

ADMINISTRATIVE ORDER 2023-03

Adoption of City of Bozeman Policies and Procedures for:

General Procurement
Training & Travel
Accounts Payable & Credit Card Use

Pursuant to my authority as City Manager, I hereby adopt the attached City of Bozeman Policies and Procedures for: General Procurement, Training & Travel, and Accounts Payable & Credit Card Use, attached hereto as Attachment A.

Significant changes in this policy are anticipated to take time to fully implement. The Finance Department is committed to reviewing and auditing compliance and moving the organization toward full implementation as soon as practically possible.

Dated this 13th day of ^{Mont}July, 2023.

DocuSigned by:



251607FD8A824A6...

Jeff Mihelich, City Manager

(This page intentionally left blank.)

BOZEMAN^{MT}

**CITY OF BOZEMAN
POLICIES & PROCEDURES:
GENERAL PROCUREMENT
TRAINING & TRAVEL
ACCOUNTS PAYABLE & CREDIT CARD USE**

Per Administrative Order 2023-03 dated 7/13/2023

TABLE OF CONTENTS

TABLE OF CONTENTS	2
GENERAL PROVISIONS	4
Scope and Applicability	4
Administration	4
Purpose.....	4
Authority to Make Purchases	5
Use of City Funds	5
Standard of Conduct and Conflicts	6
PROCUREMENT RULES & PROCEDURES.....	6
Selection of Vendors.....	6
General provisions applicable to all procurement types.....	6
Equipment, supplies and materials	8
Public works and construction	9
Purchasing services – including software as a service (SAAS)	11
Procurement of goods <i>and</i> services	14
IT purchases.....	14
Government services (GSA, WSCA, etc.) and cooperative purchasing.....	14
Meal purchases	15
Grant Funded Procurement	16
Special considerations.....	16
Documentation and record retention.....	18
Procurement Planning & Advertising	18
Writing specifications/scopes of work	19
Preparing the solicitation notice; publication requirements.....	19
Questions from potential vendors	20
Pre-bid/proposal conferences.....	20
Bid/proposal receipt.....	20
Bid/proposal mistakes.....	20
Templates.....	21
Property Disposal.....	21

- CONTRACTING POLICIES AND PROCEDURES..... 22
- ACCOUNTS PAYABLE AND CREDIT CARD POLICIES & PROCEDURES..... 22
 - General Processes and Procedures 22
 - Payment Methods & Documentation Requirements 22
 - Invoices / Accounts Payable (AP) Groups 22
 - Credit cards 23
 - Travel Advance/Reimbursement..... 25
- TRAINING AND TRAVEL POLICIES & PROCEDURES..... 25
 - Travel Purpose & Approval 25
 - Reasonable Cost 25
 - Eligible Training & Travel Expenses 26
 - Transportation costs 26
 - Lodging costs..... 26
 - Meals on travel status..... 26
 - Travel Advance 27
 - Travel Reimbursement..... 27
 - Use of City Credit Card for Travel..... 27
 - Non-Reimbursable Travel Expenditures 28
 - Travel Time..... 28
- DEFINITIONS 28

GENERAL PROVISIONS

Scope and Applicability

These policies are applicable to all purchases with City funds except where specified. Any person with procurement authority on behalf of the City must be familiar with all related administrative orders, including but not limited to the City's Vehicle Use Policy, Vehicle/Equipment Replacement Policy, and Information Technology Use Policy. All administrative orders and internal policies are available on [Laserfische](#) in the [City Commission>Administrative Orders/Internal Policies page](#).

In certain circumstances, private entities, such as property developers, may be asked to conduct a bid using the public procurement process. Examples of these circumstances include projects where the City is entering into a payment agreement for the City's share of infrastructure required for the developer's project, and development agreements through the Economic Development Department where the public process must be followed for the developer to receive reimbursement for infrastructure costs.

Administration

This policy is established by the City Manager by [administrative order](#). Department directors may adopt additional procedures to monitor and control purchases, payments, and Department compliance. Department directors are ultimately responsible for ensuring any purchases, travel, training, or other expenditures comply with these policies and procedures and are within appropriated budget authority. Department directors are responsible for record retention laws related to all procurements. Records must be kept for eight years after a final payment is made¹.

Cooperative Purchasing, including joint purchasing and piggybacking on other public agency contracts can achieve efficiency, easier access, and greater volume discounts. The City Manager or designee has the authority to sign Interlocal Agreements to allow such shared use.

Purpose

Montana law delegates broad authority to the City to buy, sell, mortgage, rent, lease, hold, manage, and dispose of property², provided State legal procedures and local regulations are followed. The purpose of this policy is to ensure all purchases necessary for the operation of the City comply with laws and regulations, reduce organizational risks, promote fairness and competition, and maintain public trust that funds are spent prudently.

¹ Mont. Local Government Records Committee [Schedule No 8 \(at page 59\) \(last rev. June 2021\)](#)

² [7-1-4124. Powers, MCA \(mt.gov\)](#)

The intent of this policy is also to make uniform provision for reimbursement of necessary expenses of City employees or officials of the City who are required to travel within the performance of their duties and in the interest of City affairs.

In addition, the Accounts Payable and Credit Card section is meant to ensure that the City pays claims in a timely and accurate manner, while safeguarding the City by adhering to Federal and State regulations. Moreover, these policies and procedures provide efficient, effective, and professional service to our citizens, staff, and vendors.

Violations of this policy are subject to disciplinary action in accordance with the Employee Handbook and any applicable union contracts.

Authority to Make Purchases

City purchases or any financial commitment of City funds cannot be authorized by anyone without purchasing authority (also referenced as “Expending Authority”, see [Definitions](#)). This includes signing invoices and making credit card payments on behalf of the City. Purchasing authority is granted to the City Manager, department directors and their designees as listed on the [authorized signer form](#), and certain boards including the Library Board of Trustees, Parking Commission, Downtown Business Improvement District and Downtown Urban Renewal District. The authorized signer form is maintained by Finance and the City Clerk’s office and includes all employees and board members authorized to make purchases on behalf of the City. The authorized signer list is reviewed at least annually. Please contact Accounts Payable if you need to review or modify the signer list outside of the annual process.

Expending authority DOES NOT equal contracting authority. Contact the City Attorney’s office if you are unsure of who the signer should be on a contract.

Use of City Funds

No employee may use City funds for personal purchases of any nature.³

1. Authorized personal use of city-provided cell phone, data devices, and internet usage is allowed in certain cases, according to the City’s IT Use Policy.
2. Authorized personal use of city-provided vehicles for commuting is allowed in certain cases, according to the [City’s Vehicle Usage Policy](#).
3. Purchases under the Dell, Microsoft, and Apple Employee Purchase Programs are authorized as an employee benefit, being repaid through payroll withholding.

³ [2.03.490\(D\), BMC](#).

Standard of Conduct and Conflicts⁴

1. Only authorized purchases must be used to conduct City business within predetermined budgets.
2. Purchasing actions must be fair and impartial.
3. Employees and public officials (as defined in the City's Ethics Code) may not benefit from a contract or purchase entered into by the City.⁵
 - a. Prohibited benefits include receipt of a commission, profit, gratuity, or gift as a result of any contract or purchase made by the City except in limited circumstances. Refer to BMC 2.03.540 for additional information on the acceptance of gifts, gratuities, and favors.⁶
4. The City does not contract with or purchase goods or services from employees or employee-owned businesses, or City officials or official-owned businesses.⁷
5. No employee or public official shall participate in the award and/or administration of a contract if a conflict of interest exists, whether real or perceived.

