

CITY OF LAKE ELMO
WASHINGTON COUNTY, MINNESOTA
RESOLUTION NO. 2003- 084

A RESOLUTION AUTHORIZING MODIFICATIONS
TO PURCHASING POLICY

WHEREAS, the City of Lake Elmo has an established policy governing purchases of supplies, equipment and other materials necessary to provide services to the residents;

WHEREAS, the City's purchasing policy was last updated on October 15, 2002.

WHEREAS, the current City purchasing policy has been compared with the State Municipal Purchasing Law and appears that the policy needs to be updated.

WHEREAS, at its September 16, 2003 meeting, the Lake Elmo City Council directed staff to proceed with the update.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE ELMO, MINNESOTA THAT the purchasing policy dated October 15, 2002 shall be modified to read as follows:

**CITY OF LAKE ELMO
PURCHASING POLICY**

1. DEFINITIONS

Capital Purchase – Purchase of any physical property of value greater than:

Land/Land Improvements	\$10,000
Other Improvements	\$10,000
Buildings	\$10,000
Building Improvements	\$10,000
Machinery and Equipment	\$5,000
Vehicles	\$5,000
Infrastructure	\$50,000
Other assets	\$5,000

Capital Improvement Plan – A 5 year plan to purchase new or replacement equipment, infrastructure and facilities; revised annually.

Asset Acquisition Form – The form submitted by the Department for approval of C.I.P. purchases. Copy attached hereto.

2. LEVELS OF CONTROL:

EXPENSES \$500 - \$5,000

The Department Head shall submit a purchase requisition to the Finance Director, signed and approved by the Department Head and City Administrator.

The purchase requisition signed by the Department Head and City Administrator, shall be submitted to the Finance Director, attached to the invoice for the purchase and retained in accordance with the record retention schedule.

EXPENSES \$5,000 - \$25,000

Two written quotes shall be obtained, and attached to the purchase requisition for approval by the Finance Director and City Administrator. The purchase requisition signed by the Department Head and City Administrator, shall be submitted to the Finance Director, attached to the invoice for the purchase, and retained in accordance with the record retention schedule.

EXPENSES \$25,000-\$50,000

Two written quotes shall be obtained, and attached to the purchase requisition. The purchase requisition, signed by the Department Head, Finance Director and City Administrator, shall be submitted to the City Council for approval. The purchase requisition shall be attached to the invoice for the purchase and retained in accordance with the record retention schedule.

EXPENSES OVER \$50,000

Sealed bids mandatory; Proper bid and contract procedures followed; Council approves issuance of bids and purchase.

Note A: An emergency expenditure that is required to restore operational capabilities can be approved by the City Administrator or Finance Director. A written explanation of the expenditure is added to the claims for City Council review.

Note B: Exception to the sealed bid requirement for joint government purchasing allows the city to authorize those if the proper sealed bid procedure has been followed by the authority who has accepted the bids initially.

3. All purchases on the Capital Improvement Plan (C.I.P.) shall be referred to the Maintenance Advisory Committee (M.A.C.) for review and recommendation to the City Council. Department Head will complete an Asset Acquisition Form and submit to City Administrator for approval. The approved form is submitted to the M.A.C. for review. Other capital purchases may also be referred to the M.A.C. by the Council.
4. Petty cash funds may be established to handle small City purchases where the City does not have an account with the supplier.

Fire Department - \$100.00
City Office - \$100.00
5. City Council members will continue to have \$500.00 authorization for emergency purchases subject to subsequent Council approval.
6. All expenses will be approved with claims by City Council.
7. The City's purchasing policy will be amended as State Statutes are revised.

ADOPTED, by the Lake Elmo City Council on the 7th day of October, 2003.



Lee Hunt, Mayor

ATTEST:



Charles E. Dillerud
Acting City Administrator