

ADMINISTRATIVE ORDER NO. 154

Repealed By
AO 160
4/2024

Administrative Order No. 149, adopted February 18, 2022, is hereby repealed.

Pursuant to the authority granted to the City Administrator in BMCC Section 2-300, I hereby establish the following procedures regarding:

“Purchasing Procedures for the City of Billings”

The policy statement was adopted by the City Council via Resolution 18-10756 on September 18, 2018.

Dated this 10/4/2023.

DocuSigned by:

-ss- 33A3E4F6D5384F5
Chris A. Kukulski,
City Administrator



**CITY OF BILLINGS
PURCHASING
PROCEDURES**

October 2023

**All forms, template documents, etc. are located on the Server
at \\it-w12k07\All Users\Purchasing**



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A. ROLES OF PURCHASING

- A.1 **DEPARTMENTAL STAFF** is responsible for drafting specifications with assistance from the Purchasing Agent, for all items where the City is required to provide an opportunity for competition, including construction and professional services.
- A.2 **THE PURCHASING AGENT** is responsible for the review of all procurement acquisitions made by the City. Additionally, the Purchasing Agent will:
 - A.2.1 As needed, purchase or assist in the purchases of all materials, supplies and services needed by any user Department;
 - A.2.2 Discourage uniform bidding (prearranged bid rigging) and endeavor to obtain as full and open competition as possible on all purchases and contracts;
 - A.2.3 When appropriate, standardize and achieve volume procurement using collective buying, City warehousing, lead purchaser or other concepts, which produce the lowest price possible to the City for the quality of goods or services required;
 - A.2.4 Prescribe and maintain such forms as he/she shall find reasonable and necessary;
 - A.2.5 Explore possibilities of contract pricing and/or buying in bulk so as to take full advantage of discounts;
 - A.2.6 Join with other governmental units and agencies in cooperative purchasing programs when the best interests of the City would be served;
 - A.2.7 Advise and assist the Finance Director and Administrative Services in the formulations and recommendations of policies and procedures in connection with the purchasing activities of the City;
 - A.2.8 Manage and maintain the Purchasing Card (Pcard) program;



- A.2.9 Assist Departments and Divisions in the coordination, solicitation and award of all quotes, bids, requests for proposals and otherwise;
- A.2.10 Maintain a list of and share information regarding vendors who have expressed an interest in selling to or contracting with the City of Billings. It will be the responsibility of the Departmental author to assure all interested parties are contacted;
- A.2.11 Review purchase orders and invoices for compliance with the City of Billings Purchasing Procedures;

B. PURCHASING PROCEDURES

GENERAL:

- Purchases or contracts shall not be artificially divided into separate projects or expenditures to circumvent the requirements of a more formal purchasing process.
- Long term service contracts for 12 months or more shall engage in the competitive process at least every 5 years according to the dollar thresholds established in this policy.
- Unnecessary constraints shall not limit full and open competition. Examples of such constraints include:
 - Placing unreasonable requirements on vendors to qualify for business;
 - Requiring unnecessary experience and excessive bonding;
 - Writing unduly restrictive specifications;
 - Specifying a "brand name" product instead of allowing "an equal" product to be offered.
- No employee shall participate in the award and/or administration of a contract if a conflict of interest exists, whether real or apparent. Such a conflict arises when the employee has a special relationship as a related party to a vendor or potential vendor.



B.1 PROCUREMENT METHODS: the following procedures outline the Purchasing process and define the involvement of Purchasing.

B.1.1 A "purchase" or "transaction" means an exchange or transfer of goods and/or services. It includes cumulative purchases from the same vendor within a single fiscal year.

B.1.2 Purchases of \$100 or less shall be processed with a Pcard or petty cash, but invoices may be processed, if necessary.

For purchases of \$5,000 or less, a Pcard is the preferred method of payment, unless a vendor assesses a fee for its use.

B.1.3 Procurement up to \$25,000 does not require price quotes or bids and the Purchasing Agent need not be involved. These purchases may be made through:

- Pcard (up to \$5,000)
- Purchase Order or Invoice

The Purchasing Agent may direct that a process of getting quotes or other competition is necessary for frequently recurring purchases.