The City conducts an annual review and disclosure of employee-vendor relationships.⁸ These disclosures are on file in the Finance department. Best practice is to disclose a potential conflict of interest to the City Attorney's office *prior* to participating in a purchasing decision.⁹ Whether an actual or potential conflict exists is a fact-specific determination, and the City Attorney's Office will talk through the circumstances with you.

In addition, all authorized signers are required to sign personal Financial Disclosures which are on file in the City Clerk's office.

If in doubt, please contact the City Attorney's Office for guidance.

PROCUREMENT RULES & PROCEDURES

Selection of Vendors

General provisions applicable to all procurement types

The following rules and procedures are based on dollar thresholds and the type of

⁴ See [Sec. 2.03.520](#), BMC. Refer also to the City's Ethics Code for additional specific conflict of interest regulations and prohibitions applicable to employees and City officials.

⁵ [7-5-4109, MCA](#); and [2.03.490\(D\), BMC](#).

⁶ [Sec. 2.03.540, BMC](#).

⁷ [7-5-4109, MCA](#). This also applies to the employee's or official's spouse, ex-spouse, parent or step-parent, sibling, child, step-child, or adopted child. Exceptions may be granted per MCA prior to a purchase being made requiring a publicly advertised hearing.

⁸ [Sec. 2.03.550, BMC](#).

⁹ [2-2-101, MCA](#); [Sec. 2.03.520, BMC](#).

purchase to define requirements for competition. All dollar thresholds are based on the total contract cost. The contract should include all similar items, like items and items used in conjunction with one another. For purchases not on a contract, thresholds are per year for one or more similar items, or like items, and for items used in conjunction with one another that would reasonably be planned or expected by the purchasing authority when the original purchase was submitted. Departments are encouraged to work together to achieve efficiencies and cost savings by grouping expenditures. Purchases or contracts may not be divided in order to circumvent the competitive bidding and other procurement requirements set forth in this Policy. Once a vendor is selected based on the policies above, the project lead should begin working on the contract. While a formal contracting policy is in progress, please work with the City Attorney's office to determine the steps and requirements for contracting.

Long term contracts

Contracts should not exceed five years. Please contact the City Attorney's Office to discuss any contracts for services or the purchase of goods that may be longer than five years.¹⁰

General bidding requirements & thresholds

Dollar Threshold¹¹	Solicitation	Procurement Authority
≤ \$9,999	Department director discretion	Department director
\$10,000 – \$24,999	Minimum of two written quotes or other documentation ¹² for the item	Department director
\$25,000 – \$79,999	Minimum of two written quotes or other documentation for the item	Finance Director
\$80,000 or over	Formal Procurement . ¹³	Finance Director & City Manager

¹⁰ [7-5-4304, MCA.](#)

¹¹ All dollar thresholds are based on the total contract cost. The contract should include all similar items, like items and items used in conjunction with one another. For purchases not on a contract, thresholds are per year for one or more similar items, or like items, and for items used in conjunction with one another that would reasonably be planned or expected by the purchasing authority when the original purchase was submitted. Purchases or contracts may not be divided in order to circumvent the competitive bidding and other procurement requirements set forth in this Policy.

¹² "Documentation includes" catalog price lists, online price listings, proof of non-responsive vendors etc.

¹³ [7-5-4302, MCA](#)

Equipment, supplies and materials

The City seeks the best value when comparing goods. Estimated useful life, life cycle and maintenance costs, and business continuity risks must be documented whenever they are factored into purchasing decisions. City departments purchasing similar items, or items used in conjunction with one another must consolidate their annual purchases to calculate the bidding requirement threshold per the table below.

General bidding requirements & thresholds

Dollar Threshold¹⁴	Solicitation	Procurement Authority
≤ \$9,999	Department director discretion	Department director
\$10,000 – \$24,999	Minimum of two written quotes or other documentation ¹⁵ for the item	Department director
\$25,000 – \$79,999	Minimum of two written quotes or other documentation for the item	Finance Director
\$80,000 or over	Formal Invitation for Bid (IFB) process outlined in the Procurement Planning & Advertising section of this document. ¹⁶	Finance Director & City Manager

Exceptions to formal procurement rules

1. *Public auction:* In lieu of soliciting bids, the City Commission may purchase at public auction any vehicle, machinery, appliances, apparatus, building, materials or supplies for which must be paid a sum of \$50,000 or less.¹⁷
2. *Emergencies:* Purchases necessitated by an emergency caused by fire, flood, explosions, storm, earthquake, riot, insurrection, or other similar emergency. In such case, the City Commission may proceed in any manner which, in the judgment of three-fourths of the members of the Commission present at the meeting will best meet the emergency and serve the public interest. Such emergency must be declared and

¹⁴ All dollar thresholds are based on the total contract cost. The contract should include all similar items, like items and items used in conjunction with one another. For purchases not on a contract, thresholds are per year for one or more similar items, or like items, and for items used in conjunction with one another that would reasonably be planned or expected by the purchasing authority when the original purchase was submitted. Purchases or contracts may not be divided in order to circumvent the competitive bidding and other procurement requirements set forth in this Policy.

¹⁵ "Documentation includes" catalog price lists, online price listings, proof of non-responsive vendors etc.

¹⁶ [7-5-4302, MCA](#)

¹⁷ [7-5-4310, MCA](#)

recorded in the minutes of the meeting.¹⁸

3. *Purchases of supplies or equipment from other government agencies:* Purchases of supplies or equipment from government agencies are exempt from the bidding requirements of 7-5-4302, MCA when the purchase can result in a substantial savings to the City, and when there is sufficient budget for the purchase.¹⁹

Energy performance contracts: Solicitation and award of an investment grade energy audit or energy performance contract pursuant to Title 90, Chapter 4, Part 11, and contracts for the construction or installation of conservation measures pursuant to the energy performance contract are exempt from the bidding requirement in 7-5-4302, MCA.²⁰

Public works and construction

General bidding requirements & thresholds

Dollar Threshold²¹	Solicitation	Procurement Authority
≤ \$9,999	Department director discretion	Department director
\$10,000 – \$24,999	Minimum of two written quotes or other documentation ²² for the item	Department director
\$25,000 – \$79,999	Minimum of two written quotes or other documentation for the item	Finance Director
\$80,000 or over	Formal RFP process outlined in the Procurement Planning & Advertising section of this document. ²³	Finance Director & City Manager

Prevailing Wages

For procurements that include service work, prevailing wages may apply.²⁴ Montana's

¹⁸ [7-5-4303\(1\), MCA](#); [10-3-401, MCA](#)

¹⁹ [7-5-4303\(2\), MCA](#)

²⁰ [7-5-4315, MCA](#)

²¹ All dollar thresholds are based on the total contract cost. The contract should include all similar items, like items and items used in conjunction with one another. For purchases not on a contract, thresholds are per year for one or more similar items, or like items, and for items used in conjunction with one another that would reasonably be planned or expected by the purchasing authority when the original purchase was submitted. Purchases or contracts may not be divided in order to circumvent the competitive bidding and other procurement requirements set forth in this Policy.

²² Catalog price lists, online price listings, proof of non-responsive vendors etc.

²³ [7-5-4302, MCA](#)

²⁴ [18-2-401, et seq., MCA](#); [Admin. R. Mont. 24.17. 101 et seq.](#)

prevailing wage law, often referred to as Montana's Little Davis-Bacon Law, applies to public works contracts entered into for construction services (heavy, highway and building) or non-construction services by the state, county, municipality, school district, or political subdivision in which the total cost of the contract is \$25,000 or more involving public funds. Under Montana's prevailing wage law, every public works contract requires that bidders on contracts pay a set rate of compensation, including employee benefits.

