

## COUNCIL WORK SESSION – AGENDA #40

If due to a disability, you need auxiliary aids or services during a City Council Meeting, please provide the City with 72 hours' notice by calling 763-493-8141 or faxing 763-493-8391.

***Our Vision: Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.***

### ***Our Brooklyn Park 2025 Goals:***

***• A united and welcoming community, strengthened by our diversity • Beautiful spaces and quality infrastructure make Brooklyn Park a unique destination • A balanced economic environment that empowers businesses and people to thrive • People of all ages have what they need to feel healthy and safe • Partnerships that increase racial and economic equity empower residents and neighborhoods to prosper • Effective and engaging government recognized as a leader***

- A. **CALL TO ORDER – Mayor Jeffrey Lunde**
- B. **GENERAL INFORMATION**  
None
- C. **DISCUSSION ITEMS/GENERAL ACTION ITEMS – These items will be discussion items but the City Council may act upon them during the course of the meeting.**
  - C.1** Budget Discussion and Department Presentations
  - C.2** Strategies to Widen Nonprofit Partnerships
    - A.** COMMUNITY EVENTS AND INITIATIVES PARTNERSHIP POLICY
    - B.** SUMMARY OF CITY PARTNERSHIPS TO DATE
  - C.3** Procurement Policy – Purchasing Manual
    - A.** PROCUREMENT POLICY – PURCHASING MANUAL
    - B.** CHANGES DOCUMENT
- D. **VERBAL REPORTS AND ANNOUNCEMENTS**
  - D.1** COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS
  - D.2** CITY MANAGER REPORTS AND ANNOUNCEMENTS
- E. **ADJOURNMENT**

# City of Brooklyn Park Council Work Session

|                        |  |                                |   |
|------------------------|--|--------------------------------|---|
| <b>Meeting Date:</b>   | November 4, 2019                               | <b>Originating Department:</b> | Administration/Finance  |
| <b>Agenda Item:</b>    | C.1  | <b>Prepared By:</b>            | Jay Stroebel, City Manager<br>LaTonia Green, Finance Director |
| <b>Agenda Section:</b> | Discussion Items/<br>General Action Items      | <b>Presented By:</b>           | Jay Stroebel, Wokie Freeman<br>and Department Directors       |
| <b>Item:</b>           | Budget Discussion and Department Presentations |                                |   |

## Summary:

The purpose of this discussion is to review the City Manager's budget recommendation with the City Council. Senior leadership staff has spent many hours deliberating budget adjustments that will minimize impacts to tax payers and current staff while maintaining or improving service levels provided to the residents of Brooklyn Park. City Manager Stroebel and Finance Director Green will provide a budget overview followed by each department director presenting more detailed information for each department.

# City of Brooklyn Park Council Work Session

|                        |  |                                |   |
|------------------------|--|--------------------------------|---|
| <b>Meeting Date:</b>   | November 4, 2019                           | <b>Originating Department:</b> | Administration                                  |
| <b>Agenda Item:</b>    | C.2  | <b>Prepared By:</b>            | Josie Shardlow                                  |
| <b>Agenda Section:</b> | Discussion Items/<br>General Action Items  | <b>Presented By:</b>           | Wokie Freeman-Gbogba,<br>Assistant City Manager |
| <b>Item:</b>           | Strategies to Widen Nonprofit Partnerships |                                |   |

## Summary:

In December 2018, the City Council passed the Community Events and Initiatives Partnership policy. Staff will provide the Council an update on the types of partnerships city departments have with community groups/organizations. Then, the Council will have an opportunity to discuss strategies to widen the city's partnerships with nonprofit organizations.

## Attachments:

- C.2A COMMUNITY EVENTS AND INITIATIVES PARTNERSHIP POLICY
- C.2B SUMMARY OF CITY PARTNERSHIPS TO DATE



**Community Events and Initiatives Partnership Policy**

**A. PURPOSE**

The purpose of the Community Events and Initiatives Partnership policy is to clarify the City of Brooklyn Park’s approach to partnerships. The City is eager to work with the community and depends on partnerships to achieve our collective goals. The intent of the policy is to provide clarity, transparency, and consistency when considering the City’s benefit and role when considering a partnership request. The City’s aim is both to better manage our existing community relationships and attract new partnerships.