Note: Contracts are required for all services of \$25,000 or more.

B.1.4 Procurement from \$25,000 to \$79,999.99 for goods, construction, etc. (other than what is outlined below), require three (3) written quotes. The lowest responsible quoter/bidder will be selected. Depending on the complexity of the project or quote requested, the Purchasing Agent may be involved. The responsible Department shall complete and sign a Quote Form, attach the written quotes and forward the quote packet to the Purchasing Agent for approval. The quote packet will then be attached to the contract, invoice or purchase order. Catalog prices or online screenshots are acceptable when local vendors cannot be found.

B.1.5 Contracts for architectural, engineering, land surveying, software, consultant, and miscellaneous professional contracts, for which the fees are estimated not to exceed \$49,999.99 may contract for those professional services by direct negotiation. Contracts for these



services at \$50,000 or more must be procured through an RFP process. Purchasing Agent involvement is optional but suggested, and legal advertising is mandatory. A selection committee is also required.

B.1.6 Purchases for any automobile, truck, other vehicle, road machinery, other machinery, apparatus, appliances, equipment, materials or supplies, or for construction, repair or maintenance in excess of \$79,999.99, requires a competitive, sealed bid process. Purchasing Agent involvement is optional, but recommended, and legal advertisement is mandatory.

All vehicle purchases will be coordinated with the Fleet Division for proper tracking and inventory records.

NOTE: **There are two additional guidelines that may apply to certain bids and contracts:**

B.2 PERFORMANCE, PAYMENT AND/OR LABOR AND MATERIALS BONDS – The bidder may be required to furnish an approved Performance Bond, Labor and Materials Bond, or Payment Bond in the amount of one hundred percent (100%) of the contract amount, conditioned to the effect that the contractor shall faithfully perform the terms and conditions of the contract and shall indemnify the City from the negligent acts of the contractor, his or her agents or servants in their performances of the terms and conditions of the contract, and shall pay all proper claims of subcontractors and suppliers.

Construction contracts generally require additional bonds, but all other contracts shall be discussed with the Purchasing Agent to determine if necessary.

B.3 INSURANCE - If the contract requires work to be completed for the City by a contractor, the successful contractor must maintain in full force and effect (or be exempt from) a Workers' Compensation Insurance Policy on its employees, as well as a Comprehensive General Liability Insurance Policy naming the City of Billings as an additional insured in specified predetermined amounts, to provide protection to the parties to the agreement. Automobile liability and other insurance may also be required. The Purchasing Agent will advise the issuing Department regarding insurance needs.



NOTES:

- All insurance requirements and any additional bonds must be stated in all advertisements so contractors may adjust their quote or bid accordingly.
- The City Administrator or designee may, in writing, allow for lesser amounts of insurance coverage or grant an exception.
- **Note: Contracts are required for all services of \$25,000 or more.**

B.4 INVITATION FOR BID (IFB) PROCESS

B.4.1 An Invitation for Bid must be issued for purchases for any automobile, truck, other vehicle, road machinery, other machinery, apparatus, appliances, equipment, materials or supplies, or for construction, repair or maintenance in excess of \$79,999.99.

The City will give adequate public notice of the Invitation for Bids in a reasonable time before the date of the opening of the bid. A legal advertisement (i.e. publication in newspaper) must appear two (2) consecutive weeks prior to the bid opening.

NOTES: When Federal money is involved in the bid, the legal advertisement must appear for three (3) consecutive weeks prior to the bid opening.

A "purchase" or "transaction" means an exchange or transfer of goods and/or services. It includes cumulative purchases from the same vendor within a single fiscal year.

The Purchasing Agent may direct that a process of getting quotes or other competition is necessary for frequently recurring purchases.

B.4.2 Sealed Bids are received in or by the office of the City Clerk and are opened publicly at 2:00 PM on Tuesdays in the City Hall Conference Room or via an on-line platform. Bids shall be recorded on a Bid Tabulation Sheet and posted on-line for public viewing. Each bidder and any member of the public has the right to



view or attend, and to examine and inspect all bids after they are opened. The user Department, with the assistance of the Purchasing Agent and/or the Legal Department, if necessary, shall evaluate and jointly agree on a recommendation of award.

- B.4.3 Each bid should include **BID SECURITY** equal to 10% of the bid amount, unless it is impossible to determine the total amount (i.e. an hourly rate bid). The bid security may be made via Certified Check, Cashier's Check, or Bid Bond payable to the City. The bid security will be retained by the City Clerk until the successful bidder enters into a contract with the City. Unsuccessful bidders shall be entitled to the return of the submitted security (other than a bid bond) after a formal award has been made. A successful bidder, upon failure on his part to enter into a contract within the time specified after notification of the bid award, shall forfeit any surety deposited with the City of Billings.
- B.4.4 The name of each bidder and amount of each bid and other relevant information is recorded.
- B.4.5 During live bid openings, bids are unconditionally accepted by the City Clerk and Purchasing Agent, except bids without the required bid security, if any. All other irregularities shall be examined after the bid opening with assistance from the Legal Department.
- B.4.6 Bid tabs are posted on-line and City staff shall notify the lowest, responsive bidder of the tentative award. The bid award recommendation is submitted to City Council for final approval. The recommendation to Council must include a list of all bidders, bid amounts and an explanation of recommendation.
- B.4.7 Rejection of Bid – All bids received in response to an advertisement may be rejected. The Purchasing Agent, if involved in the bid, and user Department, together, may recommend rejection of all bids for an item, group of items or the entire scope if such action is determined to be necessary and in the best interests of the City (i.e. all bids received are substantially over budget).



B.4.8 A contract is executed upon an award of bid including the terms and conditions and specifications set forth in the Invitation for Bid.

B.4.9 All bid materials will become the property of the City Clerk, for filing, future reference, maintenance for historical purposes, and updating as needed for new procurements.

B.4.10 In the event two (2) or more bidders offer identical bids, all factors considered, new bids may be invited or award made by the drawing of lots by the City Clerk's office, and witnessed by the Purchasing Agent and the applicable bidders.

B.4.11 Any **BIDDER PROTESTS** of award recommendations and/or bid specifications must be filed with the Purchasing Agent within seven (7) days of bid opening.

Upon receiving a written protest, the Purchasing Agent, with assistance from the Legal Department, determines if the protest has sufficient merit and if so, schedules an informal hearing with the protesting bidder and the user Department.

At this hearing, all parties discuss the basis of the protest and attempt to resolve the dispute based on fact. If the protesting party is not in agreement with the results of the informal hearing, they may appeal to the City Administrator.

B.4.12 An Invitation for Bid (IFB) shall include the following:

- Bid submission requirements
- Purchase description/scope of services
- Contract terms and conditions, including insurance requirements
- Prevailing wage rate and gross receipts tax language, if necessary
- Any bond information
- An acknowledgement of addendum section



- DBE Statement for Airport and MET Transit Departments

B.4.13 Resident Preference/Reciprocity

Pursuant to MCA Title 18, Section 1, the City shall award a public contract for construction, repair, or public works to the lowest responsible bidder without regard to residency. However, a resident must be allowed a preference on a contract against the bid of a nonresident if the state or country of the nonresident enforces a preference for resident bidders. The preference given to resident bidders of this state must be equal to the preference given in the other state or country.

B.5 REQUEST FOR PROPOSAL (RFP) PROCESS

B.5.1 Requests for Proposals are utilized for most services, especially architectural, engineering, land surveying, professional consulting, and all complex projects (i.e. software packages, etc.) over \$49,999.99 and must be accompanied by a legal advertisement. Projects for which the fees are estimated not to exceed \$49,999.99 may contract for those professional services by direct negotiation.

B.5.2 The Purchasing Agent should be involved (or at least advise) in the RFP creation and solicitation for professional services, facilities contracts, and any other complex projects.

B.5.3 Staff will legally advertise, post and send out all RFP's; create a selection committee; receive all proposals and distribute accordingly to the committee. The issuing Department representative may choose to accept electronic proposals, but must indicate such in the initial RFP. The Intent to Respond Form is suggested to assist staff in issuing any addenda, which must be acknowledged.