Public works construction contracts have an additional requirement that at least 50% of the contractors performing labor on the construction project are bona fide Montana residents, as defined in 18-2-401, MCA.²⁵ The Department of Labor and Industry, through its Labor Standards Bureau, determines prevailing wage rates for the construction and service industries. Established rates can be obtained through the [State of Montana website](#).

For a list of building construction occupations, please see the publicly available list on the Dept. of Labor's website.²⁶ For additional questions regarding if the service sought is considered a "construction occupation," please contact the City Attorney's Office.

Alternative project delivery

In addition to traditional invitations to bid for construction projects, the City is authorized to use an "alternative project delivery contract". An "alternative project delivery contract" is a construction management contract, a general contractor/construction manager contract, or a design-build contract.²⁷ To use an alternative project delivery contract, the City must demonstrate that it has or will have knowledgeable staff or consultants who have the capacity to manage the contract.²⁸ The City must also clearly describe the award process and how subcontractors and suppliers will be selected.²⁹

Prior to awarding an alternative project delivery contract the City Commission must adopt a resolution determining that the proposal meets at least two of the sets of criteria described in 1 through 3 below, and make a detailed, written finding that the proposal meets the provisions of number 4.

1. The project has significant schedule ramifications and using the alternative project delivery contract is necessary to meet critical deadlines by shortening the duration of construction.
2. By using an alternative project delivery contract, the design process will contribute

²⁵ 18-2-409, MCA; see also Admin. R. Mont. 24.17.144.

²⁶ Available at: <https://erd.dli.mt.gov/labor-standards/state-prevailing-wage-rates/building-construction-occupations>

²⁷ [2-18-501. Meals, lodging, and transportation of persons in state service, MCA \(mt.gov\)](#)

²⁸ [18-2-502\(1\). Alternative project delivery contract -- authority -- criteria, MCA \(mt.gov\)](#)

²⁹ 18-2-502(1)(a)-(b), MCA.

to significant cost savings.

3. The project presents significant technical complexities that necessitate the use of an alternative delivery project contract
4. Using an alternative project delivery contract will not encourage favoritism or bias in awarding the contract or substantially diminish competition for the contract.

The City Commission's decision to award the alternative project delivery contract must be based, at a minimum, on (a) the applicant's history and experience with projects similar to the project under consideration; financial health; staff or workforce that is proposed to be committed to the project; approach to the project; and project costs, and (b) any additional criteria or factors that reflect the project's characteristics, complexities, or goals.³⁰

At the conclusion of the selection process, the City must state and document in writing the reasons for selecting the contractor that was awarded the contract. The documentation must be provided to all applicants and to anyone else, upon request.³¹

Purchasing services – including software as a service (SAAS)

Contracts for services other than professional, technical, engineering, or legal services, must be awarded under a bidding procedure established in 7-5-4302 through 7-5-4304, 7-5-4306 and 7-5-4307, MCA. All necessary contracts for professional, technical, engineering, or legal services are exempt from this statutory bidding procedure.³² There may be instances, however, when professional, technical, engineering, or legal services must follow the bidding procedure under Title 7, Chapter 5, Part 43, MCA. Please reach out to the City Attorney's Office if you have questions about the appropriate bidding procedure for your circumstance.

When the majority of a contract is for professional, technical, engineering, or legal services is in excess of \$80,000.00 it must be awarded to the lowest, most-responsible vendor after an advertisement for bid.³³ When determining which vendor is the "lowest most-responsible" you may take into consideration generally available information regarding the vendor's "skill, ability and integrity to do faithful, conscientious work, and promptly fulfill the contract according to its letter and spirit."³⁴ This may include information such as qualifications, available staff, references, delivery date, inspection,

³⁰ [18-2-503\(2\), MCA](#)

³¹ [18-2-503\(4\), MCA](#)

³² 7-5-4301(2)(a), MCA.

³³ 7-5-4301(2)(a), MCA.

³⁴ *Debcon Inc. v. City of Glasgow*, 2001 MT 124, ¶ 38, 305 Mont. 391, 398, 28 P.3d 478, 484 (citing *Koich v. Cvar* (1941), 11 Mont. 462, 466, 110 P.3d 964, 965.

testing, quality and workmanship, etc.

Please contact the City Attorney's Office for a contract for service that extends over a period of five years or more.

General bidding requirements & thresholds

Dollar Threshold³⁵	Solicitation	Procurement Authority
≤ \$9,999	Department director discretion	Department director
\$10,000 – \$24,999	Minimum of two written quotes or other documentation ³⁶ for the item	Department director
\$25,000 – \$79,999	Minimum of two written quotes or other documentation for the item ³⁷	Finance Director
\$80,000 or over	Formal RFP process outlined in the Procurement Planning & Advertising section of this document. ³⁸	Finance Director & City Manager

³⁵ All dollar thresholds are based on the total contract cost. The contract should include all similar items, like items and items used in conjunction with one another. For purchases not on a contract, thresholds are per year for one or more similar items, or like items, and for items used in conjunction with one another that would reasonably be planned or expected by the purchasing authority when the original purchase was submitted. Purchases or contracts may not be divided in order to circumvent the competitive bidding and other procurement requirements set forth in this Policy.

³⁶ "Documentation" includes catalog price lists, online price listings, proof of non-responsive vendors etc.

³⁷ [For procurements that include non-construction service work](#), prevailing wages may apply. Montana's prevailing wage law, often referred to as Montana's Little Davis-Bacon Law, applies to public works contracts entered into for non-construction services by the state, county, municipality, school district, or political subdivision in which the total cost of the contract is \$25,000 or more involving public funds. Under Montana's prevailing wage law, the Dept. of Labor and Industry adopts and sets wages and fringe benefits for non-construction service work. An employer's obligation to pay the "prevailing rate of wages" for non-construction services includes paying the combined value of both wages and fringe benefits, including travel and per-diem. Public works construction contracts have an additional requirement that at least 50% of the contractors performing labor on the construction project are bona fide Montana residents, as defined in 18-2-401, MCA. It requires that bidders on contracts pay a set rate of compensation, including employee benefits, and at least 50% of the employees of each contractor working on the jobs be bona fide Montana residents. The Department of Labor and Industry, through its Labor Standards Bureau, determines prevailing wage rates for the construction and service industries. Established rates can be obtained through the State of Montana website.

Architectural, engineering, and land surveying services have different thresholds, click the link, or see the next subsection for additional information.

³⁸ [7-5-4302, MCA](#)

Prevailing Wages

For procurements that include non-construction service work, prevailing wages may apply.³⁹ Montana's prevailing wage law, often referred to as Montana's Little Davis-Bacon Law, applies to public works contracts entered into for non-construction services by the state, county, municipality, school district, or political subdivision in which the total cost of the contract is \$25,000 or more involving public funds. Under Montana's prevailing wage law, the Dept. of Labor and Industry adopts and sets wages and fringe benefits for non-construction service work.⁴⁰ An employer's obligation to pay the "prevailing rate of wages" for non-construction services includes paying the combined value of both wages and fringe benefits, including travel and per-diem.⁴¹ Public works construction contracts have an additional requirement that at least 50% of the contractors performing labor on the construction project are bona fide Montana residents, as defined in 18-2-401, MCA.⁴² It requires that bidders on contracts pay a set rate of compensation, including employee benefits, and at least 50% of the employees of each contractor working on the jobs be bona fide Montana residents. The Department of Labor and Industry, through its Labor Standards Bureau, determines prevailing wage rates for the construction and service industries. Established rates can be obtained through the [State of Montana website](#).

Architectural, engineering, and land surveying services

Services costing over \$50,000

The City must publicly announce requirements for architectural, engineering, and land surveying services over \$50,000 by publishing an **RFQ** and negotiate contracts for such professional services on the basis of demonstrated competence and qualifications for the type of professional services required and at fair and reasonable prices.⁴³

The City must publish in advance its requirement for professional services. The announcement must state concisely the general scope and nature of the project or work for which the services are required and the address of a representative of the government who can provide further details. The City may comply with this section by:

1. Publishing an announcement on each occasion when professional services provided by a licensed professional are required by the City; or
2. Announcing generally to the public its projected requirement for any category or

³⁹ [18-2-401, et seq., MCA; Admin. R. Mont. 24.17. 101 et seq.](#)

⁴⁰ Admin. R. Mont. 24.17.122.

⁴¹ For additional questions regarding if the service sought is considered non-construction service work, please contact the City Attorney's Office.

⁴² 18-2-409, MCA; see also Admin. R. Mont. 24.17.144.

⁴³ [18-8-201. Statement of policy, MCA \(mt.gov\)](#).

type of professional services.⁴⁴

The City typically advertises for these professional services for each particular project, but may also encourage firms engaged in the lawful practice of their profession to submit annually or biennially a statement of qualifications and performance data. When selecting the firm, the City evaluates current statements of qualifications and performance data on file with the City, if any, together with those that may be submitted by other firms regarding the proposed project and conducts discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services. The City will then select the firm considered most qualified to provide the services required for the proposed project. The selection criteria must be available to the public and include at a minimum the criteria specified in 18-8-204(2)(b) as they relate to each firm.

Exception for contracts estimated to cost less than \$50,000

When architectural, engineering, and land surveying services fees are estimated not to exceed \$50,000, the City may contract for those professional services by direct negotiation.⁴⁵

This does not mean the selection of an architect, engineer, or land surveyor may be made based on price; selection must still be based on qualifications. However, rather than publishing an RFQ the project manager may directly contact (for example) engineering firms the City knows to be qualified based on previous work for the City or a recent Statement of Qualifications submitted by the firm.

Procurement of goods and services

When entering into an agreement that includes both the purchases of goods and services, apply the cost thresholds above applicable to a purchase of services when the dollar value of the services portion of the agreement is more than 50% and/or more than \$25,000. Otherwise use the thresholds for the purchase of equipment, supplies and materials.

IT purchases

All technology-related purchases, both hardware and software, must be approved by the IT Director or their designee *prior* to purchase. This includes the purchase of technology related services, such as application hosting or website editing.

Government services (GSA, WSCA, etc.) and cooperative purchasing

Supplies, equipment, and other professional services may be purchased from another government entity (including Montana State University, Montana Prison Industries, and

⁴⁴ [18-8-203. Public notice of agency requirements, MCA \(mt.gov\)](#)

⁴⁵ 18-8-205, MCA.

other government purchasing programs) without bids or advertisements when there are sufficient funds in the budget and doing so would result in a substantial savings to the City.⁴⁶

- It should be noted that these purchasing arrangements are often, but not always, the lowest price available.
- Requirements for prevailing wages must still be met for “public works” contracts and non-construction contracts over \$25,000⁴⁷. Refer to Section 18-2-401, MCA for definitions of these services.
- Where state and local laws require a good or service to be provided by a specific entity (elections administration, detention center, etc.) quotes are not required.

Montana law⁴⁸ also allows the City to cooperate with other local governments to procure services and facilities more efficiently than would otherwise be possible⁴⁹. The State of Montana maintains a list of term contracts in which a source or sources of supply are established for a specific period of time at a predetermined price. City staff may utilize any of the term contracts listed by the State of Montana agencies as a cooperative purchaser. The list can be found on the [Montana State Procurement Bureau website](#). City staff may utilize term contracts listed by the State without further competition. Other governmental agencies, including GSA or other States, may have existing term contracts the City may “piggyback” and purchase under.

The cooperative purchasing arrangement may be required to be memorialized in an Interlocal Agreement, the required contents of which are set out in 7-11-105, MCA. Please contact the Legal Department when considering a cooperative purchase.

Meal purchases

In many cases, it is to the City’s advantage to provide food to employees and volunteers while they are conducting City business. Meal and food purchases are subject to all purchasing and approval requirements. Additional requirements for meal and food purchases while on travel status apply and are found in the [Travel & Training](#) section of this manual.

- Meals should only be purchased using City funds if meetings are **required** to take place over a normal meal period, or when employees are called out for emergencies. Meetings should not be scheduled intentionally over a meal period to allow meals to be expensed.
- Tips should be no higher than 25%.

⁴⁶ [7-5-4303\(2\), MCA](#)

⁴⁷ [18-2-401\(11\), MCA](#)

⁴⁸ [7-11-102, MCA](#)

⁴⁹ [18-4-402, MCA](#)

- Receipts must be itemized and signed by the department director designee.
- The purchase of alcohol, tobacco, or cannabis with City funds is prohibited.

The IRS considers meals off business premises to be taxable gross income unless the expense is de minimus. To be de minimus, occasional meals provided to employees must have so little value (considering how frequently you provide meals to your employees) that accounting for it would be unreasonable or administratively impractical.⁵⁰ Meal purchases that would exceed the de minimus threshold are prohibited.

The purchase of break room supplies and snacks, within reason, are not considered meals and are acceptable expenditures.

Grant Funded Procurement

Any procurements that will be paid for fully or partially by grant funding must comply with all the requirements of the grantor.

Special considerations

Prevailing Wages

For procurements that include service work, prevailing wages may apply.⁵¹ Montana's prevailing wage law, often referred to as Montana's Little Davis-Bacon Law, applies to public works contracts entered into for construction services (heavy, highway and building) or non-construction services by the state, county, municipality, school district, or political subdivision in which the total cost of the contract is \$25,000 or more involving public funds.

For procurements that are grant funded, you are required to fulfill and follow the grant requirements as well as prevailing wage law, if applicable. For assistance on determining the legal requirements for grant funded procurements, please contact the City Attorney's Office and Finance Department.⁵²

Sole source procurement – when bids or quotes are not required

The City may be exempt from the requirement to advertise for competitive bids/proposals or obtain multiple quotes when it is in the best interest of the City to maintain a compatible and/or reliable system provided by a single vendor or professional or if it can be documented that there is a financial, business continuity or other significant benefit to the City. Sole source or single source approval **must be approved in writing by the Finance Director prior to the purchase** or a commitment to purchase and must specifically address the requirements for sole source in Montana Administrative Rule 2.5.604.

⁵⁰ [Publication 15-B \(2023\), Employer's Tax Guide to Fringe Benefits](#)

⁵¹ [18-2-401, et seq., MCA; Admin. R. Mont. 24.17. 101 et seq.](#)

⁵² 18-2-409, MCA; see also Admin. R. Mont. 24.17.144.

Sole source procurement is permissible under the following circumstances and must be reviewed at least annually for purchases that are not conducted pursuant to a contract. Sole source approval for a contract is valid for the length of the contract.⁵³ Please contact the City Attorney's Office for help in determining how long your sole source approval is valid.

A contract may be awarded by sole source procurement if the Finance Director determines that:

1. There is only one course for the supply or service item (for instance, a vendor's warranty service, exclusive vendor-requirement maintenance agreements), or
2. Only one source is acceptable or suitable for the supply or service item, or
3. The supply or service item must be compatible with current supplies or services.⁵⁴

Additionally, there may be instances when a collective bargaining agreement or other contract requires the utilization or employment of a specific good or professional. Please reach out to the City Attorney's Office and the Finance Department if you believe that a collective bargaining agreement may be applicable to your situation.⁵⁵

To obtain sole source procurement, fill out the form available on the Finance Public Team in the [Channel Procurement, Travel, AP Policies and Forms](#) and send to the Finance Director. Please contact the City Attorney's Office if you have any questions about if sole source procurement is an appropriate purchasing method for your situation.

Installment purchases

When the amount to be paid under an installment purchase contract exceeds \$4,000, the City Commission may approve the payment of the amount in installments extending over a period of not more than 10 years.⁵⁶ This does not include lease agreements which are governed by the property provisions of the code.

Other exemptions to competitive requirements

The following items do not require sole source justification and shall be purchased directly by the agency:

1. Legal services;
2. Professional licenses and memberships;
3. Conferences and seminars;
4. Dues to associations;
5. Renewal of software license agreements for which there are no alternatives;

⁵³ [18-4-306, MCA](#)

⁵⁴ 18-4-306(1), MCA.

⁵⁵ [Admin R. Mont 2.5.604](#)

⁵⁶ [7-5-4306](#)

6. Purchase or renewal of maintenance agreements for software or hardware for which there are no alternatives; and
7. Publications or subscriptions available only from a single supplier.⁵⁷

Documentation and record retention

Documentation related to the procurement process is public information subject to disclosure. "Documentation" may include, email, notes, research notes, reports, and proposals. Do not make remarks or comments you are not comfortable sharing with a public audience. Keep those notes that help to document the process and decisions, and clearly organize them so they can be understood in the future. Department directors are responsible for keeping records of their procurement processes including any vendor quotes used to fulfill the requirements listed above.⁵⁸ Records must be kept for eight years after a final payment is made⁵⁹.

Procurement Planning & Advertising

Procurement planning should focus on finding the best overall solution, using a procurement method that is legal, meets short- and long-range needs, and provides and promotes competition. Procurement planning begins with determining the type of purchase that is needed. Requirements for different types of procurements are discussed in more detail below.

Depending on the type of procurement, you will generally need to advertise an Invitation for bids (IFB), request for proposals (RFP), or request for qualifications (RFQ). Certain purchases may be exempt from the requirement to advertise.

An RFP is a solicitation by the City for specific and detailed proposals from interested professionals and consultants **to complete a specified project**. It is an effective method to use to ensure that all potential vendors receive the same information regarding the City's request to complete a specific project. Based on the proposals the City receives in response to an RFP, the City will select a proposal and award the contract to it. A RFP is used to acquire proposals for a project **greater than \$80,000.00**.

Similar to a RFP, a RFQ is a solicitation by the City for expressions of interest to **provide a professional service and/or to complete a specific project**. A RFQ is used to acquire professional services **greater than \$80,000.00**. Unlike an RFP, a RFQ may be used by staff to create a pre-approved pool of vendors. Staff can then select from the pre-qualified pool of vendors to provide services for projects on an as-needed basis. For example, if a

⁵⁷ Admin. R. Mont. 2.5.604(6).

⁵⁸ [Schedule No 8 \(sosmt.gov\)](#)

⁵⁹ Mont. Local Government Records Committee [Schedule No 8 \(at page 59\) \(last rev. June 2021\)](#)

plumbing service is needed, staff has the discretion to call any plumber who was already pre-approved by being selected after submitting a response to an RFQ.

Writing specifications/scopes of work

Specifications establish minimum requirements, characteristics, or standards a product or service must meet to be considered. Complete and understandable specifications are the only information the prospective Vendor has on which to base a bid/proposal. Specifications also establish legal parameters for acceptability. Specifications should:

- (a) *Identify Minimum Requirements:* Specifications describe the minimum acceptable requirements of the supply or service the department needs. Minimum, in this sense, does not mean substandard; it simply means those characteristics that a product must have in order to be considered. When writing a specification, include every feature that is needed.
- (b) *Allow for Competitive Bids:* Specifications should ensure that Vendors can compete. Competition is the best way to ensure low prices and equitable treatment of Vendors. Generally, specifications based upon performance requirements will allow for more competition than a specification based upon design requirements.
- (c) *List Evaluation Criteria and Test Methods:* Specifications should state how the supply/service requested will be evaluated for award. If products will be compared, each Vendor needs to know how those comparisons will be made.
- (d) *Provide for a Fair Award at the Lowest Possible Cost:* Specifications should ensure that the department receives the supplies/services it needs at a reasonable price and that the award will be made fairly. To perform those functions, specifications should be simple and clear, identifying exactly what is needed.

Preparing the solicitation notice; publication requirements

Based on the specifications or scope of work, the Project Manager will develop the **IFB**, **RFP**, or **RFQ**. Therefore, it is critical the Project Manager have clear, concise, and detailed specifications or scope of work. Keep in mind it is unacceptable to draft or cause to be drafted any statement of work/specifications in such a manner as to limit the competition directly or indirectly to any one Vendor.

Advertised solicitations for certain public works contracts and other non-construction services contracts over \$25,000 must include information on Montana's prevailing wage requirements.⁶⁰ If you're unsure whether the prevailing wage requirements apply to your solicitation, please consult with your department director or the City Attorney's Office.

The advertisement for IFBs, RFPs, and RFQs must be published as provided in 7-1-4127,

⁶⁰ [18-2-401, MCA](#)

MCA, and the second publication must be made not less than 5 days or more than 12 days before the consideration of bids/proposals.⁶¹ For scheduling, please contact the City Clerks' Office to ensure availability at the desired time of submission date. In addition to the print advertisement, the City Clerk will post the IFB/RFP/RFQ on [Laserfische](#). Examples of previously advertised IFBs, RFPs, and RFQs are available on the [City Commission page](#).

Questions from potential vendors

Solicitations must include contact information for the Project Manager so that prospective vendors may submit questions regarding the solicitation. Such questions and their answers must be forwarded to the City Clerks so they may be posted on the City's bid website.

Pre-bid/proposal conferences

Pre-bid or pre-proposal conferences provide an opportunity for bidders/offerors to emphasize and clarify critical aspects of solicitations (for example, statement of work), eliminate ambiguities or misunderstandings, and permit Vendor input. Attendance at conferences or site visits may be optional or mandatory. When mandatory attendance is stipulated, only bids or proposals from those Vendors represented will be accepted. After the conference, an addendum will be issued if a modification to the solicitation is required as a result of the conference. Contact the City Clerks' Office for publication of necessary addenda.

Bid/proposal receipt

The time and date for receipt of bids/proposals will be included in the solicitation notice. At the time of submission, all bids/proposals will be marked with a receiving date and time and signed by the City Clerk.

If bids/proposals are not submitted by the specified date, time, and location identified in the solicitation notices, the response may be deemed non-responsive and may not be considered for review/evaluation. Late bids/proposals will be marked with a receiving date and time and returned to sender.

The City reserves the right to reject any and all bids.

Bid/proposal mistakes

By the City

If the Vendor alleges a mistake in the City's solicitation prior to opening, the bid/proposal may be corrected or withdrawn.

⁶¹ [7-5-4302\(2\), MCA](#)

Solicitation amendments may be made by the issuance of an addendum prior to the time set for receipt of responses. Acknowledgement of receipt of an addendum must accompany the bid or proposal. Failure to acknowledge receipt of an addendum may be cause for rejection of the bid or proposal.