**B. BACKGROUND**

Over the years we have seen great results from leveraging the time, talents and resources of individuals and organizations. When considering potential partnerships, it is important to understand the value and contribution of each organization and how the partnership will help advance the future vision and goals for the City.

**C. SCOPE**

This policy does not apply to business events, real estate, development or partnerships with other government entities that work on city related projects, Economic Development Authority sponsorships or partnerships covered by contracts, or affiliated youth sports associations.

**D. DEFINITIONS OF PARTNERSHIPS**

The following are definitions of what the role and expectations are of the City of Brooklyn Park in a community partnership.

| <b>City’s role</b> | <b>Description</b>  | <b>Application or Memorandum of Understanding Required</b> |
|--------------------|---|--|
| <b>Lead</b>        | City coordinates and manages all aspects of the event. City brings in partners and sponsors as needed.  | NO   |
| <b>Partner</b>     | Partnership is mutually beneficial for all parties. Each partnering organization contributes resources to the planning and execution. Examples of resources may include meeting space, staff support, refreshments,* and coordination. At least one city division or department takes responsibility for the partnership and will be present at the event. The event must be promoted broadly to the community. | YES for new groups or if it is a new event                 |
| <b>Supporter</b>   | The community group coordinates all aspects of the event. In accordance with the approval factors, the City may be able to provide other in-kind services such as: <ul style="list-style-type: none"> <li>- Promotion</li> <li>- Staff attendance – the City may staff an outreach table or tent</li> </ul>   | YES if not initiated by the City and deemed necessary      |

|              |  |    |
|--------------|--|----|
|              | <ul style="list-style-type: none"> <li>- Technical assistance – Community Engagement staff can meet with groups to provide guidance for the event to include making connections to other groups and services in the community</li> <li>- Letters of support for other funding opportunities</li> </ul> |    |
| <b>Other</b> | (When not sponsored or endorsed by the City)<br>City staff may attend.<br>The City may share information with community as a courtesy.   | NO |

\*Any and all food expenditures adhere to the Public Purchase Expenditure policy.

**E. APPROVAL OF PARTNERSHIPS**

The following are **REQUIRED** for partnership to be considered:

- Aligns with and helps advance one or more of the *Brooklyn Park 2025* community goals
- Is free or low cost
- Located in or near Brooklyn Park
- Open to the public
- Is nonpartisan
- Does not promote any religion

The following factors **SHALL BE CONSIDERED** when approving or denying a partnership:

The individual/organization has a *positive* reputation:

- The individual or organization has a demonstrated positive relationship and history within the Brooklyn Park community
- If no relationship with the City of Brooklyn Park exists, the individual or organization exhibits a genuine and good faith effort to advance the City’s mission and goals
- The organization and/or its planners exhibit integrity, credibility, strong reputation, leadership, and experience
- The organization has the ability to execute and sustain its efforts independently

The proposal *aligns* with the vision, values, and goals of the City of Brooklyn Park:

- The applicant has demonstrated knowledge and ties its proposal to the city’s vision, goals and values
- The applicant currently participates or volunteers with the City or other Brooklyn Park-based community groups
- The proposal promotes overall civic engagement, meets an unidentified gap, or fulfills an existing need
- The events or initiative supports an underrepresented cause or population in Brooklyn Park
- The proposal is innovative and fosters a working relationship with new organizations or collaborates with one or more organizations

## **F. DENIAL/REVOKING A PARTNERSHIP**

The City Manager (or their designee) may suspend any community partnership with an organization or individual when the organization/individual and/or its planners exhibit questionable integrity or credibility issues, or no longer meet approval factors. This includes any actual or perceived behaviors or actions that would inherently discredit the City of Brooklyn Park and contradicts the mission and goals of the City.

## **G. FINANCIAL SUPPORT**

- The City does not support organizations or fundraisers directly with financial contributions
- At the partnership level, the City may provide in-kind resources such as in-kind or discounted room rental, staff support, etc.
- At the support level, if the City agrees to pay for a table to do outreach or buy a promotional advertisement, the organization must invoice the City
- The individual or organization demonstrates that it has other sources of financial support to sustain its proposal and is not solely dependent on the City for the event
- The applicant has exhibited methods of being cost-effective in its request

### **G.1 Fundraisers**

- If the City is a direct recipient of funds raised, the organization may be eligible for in-kind room/shelter rental
- If the City is not a direct recipient of funds raised, but the organization meets other approval factors, they may be eligible for a 40% reduction in rental fees under the following conditions:
  - Based on room/shelter availability
  - Only when booked less than six months in advance
  - Must abide by all other facility and catering policies