B.5.4 A Request for Proposals shall include the following:

- Purchase or Needs description
- Scope of Work/Services
- Evaluation Criteria



- Contract Terms, including insurance requirements
- Proposal Submission Requirements
- Preferred Timeline for Performance
- An acknowledgement of addendum section
- DBE statement for Airport and MET Transit Departments

B.6 LEGAL ADVERTISEMENT REQUIREMENTS

B.6.1 A legal advertisement is required for all Invitations for Bids and Requests for Proposals.

B.6.2 The City Clerk's office coordinates deadlines for ALL legal advertising for the City's bids, RFPs, equipment purchases, service procurement and meeting notices.

B.6.3 Legal ads generally must be published once per week for two consecutive weeks, with at least SIX (6) days separating the publications. This rule applies unless there is a specific advertising/notice requirement unique to the circumstances. For example, if the project or purchase will be utilizing Federal funds, there may be specific advertising requirements over and above the basic requirements named above.

B.6.4 Legal ads must contain the following information, at a minimum:

- The name of the project
- Submittal information including:
 - Bids: Deadline day, bond information, date, time and place for bid submittal and day, date, time and place for bid opening.
 - Requests for Proposals: deadline day, date and time for proposal submittal.
- The name, physical address, email address and phone number of a person to contact for additional information.



- Information on the day, date, time and place of a pre-bid meeting (if one is being held) and whether attendance is mandatory. (it is recommended that, if a pre-bid meeting is held, attendance should be mandatory).
- The dates of publication.
- Standard bidding or RFP language as contained in the template documents on the City's server.

B.7 SOLE SOURCE PROCUREMENT

B.7.1 State law, MCA Title 18, Chapter 4, states that a contract may be awarded for a supply or service without competition when there is only one source for the supply or service item. This exception may only apply when the Department Director or designee determines in writing that there is only one source for the required supply or service item.

Note: approval by Council (if appropriate) and a contract with appropriate signing authority will still be required for sole source procurement.

B.7.2 The Purchasing Agent must receive an explanation in writing that only one practical source exists.

B.7.3 Examples of sole source items:

- Patented items
- Copyrighted materials
- Secret processes
- Utilities
- Items for compatibility/standardization
- Specialized proprietary equipment



B.8 DEBARMENT:

The lowest quote or bid does not have to be accepted if it is documented that a specific supplier in the past has been a poor performer or has provided sub-standard goods.

Documentation must be presented to and reviewed by the Purchasing Agent and Legal Department to determine whether or not a supplier will be excluded from competition.

A list of all debarred contractors and suppliers, and period of debarment, shall be maintained by the Purchasing Agent.

Any exception must be detailed in writing by City staff and attached to the contract. The City Administrator must approve this stated special circumstance upon signing of the contract.

C. PURCHASING METHODS

C.1 PETTY CASH

Some Departments maintain a petty cash fund that is used for small dollar amount purchases. An Administrative Order (Internal Controls AO) adopts the City of Billings Petty Cash Policy.

C.2 PURCHASING CARDS

The Purchasing Agent manages the City's Purchasing Card (Pcard) Program. Cards will be issued to Departmental staff, as requested and approved. The cards are used much the same as a credit card and are assigned to a specific person with a specific limit. The types of purchases are limited as well. An Administrative Order adopts the City of Billings Purchasing Card Policy, which is also provided to each cardholder.



C.3 ENCUMBRANCES/ORDERS

Purchase orders are used to create an order or encumbrance. These are used to confirm an order and identifies the vendor, the purchasing Department, price, quantity, and account number(s) to be charged.

Encumbrances are used to earmark and allows tracking of funds for contracts, especially where multiple payments will be made to the vendor, and the contract and payments may cross fiscal years.

C. 4 INVOICES

The invoice process identifies the vendor, the purchasing Department, price, quantity, and account number(s) to be charged, and is the process by which a check is issued by the City. A proper invoice or receipt must be attached.

D. SPECIAL PURCHASING DETAILS AND INFORMATION

D.1 COOPERATIVE PURCHASING

The State of Montana maintains a list of term, pre-competited 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 is maintained at <https://www.naspovaluepoint.org/participants/participant-results/?state=Montana> or https://dataportal.mt.gov/t/DOASFSD/views/StatewideContracts/StatewideContracts?%3AshowAppBanner=false&%3Adisplay_count=n&%3AshowVizHome=n&%3Aorigin=viz_share_link&%3Aembed=y&%3Atabs=n.

City staff may utilize term contracts listed by the State without further competition. However, Council approval and a contract may still be required.

Pursuant to MCA Title 18, Chapter 4, the City may also participate in purchasing through federal supply schedules of the United States general services administration, joint or multiparty contracts between public procurement units, open-ended state public procurement unit contracts that are made available to



local public procurement units, and competitive contracts established by for-profit, not-for-profit, or nonprofit cooperative entities, which are in the best interest of the City.

Cooperative Purchasing Agreements for supplies, equipment, and other professional services may be utilized with another government entity or use of state contracts without additional bids or advertisements when done so at a savings to the City. Some of the cooperative purchasing organizations include, but are not limited to, Naspo ValuePoint, Sourcewell, Omnia Partners, etc.

These cooperative purchases must be made through established cooperative purchasing organizations, of which the City is a member. Membership shall be established and must be approved by the Purchasing Agent.

It should be noted that these governmental or cooperative purchasing agreements are often, but not always, the lowest prices available.

Note: Approval by Council (if appropriate) and a contract with appropriate signing authority will still be required for cooperative purchasing and sole source procurement, as outlined in the dollar thresholds herein.

D.2 PREVAILING WAGE RATES (DAVIS BACON ACT)

As per State law, MCA Title 18, Chapter 2, for construction projects of \$25,000 or more, there must be a statement in the bid documents calling for the contractor to pay the prevailing wage rate as established by the State of Montana, as well as a statement and copy of wage rates included in the contract documents.

If Federal funds are involved, there may be additional requirements for prevailing wage rates.

D.3 STATE GROSS RECEIPTS TAX

One percent (1%) contractors' tax must be deducted from all payments on construction contracts totaling \$80,000 or more and the collected tax is paid to the State of Montana.



D.4 REAL PROPERTY SALE AND ACQUISITION

The City Council has adopted policy resolutions that establish procedures, as well as criteria for appraisals, when the City sells or purchases real property (land).

D.5 USED EQUIPMENT PROCUREMENT

All used equipment which would have a value, if new, of \$5,000 or more must be included in the Equipment Replacement Plan or Technology Replacement Plan or be specifically approved by the City Administrator.

All purchases for used vehicles with a value of \$10,000 or more are substantiated by at least two (2) quotes of other comparable vehicles to include mileage, condition, and auxiliary equipment of each vehicle quoted.

All vehicle purchases will be coordinated with the Fleet Division for proper tracking and inventory records.

D.6 EMERGENCY PURCHASES AND CONTRACTS

Emergency authority is to be used "in cases of extreme and immediate necessity where materials, services or equipment are needed for a situation where the health, safety or welfare of the public is endangered or the City is exposed to serious cost consequences if immediate corrective or preventive action is not taken".

The requirements for sealed bids can be waived, and the purchase made in the fastest possible manner. (MCA Title 7, Chapter 5). If an emergency does occur:

- The Departmental representative shall provide all pertinent information to the City Administrator and Purchasing Agent as quickly as possible, including:
 - A description of the emergency;
 - The vendor or contractor's name;
 - The amount and type of the contract; and,
 - A listing of the supplies or services procured under the contract.



- The City Administrator shall inform the Mayor and City Council of said emergency; and,
- the Purchasing Agent will provide support for determining and expediting the best purchasing method.

All emergency contracts and/or documentation will be signed by the City Administrator or designee and will have a brief explanation of the emergency attached.

Emergency purchases exceeding \$79,999.99 require the City Council by resolution to declare the emergency and record it in the minutes of the council meeting as soon as is reasonably possible.

E. SURPLUS PROPERTY PROCUREMENT AND DISPOSAL

E.1 SURPLUS PROPERTY PROCUREMENT

In reference to MCA Title 18, Chapter 5, the State of Montana coordinates and hosts a Surplus Property and Recycling Program. <https://gsd.mt.gov/SPR>

The City is an organization permitted to dispose of and procure items through the program, and the Purchasing Agent maintains a list of staff members who are authorized to acquire property through the State's program.

E.2 SURPLUS PROPERTY DISPOSAL

The Purchasing Agent is designated as Surplus Sales Officer. He/she is responsible for assisting departments with disposing of all surplus personal property, and obsolete and scrap material of any type that belongs to the City of Billings in a manner and on terms that are in the best interest of the City, provided that the procedure and the terms are in accordance with State statute and in compliance with existing City policies.

Disposal of all property will be documented on a Personal **PROPERTY DISPOSAL FORM**, located at \\lt-w12k07\all users\Purchasing\Surplus Property Disposal and available as a DocuSign template.



Surplus, worn-out or obsolete material and equipment may be disposed of in any of the following ways:

- By selling or donating to other City Departments.
- By recycling.
- By cannibalizing or scrapping for parts.
- By trading in on new equipment.
- By selling at auction.
- By receiving three written quotes, and selling to the highest responsible quoting party.
- By advertising and obtaining sealed bids and selling to the highest responsible bidder.
- By junking.
- By donating to a local charitable organization.
- By selling or donating to another city or town.
- Through the State of Montana's Surplus Property and Recycling Program:
<https://gsd.mt.gov/SPR>
- By special Council approval.

The Purchasing Agent, with the assistance of Department representatives, shall approve the disposal process of all surplus property. Approved disposal forms, with appropriate documentation attached, shall be retained by the Purchasing Agent for the City's official files.

All proceeds from the sale of these items will be deposited with the Department that last had possession of the items and copies of documentation shall be filed with the disposal form with the Purchasing Agent.

The City Clerk is the holder of all titles on behalf of the City. The Clerk will require a title request form from Fleet to dispose of any titled property.

The disposal or trade of all vehicles and large equipment (purchase value of \$5,000 or more or has a title) must be coordinated with the Fleet Division for proper tracking and inventory records. Fleet will request all titles for disposal from the City Clerk. Departments may not dispose of titled vehicles without the assistance of Fleet representatives.



F. DELEGATIONS OF AUTHORITY - APPROVALS

F.1 APPROVALS OF INVOICES AND PURCHASE ORDERS

Purchase Orders and Invoices must be approved, as follows, in the following order (at a minimum):

\$0 - \$999.99

→ Department Designee → Purchasing Agent

\$1,000 to \$9,999.99

→ Department Designee → Purchasing Agent → Finance Director

\$10,000 and above

→ Department Designee → Purchasing Agent → Finance Director → City Administrator

G. SUPPLIER AGREEMENT/CONTRACT PROCESS

G.1 Generally, suppliers and contractors will be engaged through a written document.

Contracts are required for all services of \$25,000 or more.

For the procurement of products or goods, this can either be a purchase order or contract.

G.2 Purchase Orders or Invoices – Purchase Orders and Invoices are created by each respective City Department and approved through the Delegation of Approval Authority levels outlined above.

G.3 CONTRACTS

Contracts include any and all documents that may bind the City and any other contracting party, legally or financially. This may include bids, proposals, maintenance agreements, rental agreements, warranties or otherwise.



The City's standard, template contract documents are preferred. All contracts are routed through DocuSign for execution.

G.4 CONTRACT EXECUTION

The Department representative should send a draft contract to the Purchasing Agent and/or Legal Department to review before having the contractor sign. The vendor or contractor must sign the legally reviewed and approved contract first (whether in writing or in DocuSign). The Department representative then routes the contract to the Purchasing Agent, Legal Department, City Administrator or Mayor, and the City Clerk, with a contract routing form and other appropriate documents attached, through DocuSign. The City Clerk attests the Mayor's signature and retains one original copy of the contract. The Department representative will receive an email with the link to the executed copy for departmental files and to return to the vendor or contractor.

The vendor or contractor may sign the contract through DocuSign.

Signature Flow:

Department → Vendor → Purchasing → Legal → City Administrator or Mayor → City Clerk

Any contract approved by Council, regardless of amount, must be signed by the Mayor unless it has been formally delegated to the City Administrator.

