



CITY OF DUBLIN

**CITY OF DUBLIN
ADMINISTRATIVE ORDERS
OF THE CITY MANAGER**

ADMINISTRATIVE ORDER 4.6
TO: All City Employees
FROM: Jane S. Brautigam, City Manager
SUBJECT: Purchasing Guidelines for Obtaining Quotes for Goods and Services
DATE: May 1, 2006
New Administrative Order

I. PURPOSE

The purpose of this Administrative Order is to establish procedures for obtaining informal and formal quotes to facilitate acquisition of the necessary goods and services in a timely manner and to maximize the value of every City dollar expended, while conforming to the requirements established within the City Code and Charter, and the Ohio Revised Code. While lowest cost always is a substantial selection factor, consideration of quality, customer service and reliability, and other less quantifiable factors also enter into choices of vendors, so that the City receives maximum value.

The annual operating and capital budgets establish a general plan for function and unit expenditures in a given fiscal year. Budgets are based on what specific services and commodities are necessary to support annual operations and projects to be completed within the budget year.

II. POLICY

Dublin City Council establishes the expenditure threshold over which formal competitive bids must be solicited for goods and certain services. Purchases shall not be artificially divided to circumvent formal competitive bidding requirements.

Competitive bidding is recommended for any City purchase of goods and services when, in the judgment of the director, bidding will result in better pricing for the City. In all cases, the decision to secure competitive bids should be determined by evaluating factors including:

Extent of buyer's knowledge of products or services, and sources of those products or services;

The time and effort necessary to determine competitive pricing compared to the cost and/or complexity of the purchase;

The availability of qualified suppliers for the purchase.

Cooperative Purchasing provides an additional resource to obtain comparative prices for services and commodities. The City of Dublin is a current member of the cooperative purchasing program through the Ohio Department of Administrative Services, which governs and grants authority for use of cooperative contracts. These contracts include, but are not limited to, contracts with the State of Ohio, Franklin County, City of Columbus and other political subdivisions and municipalities that include cooperative language in their contracts. These agencies competitively bid for goods and award the bids on lowest and best pricing and offer competitive pricing based on estimated volumes. While the City of Dublin can "piggy-back" off these contracts as an alternative to the competitive bidding process for those purchases over the current threshold of \$75,000 or more, cooperative purchasing contracts also can be used to obtain prices for comparison for expenditures in amounts below the bidding threshold. These contracts can serve as one cost proposal for comparison to other vendors. An additional benefit of cooperative purchasing is the ability to negotiate lower than cooperative pricing, mitigating the need to solicit additional cost proposals.

Outlined below are the *minimum* standards for various levels of expenditures. At any time, a more formal procurement process for any purchase can be undertaken if the complexity of that purchase appears to justify it. The procedures for purchases of goods or services less than the formal bid threshold are as follows:

Purchases of \$5,000 or less: Purchases of this amount can be made from a vendor at the director's discretion. Whenever possible, informal price comparisons should be obtained from more than one vendor to ensure that the City is receiving a competitive price.

Purchases greater than \$5,000, but less than or equal to \$30,000: A minimum of three (3) informal price quotes or cost proposals are required for purchases in this range. Informal quotes can include verbal or telephone quotes reduced to writing; documentation of these quotes should be maintained in the work unit, with notation as to the vendors contacted and quotes obtained added to the requisition as "Miscellaneous Information".

Purchases for *projects involving reconstruction, enlargement, alteration, repair, remodeling, renovation, or painting greater than \$20,955 (as of January 1, 2006):*

These projects exceed the threshold at which prevailing wage requirements established by the Ohio Department of Commerce must be followed. These projects will require a minimum of three (3) written quotes, in which the contractor must verify that pricing

includes payment of prevailing wages for the trades required for completion of the project. Written price quotes must include the name and address of the vendor, and be signed by a responsible representative. All quotes must include unit and total prices, as well as the length of time for which the price quote is applicable, and any qualifications that affect the bid (for example, quantity discounts) Documentation of these quotes should be maintained in the work unit, with notation as to the vendors contacted and quotes obtained added to the requisition as "Miscellaneous Information".

Purchases for *projects involving new construction greater than \$69,853 (as of January 1, 2006) but less than \$75,000*: These projects exceed the threshold at which prevailing wage requirements established by the Ohio Department of Commerce must be followed. If the estimated total cost of a new construction project exceeds \$69,853 but is less than \$75,000. it will require a minimum of three (3) written quotes, in which the contractor must verify that pricing includes payment of prevailing wages for the trades required for completion of the project. Written price quotes must include the name and address of the vendor, and be signed by a responsible representative. All quotes must include unit and total prices, as well as the length of time for which the price quote is applicable, and any qualifications that affect the bid (for example, quantity discounts) Documentation of these quotes should be maintained in the work unit, with notation as to the vendors contacted and quotes obtained added to the requisition as "Miscellaneous Information".

If the estimated cost of a new construction project is greater than or equal to \$75,000, it will require formal competitive bidding as well as verification of conformance with prevailing wage requirements.

Purchases *greater than \$30,000, but less than \$75,000*: A minimum of three (3) written (or e-mail) price quotes or cost proposals are required for purchases in this range. Written price quotes must include the name and address of the vendor. All quotes must include unit and total prices, as well as the length of time for which the price quote is applicable, and any qualifications that affect the bid (for example, quantity discounts) Documentation of these quotes should be maintained in the work unit, with notation as to the vendors contacted and quotes obtained added to the requisition as "Miscellaneous Information".

Purchases *greater than or equal to \$75,000*: In accordance with Ordinance 14-06, formal competitive bidding and legislative authorization shall be required for all purchases greater than or equal to the current threshold established for competitive bidding.

III. RESPONSIBILITY

Each work unit is responsible for the conscientious acquisition of goods and services for effective and efficient operation of the respective work unit. All purchases must be made in conformance with the approved operating or capital budget, and within the guidelines outlined herein.

The Finance Department is responsible for citywide procurement and ensuring that work units use the appropriate methods for the acquisition of goods and services.