**2019 City Partnerships**

| Partner type   | Organization(s)   | Event/Project                            | Nature of the partnership  | Result  | Cost of support | Staff name        |
|----------------|---|--|--|---|-----------------|-------------------|
| Lead / Partner | AAA Minneapolis   | Medicare 101 & Safe Driving presentation | AAA to present Age-Friendly topics to the community  | Presentations at no cost to participants  |                 | Kelly Mertes      |
| Partner        | ACER, NAACP, OLM, Inner Hero, Homeline, SEIU  | Healing Huntington meeting               | City provided space at Zanewood and refreshments   | Approximately 26 residents, 8 staff, 4 elected officials, 11 representatives from community organizations attended. | \$65            | Josie Shardlow    |
| EDA            | African Immigrants Professional Development Conference  | September event at NHCC                  | \$3,000 sponsorship  | Over 300 African professionals convened from around the metro to network and enhance their skills                   | \$3,000         | Breanne Rothstein |
| Partner        | African Women's Professional Development  | BP Community Assembly - author event     | promotion, refreshments  | Approximately 40 attendees  | \$250           | Xp Lee            |
| Lead           | All city departments, CCX, ACER, Brooklyn Park Library, Osseo Area Schools, Three Rivers Park District, Hennepin County, Heart and Mind Connection, Vista Corp, CAPI, USA, Community Mediation and Restorative Services, GI Joe's food truck Sug'r Shack food truck | City Hall on the Go                      | We requested community organizations to table so residents could learn about their services. | Approximately 450 residents attended over the three events.   |                 | Claudia           |
| Lead           | Alzheimer's Association Minnesota-North Dakota  | Age-Friendly Dementia &                  | Presentations from the Alzh. Assoc to staff &  | Dates for presentations to staff & public TBD   |                 | Kelly Mertes      |

|         |   |   |  |   |                              |   |
|---------|---|---|--|---|------------------------------|---|
|         |   | Alzheimer Trainings / Speakers                                      | public for education around cognitive decline  |   |                              |   |
| Partner | Anoka-Hennepin Community Education                            | Adult Classes   | To run a few adult classes together  | 6 classes were offered together - each organization got 1/2 of enrollment & advertised in both brochures  |                              | Kelly Mertes                                |
| Partner | Avivo, Osseo Schools  | Workforce development at Huntington                                 | We sought out subject matter experts to help us deliver a workforce development workshop for our residents                   | Two events with these partners  | Staff time, incentives, food | Claudia, Daniela                            |
| Lead    | Bankers Life  | Medicare / Medicaid Information Sessions                            | Request for changes in or how to enroll in Medicare / Medicaid presentation  | Jason & Abigail from Bankers Life presented twice (one daytime, one evening) for residents  |                              | Kelly Mertes                                |
| Partner | Best Buddies  | Partner in hosting the Best Buddies Friendship Walk on May 30, 2020 | Implement the first MN Walk event at Central Park in collaboration with Recreation Department and TR/Inclusion Svcs Division | Goal of event is to make the world more welcoming to people with intellectual and developmental disabilities – one friendship, one job, and one life-changing connection at a time. | in-kind                      | Michelle Margo/ Erin Johnson                |
| Partner | BP Library  | BP Community Assembly - author event                                | promotion, refreshments  | approximately 40 attendees  |                              | Xp Lee                                      |
| Partner | Brooklyn Bridge Alliance for Youth                            | Youth Sports Initiative   | Focus on equitable access to youth sports for all in Brooklyn's area   |   |                              | Recreation Department staff at CAC and ZWRC |
| EDA     | Brooklyn Park Housing Resource Group –The Alliance, Community | Bi-monthly convenings, membership is                                | staff support to convene housing advocates in the community  | Brainstorming and direction on housing  | Staff time                   | Erika Byrd                                  |