By the Vendor

A bid “informality” is a minor deficiency or variation of a bid or proposal from the exact requirements of the IFB, RFP, or RFQ, which does not affect the price, quality, quantity, or delivery schedule for the commodities, goods, or services being purchased. The City Attorney’s Office may waive such informalities or permit the Vendor to correct them, whichever procedure is in the best interest of the City. An example is where the Vendor fails to sign the solicitation documentation. In no instance will the absence of a Bid Bond be considered a minor defect or variation.

A Vendor may amend or withdraw a bid or proposal before the deadline if the City Clerk receives a request in writing before the due date and time. The request must be signed by a person authorized to represent the Vendor that submitted the bid or proposal.

No bid may be withdrawn after the opening of the bids or proposals without the consent of the City Commission for a period of sixty (60) days after the scheduled time of receiving bids or proposals.

If you believe there is a mistake in a bid or proposal, please contact the City Attorney’s Office for further assistance.

Templates

Templates are located on [Laserfische](#). Examples of previously advertised IFBs, RFPs, and RFQs are available on the [City Commission page](#).

Property Disposal

Montana law authorizes the director of finance or the city manager to purchase and sell personal property that is no longer needed, unsuitable for public use, or may have been condemned as useless.⁶² When feasible, any department declaring City property as surplus should determine if the property can be used elsewhere in the City prior to disposal.

Whenever the City purchases equipment, as provided in 7-5-4301, MCA through 7-5-4310, MCA, equipment that can be purchased for \$50,000 or less may be purchased at public auction, as provided in 7-5-4310, MCA.

⁶² 7-3-4434, MCA.

CONTRACTING POLICIES AND PROCEDURES

Once a Vendor is selected based on the policies above, the project lead should begin working on the contract. While a formal contracting policy is in progress, please work with the City Attorney's office to determine the steps and requirements for contracting. Templates are available on the City's internal website and should be filled in and modified by City staff before sending to Vendors.

Please contact the City Attorney's Office for help in determining if a contract can be exempt from going before the City Commission.

ACCOUNTS PAYABLE AND CREDIT CARD POLICIES & PROCEDURES

General Processes and Procedures

Checks runs occur weekly. The deadline for claim submissions for the weekly check run is 5pm on Tuesday. Checks are printed on Thursdays and dated for the following Wednesday, at which point they are mailed out.

Payment Methods & Documentation Requirements

Invoices / Accounts Payable (AP) Groups

General Information & Policies

Claims must be submitted in the Naviline software and documentation submitted in the [AP Documentation folder on the publicFinance drive](#). Documentation files should be labeled with the group number and the submitter's initials (Ex. 1234-MH). Documentation files must be submitted for all bills to be paid. Exceptions to Naviline entry include travel advance/reimbursement requests or Recreation department refunds. For these, documentation should be saved in the folder, and AP will enter in Naviline.

For additional claim submission details, an AP cheat sheet for minimum requirements is available in the [AP Guide folder on the publicFinance drive](#) or on the Finance Public Team in the [Channel Procurement, Travel, AP Policies and Forms](#).

For requirements needed to submit a travel reimbursement request please go to the ACCOUNTS PAYABLE & CREDIT CARD POLICIES subsection [Travel Advance/Reimbursement Request](#).

Documentation Requirements

The following attachments are required to be saved in the folder referenced above for payment:

1. An itemized receipt or invoice is required for all purchases and must be signed by

the Expending Authority (the Authorizing Signature) and a designee of the department director.

2. If the invoice is related to an existing contract, a Professional Services Agreement (PSA) or contract number or the PSA or contract itself should be included as an attachment. The date of Commission approval should also be included. If bought through a cooperative purchasing agreement, please reference which one (NASPO, Sourcewell, etc.) and include the agreement # whenever possible.
3. Departments are responsible for keeping all documentation of competitive requirements listed in the above Procurement Rules & Procedures section, including but not limited to competing quotes, RFP/RFQ/IT publications, vendor submissions, and evaluation team documents. The Finance Department will conduct an annual audit to ensure department documentation is sufficient.

Incomplete/Incorrect Submissions to AP

Accounts Payable team will do their best within time constraints to correct easy-to-fix errors without rejecting an entire submission. Groups submitted with multiple errors, or errors that will take significant time to investigate will be rejected. AP will remove documents from the shared folder, email documents back to the submitter, and include a list of questions and updates that need to be made. Once fixed, you may resubmit the paperwork as normal, and AP will process the claim. Please contact AP if you need additional clarification regarding your returned submission.

Additional Tips to Avoid Group Rejection

1. Verify vendor name. If it is not in Naviline, use “1” for the vendor number. This will allow AP to set-up new vendor or update an existing vendor.
2. With new vendors, asking for a W9 ahead of time will help ensure the vendor gets paid promptly, as we have to hold the check until we receive it. If available, please attach it to your group.
3. Make sure you aren’t submitting a duplicate invoice. If you receive the error, “duplicate invoice number”, please stop. Research, and remove from your group if item has already been entered into Naviline.
4. With minimal exception, we are only allowed to pay from Invoices. Please, do not attempt to pay from a Quote, Proforma Invoice, Order Confirmation, Estimate, or Statement in lieu of an invoice.

Credit cards

General Information & Policies

Credit cards are used to manage small to medium-size City expenses. The City seeks to take advantage of the convenience of these accounts while paying minimal finance charges. Credit cards have been issued so that the City can minimize the amount of reimbursements needing to be made to employees for out-of-pocket purchases.

1. An employee will not be issued a City credit card without department director and Finance Director approval.
2. Credit card purchases are the responsibility of the card holder. Credit cards may only be given to other employees while in the office to book things like training and travel. Credit cards should not leave the office with an employee whose name is not on the card.
3. Items charged to credit card accounts are subject to all purchasing and approval requirements.
4. Credit cards should not be used when City accounts exist with certain vendors or businesses.
5. Cash advances are prohibited.
6. Purchases greater than \$5,000 are prohibited without prior approval from the Finance Director.
7. Contracted services, consultant work, or any work with vendor that may require a 1099 at the end of the year are prohibited. This work must be invoiced and sent to Accounts Payable for payment to ensure compliance with the Internal Revenue Service. A 1099 is required when purchases with the same vendor exceed \$600 per year.
8. The Finance Director and City Treasurer are responsible for credit card administration including exception requests for limit increases, limit decreases, blocking certain purchases by transaction code, issuing and rescinding cards from City employees.

Documentation/Submission Requirements

Itemized receipts and invoices are required for all purchases and must be signed by the card holder (Expending Authority) and a designee of the department director. This designee will be responsible for matching receipts to credit card statements prior to submission to AP and confirming that expenditures comply with this policy. Receipts are to be provided to AP no later than one week after credit card statements are delivered to departments. Repeated late submission of receipts may result in loss of credit card privileges and employees may be required to reimburse the City for expenditures.

Credit Card receipts for Travel must *also* include:

- Who the charge was for
- What the event was
- Travel dates
- Any other supporting documentation available

Lost Receipt Request Form, Unauthorized Purchases, and Loss of Credit Card Privileges

If an employee is missing an itemized receipt for a credit card purchase, a Lost Receipt Form must be filled out, signed by the department director, and sent to Accounts Payable on the same timelines listed above. The Lost Receipt form is available on the Finance Public Team in the [Channel Procurement, Travel, AP Policies and Forms](#). Claims are not guaranteed to be paid by the City if a receipt is lost.

If an employee makes an unauthorized purchase on a City issued credit card, they will be required to pay back the City no later than seven (7) days after the purchase is made.