!! In no instance shall anyone except the Mayor or City Administrator (or person designated in writing by either the Mayor or City Administrator) sign a contractual document on behalf of the City !!



H. SIGNING AUTHORITY – CHANGE ORDERS & AMENDMENTS

The City Administrator is authorized to execute amendments or change orders to all contracts executed by the Mayor if the changes do not exceed his/her signing authority, which may not exceed the threshold amount for competitive bids, currently set at \$80,000.

Furthermore, the City Administrator is authorized to execute amendments or change orders to all contracts executed by the mayor if the changes are:

- 1) Within the scope of the project or purchase, provided that increases in the scope of street improvement projects to add improvements requested and paid for by adjacent property owners are permissible;
- 2) Executed in writing; and,
- 3) The increase in contract amount does not exceed:
 - a. His/her signing authority; or,
 - b. Ten (10) percent (cumulative) of the contract price up to \$1 million; or,
 - c. The original budgeted contingency or amount set by City Council resolution for a specific project.

The total amount of all change orders or amendments on any given project will be cumulatively combined.

Where the size of the contract makes it probable that City Administrator change order authority will be quickly exhausted, the City Council may, upon recommendation of the City Administrator, extend the aggregate limits of afforded to the City Administrator in an amount set by Council for a specific project.



I. QUICK REFERENCE CHART

Procurement Amount	Petty Cash	Purchasing Card	Purchase Order/Invoice	Written Quotes	Sealed Bids	RFP
\$0 - \$99.99	X	X	X			
\$100 - \$5,000		X	X			
\$5,001 - \$25,000			X			
\$25,001 - \$79,999.99 (goods, equipment, vehicles, materials, etc.)				X		
> \$49,999.99 (consultant, software, professional services, architect, engineer & land survey)						X
> \$79,999.99 (automobile, trucks, construction, equipment, materials, etc.)					X	

Contracts are required for nearly all services of \$25,000 or more. Discuss with the Purchasing Agent to determine if necessary.



**All forms, template documents, etc. are located on the Server
at \\it-w12k07\All Users\Purchasing**

Certificate Of Completion

Envelope Id: 45529DE338444491B0236B1CFE0C3129

Status: Completed

Subject: Complete with DocuSign: 2023 Purchasing Procedures and Administrative Order

Source Envelope:

Document Pages: 25

Signatures: 1

Envelope Originator:

Certificate Pages: 2

Initials: 0

Liz Kampa

AutoNav: Enabled

kampal@billingsmt.gov

Envelopeld Stamping: Enabled

IP Address: 161.7.21.31

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Record Tracking

Status: Original

Holder: Liz Kampa

Location: DocuSign

10/4/2023 1:33:18 PM

kampal@billingsmt.gov

Signer Events**Signature****Timestamp**

Chris A. Kukulski

DocuSigned by:

33A3E4F6D5384F5...

Sent: 10/4/2023 1:43:15 PM

kukulskic@billingsmt.gov

Viewed: 10/4/2023 3:30:36 PM

City Administrator

Signed: 10/4/2023 3:30:51 PM

Security Level: Email, Account Authentication
(None)Signature Adoption: Pre-selected Style
Using IP Address: 161.7.21.84**Electronic Record and Signature Disclosure:**

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Toni Keehner

Completed

Sent: 10/4/2023 3:30:52 PM

keehnert@billingsmt.gov

Viewed: 10/5/2023 7:33:41 AM

Deputy City Clerk

Signed: 10/5/2023 8:32:20 AM

City Clerk

Using IP Address: 161.7.21.105

Delegate Of: Denise Bohlman
bohlmand@billingsmt.govSecurity Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**
Not Offered via DocuSign**In Person Signer Events****Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp****Witness Events****Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

10/4/2023 1:43:15 PM

Certified Delivered

Security Checked

10/5/2023 7:33:41 AM

Signing Complete

Security Checked

10/5/2023 8:32:20 AM

Envelope Summary Events	Status	Timestamps
Completed	Security Checked	10/5/2023 8:32:20 AM
Payment Events	Status	Timestamps