECTION I

Section VII of the Purchasing Policy of the City of Richmond, Kentucky is hereby amended to read as follows:

SECTION VII: Procurement through Federal Grants

In accordance with the 2013 publication of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Grants (Final Guidance, last updated May 17, 2017) by the Office of Management and Budget (OMB), with the fiscal the year beginning July 1, 2018 all grants utilizing Federal Grant monies must follow the five Procurement Methods (Final Guidance 200.317-326) outlined below in addition to the already documented procurement procedures of the City:

1. Micro-purchase: Purchases where the aggregate dollar amount does not exceed ~~\$3,500~~ \$10,000 (or \$2,000 if the procurement is for construction). If practical, micro-purchases need to be distributed equally among qualified suppliers. No competitive quotes are required if management determines the price is reasonable.
2. Small purchase: Purchases up to the Simplified Acquisition threshold, currently ~~\$150,000~~ \$250,000. Informal purchasing procedures may be used, but price or rate quotes must be obtained from an adequate number of resources (at least three).
3. Sealed bids: Sealed bids are used for purchases that are over the Simplified Acquisition threshold, currently ~~\$150,000~~ \$250,000. FORMAL SOLICITATION IS REQUIRED. Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder (bidders who have the technical and financial capacity to ensure the necessary resources in order to deliver the goods or services) whose bid, conforming to all of the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph 3(a) of this section apply:

- (a) In order for sealed bidding to be feasible, the following conditions should exist:
- (i) A complete, adequate, and realistic specification or purchase description is available;
 - (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
 - (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(b) If sealed bids are used, the following requirements apply:

- (i) Bids must be solicited from an adequate number of KNOWN suppliers, providing them sufficient response time prior to the date set for opening the bids, for local governments, the invitation for bids must be publicly advertised;
- (ii) The invitation for bids, which includes any specifications and pertinent attachments, MUST define the items or services in order for the bidder to properly respond;
- (iii) All bids MUST be opened publicly at the time and place prescribed in the invitation for bids;
- (iv) The firm fixed price contract is to be made in writing to the lowest responsive and responsible bidder. Where specified in the bidding documents, factors such as discounts, transportation costs, and life cycle costs must be considered in determining which bid is the lowest. Payment discounts can only be used to determine the low bid when prior experience would dictate that such discounts are usually taken advantage of; and
- (v) Any or all bids can be rejected with a sound documented reason.

4. Competitive Proposals: Are used for purchases over the Simplified Acquisition, currently ~~\$150,000~~ \$250,000. This method requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, price being one of various factors. The following requirements apply:

SECTION II

Except as amended as set forth above, the Purchasing Policy of the City of Richmond, Kentucky, as same has been amended from time to time, shall remain in full force and effect.

SECTION III

This Ordinance shall be in full force and effect immediately upon its adoption after second reading by the City of Richmond Board of Commissioners and publication in accordance with the requirements of applicable Kentucky law.

DATE OF FIRST READING: January 28, 2020

MOTION BY: Commissioner Morgan
SECONDED BY: Commissioner McDaniel

DATE OF FINAL READING: February 11, 2020

MOTION BY: Commissioner Morgan
SECONDED BY: Commissioner Grant

VOTE:	YES	NO
Commissioner Brewer	x	
Commissioner Grant	x	
Commissioner McDaniel	x	
Commissioner Morgan	x	
Mayor Blythe	x	



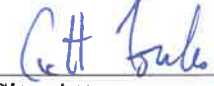
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney