

## **Policy on Contracts for Services and Equipment Purchases.**

Whereas, State law dictates when and how public construction contracts must be bid, and

Whereas, the disposition of non-public construction contracts, services, and equipment purchases is to be decided upon locally,

Therefore the following policies are hereby enacted to ensure uniformity and consistency in such purchases and contracts:

Equipment:

Equipment Repairs: Funds for the repair and maintenance of equipment are included in the annual budget. In so far as there are sufficient funds remaining such repairs and maintenance shall be done as needed.

Equipment Purchases: Replacements or new equipment to be purchased shall be anticipated and scheduled as a part of the next year's budget. Departments shall follow established procedures in seeking approval of such purchases. Every attempt shall be made to purchase equipment at the lowest price for the items meeting the quality standards established for that item. Current policy is to bring requests identified in the annual budget to the Capital Expenditures Committee for approval.

Services:

Service contracts: It is recognized that multiyear service contracts often bring lower costs, better service and more consistency in service delivery, all of which benefit the public. So when such conditions exist multiyear contracts

are authorized. Multi-year contracts shall not exceed three years.

In an effort to assure the best value of service to the City contracts for such service will be reviewed periodically and competitive pricing solicited at the end of every contract term. Contracts for services shall be advertised directly to potential providers. [Such providers will be sought by contacting other municipalities, engineering or other consulting firms which may have knowledge of the service. An effort will be made to identify any special government pricing or State Purchase contracts.] Whenever possible specifications will be drawn up stating the nature of the services sought, the quality standards expected and the terms of the service. When possible such solicitations will be done to allow competitive pricing, i.e. formal bids or quotes due by a date certain. The results of the process will be put before the departments oversight committee which will recommend to Council the contract.

Maintenance contracts:

Where such contracts are proprietary (the vender is the sole provider of maintenance for specific equipment, software etc.) such contract need not be bid. The department head shall advise the oversight committee on regular renewals. A cost benefit analysis should be made when the cost of maintenance is greater than  $\frac{1}{4}$  of the price of the software or equipment owned. In such situations a comprehensive lease which allows for equipment upgrades or replacement should be considered.

Where maintenance contracts are not proprietary such contracts should be handled the same as service contracts.

Adopted: February 2007