Multiple, or high dollar value issues with lost receipts and/or unauthorized purchases made by the same employee are grounds for loss of City credit card privileges.

Travel Advance/Reimbursement

Documentation/Submission Requirements

All Travel Advances or Reimbursements require the following documentation:

1. Completed Travel Advance/Reimbursement Reconciliation & Request Form, including general ledger (GL) coding and employee and supervisor signatures. The form is available on the Finance Public Team in the [Channel Procurement, Travel, AP Policies and Forms](#).
2. Conference itinerary with dates, locations.
3. Per Diem - copy of per diem rates for destination – this is the only way to receive a travel advance for meals
4. Mileage - google maps directions with miles calculated between destinations
 - o If requesting 100% mileage reimbursement, documentation of the request / unavailability of a City vehicle must be attached.

TRAINING AND TRAVEL POLICIES & PROCEDURES

Travel Purpose & Approval

Travel for which the City pays, including payment by travel advance, reimbursement, or by any other method, must be for travel on official City business that is for the benefit of the City. All travel requests shall be approved by the appropriate department director prior to traveling. For the purposes of this policy, “Traveler” shall mean any individual, including elected officials, travelling on official City business.

Reasonable Cost

It is inherently understood in this policy that a Traveler on official City business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Excess costs, circuitous routes, delays, or luxury accommodations and services which are unnecessary, unjustified, or solely for the convenience or personal preference of the Traveler in the performance of official City business are not acceptable under this standard, and the Traveler will be held responsible for unauthorized costs and additional expenses incurred for personal preference or convenience. Determination of reasonableness of cost and of the means of travel shall be at the discretion of the applicable department director, who shall consider economic factors and circumstances, including but not limited to number

of days of travel, advance notice, possibility of trip cancellation, distance of travel, travel alternatives, and hours of arrival or departure.

Eligible Training & Travel Expenses

In addition to the registration cost for the training or conference that the Traveler will attend, the following expenses may be eligible for reimbursement by the City, or in some cases, offered as a travel advance.

Transportation costs

Travel may be accomplished by commercial airline, rental car, City-owned vehicle, rail, personal vehicle, courtesy transportation, local public transportation, shuttle service, shared ride service, or taxi. Authorization will only be given for the means that is most economical and beneficial to the City. Airfare costs should be paid with a City credit card. Department directors may share their City credit card for booking flights. Costs for parking may be included in travel reimbursement if economical and beneficial to the City. Payment of mileage allowance may be approved in accordance with policy.

Mileage reimbursement: See “Vehicle Use Policy”

- If a City vehicle is available – The Traveler will use the City vehicle and no mileage will be reimbursed. If the Traveler is unable to obtain a gas card, any gas needed for the City vehicle will either be paid by City credit card or reimbursed upon return with submission of appropriate receipts. If the Traveler chooses instead to use their own personal vehicle, they will be reimbursed at 60% of the current IRS business mileage reimbursement rate.
- If no City vehicle is available – The Traveler must submit documentation of their attempt to find a City vehicle and that none were available (email threads are sufficient). The department director must also sign their approval for use of a personal vehicle. The Traveler will be paid 100% of the IRS business mileage reimbursement rate.

Lodging costs

Lodging costs should be paid with a City credit card. Department directors may share their City credit card for use to book lodging. If lodging rates exceed the GSA rate by more than 25% for the travel area outside Montana, and 100% for the travel area within Montana, an explanation should be included on the Travel Advance/Reimbursement Reconciliation form. Lodging expenses incurred in Gallatin County, any contiguous County, or Helena should be approved by the Department Director.

Meals on travel status

Meals will be reimbursed based **on per diem rates** established by the GSA for any trips which are eligible for overnight status. Expenses incurred in Gallatin County or any

contiguous County will not be reimbursed without approval from Department Directors. Any expenses over the per diem rates are the responsibility of the Traveler. Meal per diem will not be provided for meals offered by the training/conference if they are at no additional cost. Credit cards should not be used for meals except for internal department trainings/conferences and government sponsored conferences.

Travel Advance

A travel advance is money advanced to the Traveler in an amount reasonably estimated to cover some, or all, authorized travel expenses. Advances are considered to be loans to the Traveler. Travel advances shall not exceed the per diem allowance for meals plus the actual cost of other authorized travel expenses. Travel advances shall **not** be issued to the Traveler **more than ten (10) calendar days prior** to the departure date of a trip and shall be approved by the department director.

The following restrictions apply to travel advances:

- a) Only expenses of the Traveler shall be advanced. The City shall not advance travel expenses for persons other than the Traveler.
- b) Any unused funds shall be returned to the Finance Department within one week of completion of the trip. Per diem amounts for meals only need to be reimbursed if travel is cancelled or cut short or if meals are offered by the conference/training. Any unused funds not returned to the Finance Department within the required timeframe shall be deducted from the Traveler's next regularly scheduled paycheck.
- c) If the scheduled training or conference is cancelled or postponed, then the Traveler shall, upon learning of the cancellation, immediately refund all travel advances to the Finance Department.

For requirements needed to submit a travel advance request please go to the ACCOUNTS PAYABLE & CREDIT CARD POLICIES subsection [Travel Advance/Reimbursement Request](#).

Travel Reimbursement

For requirements needed to submit a travel reimbursement request please go to the ACCOUNTS PAYABLE & CREDIT CARD POLICIES subsection [Travel Advance/Reimbursement Request](#).

Use of City Credit Card for Travel

City credit cards can be used for transportation, lodging, and incidentals (parking fees, tolls, etc.). If used to pay for travel and training all the policies described in this section apply. If more than one (1) Traveler's expenses are paid for using the City card the card holder must breakdown the expense for each person. Credit cards should not be used for meals except for internal department trainings/conferences and government sponsored

conferences.

Non-Reimbursable Travel Expenditures

Travelers shall not be entitled to reimbursement for goods or services (including transportation, lodging, etc.) that are provided free of charge, paid for by another source, or are not directly related to City business. Only expenses of the Traveler shall be reimbursed. The City shall not reimburse travel expenses for persons other than the Traveler. If there is a non-City employee traveling in addition to the Traveler, any upgrades not required for the Traveler (i.e. larger rooms), must be paid for by the Traveler.

Travel Time

Non-exempt employees shall be paid for travel time in accordance with the Fair Labor Standards Act (FLSA). Work hours should be modified, as appropriate, in order to avoid the creation of overtime as a result of travel.

DEFINITIONS

1. **City:** City of Bozeman.
2. **Expending Authority:** is the manager, elected official, department director, or agency head identified in the appropriating ordinance who appropriates funds to pay the expenses for conducting public business each year. Each Expending Authority is responsible for management of funds in his or her department/division/organization and for assuring that all expenditures are reasonable, necessary, and consistent with all city charter, ordinances, policies and procedures, and other applicable laws. All Expending Authority names should be on file.
3. **Department director:** is the department director or their designee.
4. **Approved Payments:** Payments that comply with all City Codes, Administrative Orders and other Regulations including but not limited to the City's:
 - a) Procurement Policy
 - b) Vehicle Use Policy
 - c) Vehicle/Equipment Replacement Policy
 - d) Information Technology Use Policy
5. **Sole Source:** Goods or services which are only available from one supplier or service provider. Sole Source conditions include such things as patented or proprietary items available from a single source; a single source required in order to function with existing equipment, systems, programs, or services; situations where the Sole Source is the only practical way to meet the City's requirements; delivery deadlines that only a single source can meet; or security requirements that

limit information to only a single Vendor.