|           |   |  |  |  |  |                     |
|-----------|---|--|--|--|--|---------------------|
|           | Mediation and Restorative Services, ACER, Homeline, Housing Justice Center, Hennepin County, CAP-HC | evolving. Have invited school districts to next meeting.   |  | related policies and programs  |  |                     |
| Partner   | Brooklyn Park Athletic Association (BPAA)   | Brooklyn Park area youth sports provision and facilitation | Assist in the coordination and facilitation of youth sports leagues for youth and adults in Brooklyn Park area | On-going work with BPAA  | in-kind (liasion) and facility use by BPAA | Steve Gulenchyn     |
| EDA       | Business Community, BBA, NHCC, HTC  | Champions for Youth  | Host an event to rally around youth in the Brooklyns   |  | \$5,000                                    | Catrice O'Neal      |
| EDA       | CareerForce (DEED)  | Job Fairs  | Host a series of job fairs at HTC and NHCC to coordinate work  | A better coordinated effort around job fairs   | TBD  | Catrice O'Neal      |
| Other     | CEAP  | Farm Fresh   | CEAP requested the city table at these events  | Paula, Kim Czapar and Community Engagement staff took turns tabling.   | staff time, trinkets                       | Josie, Kim C, Paula |
| Supporter | CEAP  | Senior Leadership Committee, Aging in the Know Conference  | City to sit on planning committee, promote & attend event resource fair  | Kelly attended planning meetings, promoted event at the CAC and attended the event & resource fair   |  | Kelly Mertes        |
| Supporter | CEAP  | CEAP / OLM Senior Enrichment                               | Asked City to provide information on senior health, wellness and movement offerings at the CAC                 | Fitness instructor, Deb, and Kelly attended to give a demo fitness class & share information on offerings at the CAC - invited OLM members to visit CAC and attend future programs |  | Kelly Mertes        |
| Partner   | Center for Energy and Environment   | Housing Resources Workshop                                 | Partnership on marketing and   | Hosted meeting that was attended by over   | N/A  | John Kinara         |

|             |   |                             |   |  |   |                |
|-------------|---|-----------------------------|---|--|---|----------------|
|             |   |                             | administering housing resources programs  | 100 Brooklyn Park residents  |   |                |
| EDA         | Chamber of Commerce - I-94 and Chamber of Commerce - Twin West  | Business events and support |   |  |   | Daniela        |
| Partner     | Cities United/My Brother's Keeper   | Roadmap Academy             |   |  |   | Antonio Smith  |
| Partner     | City of Brooklyn Center, U.S. Census Bureau, State Demographers Office and community orgs like OLM, MIND, CAPI, city commissions, WAC, Siengkane Lao MN, Liberian Ministers Association, ACER, MuFASA, Wanlainjo, BBA, JCPP, Black Votes Matter, MN Africans United, CLUES, Masjid Al-Ansar, Liberian Business Association, Ijaw Women of America, League of Women Voters, MN Nurses Association, BP Islamic Center, and others | Census 2020 coalition       | Convening, informing, mobilizing and coordinating community organizations and individuals to ensure a complete count. | Nearly 200 coalition members and counting.   | Spent approx. \$400 on food, recently received \$750 grant from Minneapolis Foundation to support these efforts | Josie Shardlow |
| Partnership | City of Brooklyn Center - Recreation  | Camp Monroe                 |   | Share operation of Camp Monroe, residents of each City register there and can apply for scholarships |   | Jen Gillard    |

|             |   |   |   |  |   |                    |
|-------------|---|---|---|--|---|--------------------|
| Lead        | City of Brooklyn Center, OLM, MIND, city commissions, ACER, RISE, and other organizations   | MN Census Mobilization Partnership                                      | We are convening these partners bi-monthly  | We continue to add new people to the coalition each meeting.   | Alternating paying for food with Brooklyn Center. | Josie              |
| Partnership | Community Action Partnership of Hennepin County   | Provides training on first time homebuyers in Brooklyn Park             | Subject matter expertise on first time homebuying process   | Program is designed to equip first time homebuyers with knowledge and skills of buying and owning a home |   | John Kinara        |
| Lead        | Cornerstone, Hennepin Tech College, Human Rights Commission, MN Institute for Nigerian, Latino Ministries, Phumulani, 180 Degrees, Joint Community Police Partnership | Brooklyn Park Community Assembly  | We convened partners to co-plan this event.   | HTC paid for the food. JCPP paid 2 of the speakers.  | \$200 in speakers fees                            | Josie Shardlow     |
| Supporter   | Crescent Cove   | collaborative discussion on sharing resources and program opportunities | To work together to provide collaborative programs for the individuals/families at respite facility | In the works   |   | Erin Johnson       |
| EDA         | DEED; NHCC; HTC   | Business Forward Forum  | Attend and speak about resources for small businesses   | Data and resource sharing  | Free  | Daniela Lorenz     |
| Lead        | District 279 Community Academy  | Community Academy   | Engagement and community resources  | Increasing transparency and awareness of community resources and services                                | Funded through JCPP and dedicated staff           | Van Avery and Rabe |