6. **For the benefit of the city** (for the purpose of travel only): refers to those activities that enable the traveler to carry out responsibilities or functions useful to the City in a more productive, efficient, or beneficial way. For example, expenses incurred in relation to nonpolitical ceremonial functions of the City office would normally be for the benefit of the City. Expenses incurred in relation to activities, the primary purpose of which is the election or reelection of a city official, are not for the benefit of the City and are not allowable. It is the responsibility of the expending authority to decide as to whether expenses are "for the benefit of the City."
7. **Official city business** (for the purpose of travel only): is that which is required or useful for the benefit of the City to carry out the responsibilities of the Traveler or agency or to enhance the Traveler's or agency/department's effectiveness in the performance of city business.
8. **Travel advance**: is money advanced to the traveler in an amount reasonably estimated to cover some or all of authorized travel expenses. Advances are considered to be loans to the Traveler. Travel advances shall not exceed the per diem city allowance for meals and incidental expenses (M&IE), the actual cost of lodging, plus actual cost of other allowed travel expenses related to the travel on official city business.
9. **Travel expenses**: are reasonable, appropriate, and necessary travel and business-related expenses(s) that are incurred while carrying out official City business. Travel expenses include costs that cover per diem expenses; transportation expenses; meals and/or coffee and light miscellaneous refreshment; and miscellaneous business expenses related to official City travel.
10. **Traveler**: is an Officer, City Employee, or Contractor who incurs travel expenses on official City business and is entitled to reimbursement of those expenses (for the purpose of travel only).
11. **Vendor**: A manufacturer, producer, seller, supplier, contractor, engineer, technician, etc. with which the City purchases materials or services.
12. **Bond – Bid**: A written guaranty (cashier's check, certified check, bank money order, or bank draft, drawn and issued by a national bank located in Montana or by a banking corporation incorporated in Montana or a bid bond, or bonds, executed by a surety corporation authorized to do business in Montana) submitted to the City by a Vendor with the submittal of a bid in the amount of 10% of the total bid amount.
13. **Bond – Performance**: A written guaranty (cashier's check, certified check, bank money order, or bank draft, drawn and issued by a national bank located in Montana or by a banking corporation incorporated in Montana or a bid bond, or

bonds, executed by a surety corporation authorized to do business in Montana) submitted to the City by a Vendor on winning the bid. A performance bond ensures payment of a sum of money in case the Vendor fails in the full performance of the contract. Performance bonds (at least 100% of the contract price) replace the bid bonds on award of the contract.

14. **Bond – Payment:** A written guaranty (cashier's check, certified check, bank money order, or bank draft, drawn and issued by a national bank located in Montana or by a banking corporation incorporated in Montana or a bid bond, or bonds, executed by a surety corporation authorized to do business in Montana) submitted by a successful bidder as a surety that upon contract completion all sums owed by the Vendor to its employees, suppliers, subcontractors, and other credits will be paid on time and in full (at least 100% of the bid amount).
15. **Change Order:** Alteration to original contract involving the monetary amount, requirements, or time.
16. **Competitive Solicitation:** Transparent procurement method in which bids or proposals from competing contractors, suppliers, or vendors are invited by openly advertising the scope, specifications, and terms and conditions of the proposed contract as well as the criteria by which the bids will be evaluated. Competitive Solicitation aims at obtaining goods and services at the lowest prices by stimulating competition and by preventing favoritism.
17. **Construction Services:** Work performed by an individual in building construction, heavy construction, highway construction, and remodeling work.
18. **Consulting/Professional Services:** A Consultant/Professional is an independent contractor who by experience, training, and education, performs specialized/technical activities over a limited time and pre-established term. The Consultant/Professional delivers or provides advice, recommendations, reports, analysis, evaluation, audit, survey, or other products of cognitive processes or expert services.
19. **Contractor:** Any individual or business having a contract with the City.
20. **Contract for Term:** A contract awarded by the City for goods or services which the City anticipates will be ongoing or as-needed for a specific term.
21. **Cooperative Public Agency Procurement:** Cooperative Public Agency Procurement refers to procurement involving more than one Public Agency as the purchaser. Public Agencies can procure cooperatively by approaching the market together (known as clustering), or by joining the contractual arrangement or standing offer arrangement of another Public Agency (known as piggybacking).
22. **Emergency:** A Department may find an Emergency situation which requires immediate acquisition of the goods and services. An Emergency situation includes

situations that are a threat to public safety, health, or welfare, or that requires immediate acquisition or repair to preserve or prevent damage to such things as public property, City operations and business, machinery, or equipment. Such Emergency must be declared as provided in 10-3-401, MCA et seq.

23. **Expending Authority:** elected official, agency head, Department director or their designee, identified in the appropriating ordinance who appropriates funds to pay the expenses for conducting public business each year. Each Expending Authority is responsible for management of funds in his or her organization and for assuring that all expenditures are reasonable, necessary, and consistent with all city charter, ordinances, policies and procedures, and other applicable laws.
24. **Evaluation Team:** A team of no more than five (5) City employees appointed for the purpose of reviewing and evaluating RFP/RFQs.
25. **Invitation for Bid (IFB):** An Invitation for Bid is a written invitation to prospective suppliers to submit a bid on materials and/or services. IFB is only a solicitation and does not qualify as an offer.
26. **Pre-Bid Conference:** The Project Manager schedules a Pre-Bid Conference to fully explain the details and scope of work involved. All prospective bidders are invited to ask questions.
27. **Prevailing Wages:** When a Vendor performs skilled craft or laborer services, Prevailing Wages may apply. State law requires that employees working under a public contract within certain labor categories receive at least the Prevailing Wage. For purchases of services where such labor categories are required, the City will enforce Prevailing Wage requirements, regardless of the cost.
28. **Professional Services:** A consultant/professional is an independent contractor who by experience, training, and education, performs specialized or technical activities over a defined period of time. The consultant/professional delivers or provides advice, recommendations, reports, analysis, evaluation, audit, survey, or other products of cognitive processes or expert services. Professional services from engineers, architects, and land-surveyors are subject to special procurement laws.
29. **Request for Proposals (RFP):** A Request for Proposals is a solicitation by the City for specific and detailed proposals from interested professionals and consultants **to complete a specified project**. In response to an RFP, the proposal must include all the information requested for an RFP. If requested in the RFP, the proposal must provide references and contact information for previously completed similar projects listed in the RFP. The proposal must include a detailed outline of the specific approach and methods used to perform the work required within the time specified in the RFP. The proposal must include a schedule for performing the work, the interim and final work product, and delivery dates. The

proposed work schedule must include a task breakdown showing sub-tasks, the time estimated for each, the role of any sub-consultant, and the total time estimated for the project. The proposal must also identify any services or support required of, or expected to be, supplied by the City in order to complete the work identified in the RFP.

30. **Request for Qualifications (RFQ):** A Request for Qualifications is a solicitation by the City for expressions of interest to provide a professional service and/or to complete a specific project. In response to an RFQ, the professional must assemble and submit a listing of general qualifications to perform the work identified in the RFQ and must provide specific examples of directly related experience performing the work described in the RFQ. Included in the response must be a listing of personnel and/or other consulting professionals with their individual qualifications and related experience to perform the work. In addition, the response must indicate the ability to begin and complete the work according to any schedule indicated within the RFQ.
31. **Sealed Bid:** A Competitive Solicitation sealed and submitted to the City Clerk at a specific time on a specific date and opened in a public forum.
32. **Surplus Property:** Surplus Property is property that is either no longer in use or for which there is no further plan for use. It includes all tangible assets such as equipment, materials, supplies, and furniture.