|             |  |  |  |  |   |                                   |
|-------------|--|--|--|--|---|-----------------------------------|
| Supporter   | Excell Academy   | Parent conferences   | Tabled to provide city info/resources  | City staff promoted BPCA and city info, spoke with varies families and made connections with school and other orgs present | trinkets, staff time                    | Brenda Morales                    |
| Partner     | Garowe-Brooklyn Park Sister City Committee   | Various meetings, Signing Ceremony planned                     | Sister City partnership – Intellectual exchanges                                       | Continued goodwill and positive relationship with Somali community   |   | Wokie Freeman-Gbogba              |
| Partnership | Hennepin County  | Administer housing programs                                    | Hennepin County administers the City's Housing Rehab and Emergency Assistance Programs | The programs help to provide homeowners with financial resources to reinvest in their homes                                | Annual budget funded through CDBG funds | John Kinara                       |
| Partner     | Hennepin Technical College   | MLK Day of Service   | Planning and provides service project - New Connect                                    | Co-planned the event, attendees created New Connect bags   | Staff time, trinkets                    | Xp, Claudia                       |
| Partnership | Hennepin Technical College   | Classroom and police engagement events                         | Community engagement and policing dialogue   | Increasing transparency  | Funded through JCPP                     | Van Avery and Rabe                |
| Partner     | ISD 279  | Park Center Dome Project                                       | Partnership on Dome and Lights at Park Center HS                                       | Turf fields with lights and Dome at Park Center High School  |   | Brad Tullberg and Steve Gulenchyn |
| Partner     | JCPP, District 279, City of Maple Grove, St. Joseph the Worker Church, NW Suburban Integration School District | Annual Community Forum on Race                                 | CAC space, catering discount   | Justice Ann McKeig keynote speaker, community book club (JCPP purchased books)   | ~\$400 in-kind space                    | Josie Shardlow                    |
| Partner     | Kakata-Brooklyn Park Sister City Committee   | Various events and meetings, including with former Liberian VP | Sister City partnership – Intellectual exchanges                                       | Continued goodwill and positive relationship with Liberian community   |   | Wokie Freeman-Gbogba              |

|             |                                      |  |   |  |                         |                   |
|-------------|--------------------------------------|--|---|--|-------------------------|-------------------|
| Partnership | Knights of Columbus                  | Community children's coat event          | Space and staff   | Distribution of 80 childrens coats   | JCPP and Zanewood space | Van Avery         |
| Partner     | Lao Assistance Center                | Tater Daze                               | City asked them to complete a report outlining their recommendations for making the event more inclusive. | Actionable recommendations that were shared with the committee and more participation from the Lao community at this year's Tater Daze event | \$500                   | Josie Shardlow    |
| EDA         | LIBA (Liberian Business Association) | Small Business Survey                    | \$4,500 to complete survey  | Spoke to 150 micro/small businesses  | \$4,500                 | Breanne Rothstein |
| Partnership | Liberian Gentlemen's Club            | Liberian community and police engagement | Staff, resources and development of community workshop  | Increasing transparency  | JCPP                    | Van Avery         |
| EDA         | LISC                                 | Housing Collaborative Institute          | Work together on regional housing issues (Northwest metro)  | Regional convening on best practices for housing in NW metro   | staff time              | John Kinara       |
| Lead        | Live Your Life Physical Therapy      | Speakers on Senior Related topics        | Request was for LYL to come and present to seniors in BP on age-friendly topics                           | Eva & Staff spoke on Sept 23 for National Falls Prevention Day - Remain Free of Falls & Oct 4 spoke on Successful Aging                      |                         | Kelly Mertes      |
| Lead        | Maranatha Senior Living              | Day Trip Snack Bags                      | City Rec requested sponsorship of 52 snack bags for Senior Day trip                                       | Maranatha provided 52 snack bags for a long day-trip, they were able to include an informational brochure on their facility                  |                         | Kelly Mertes      |

|             |   |   |  |   |   |                                      |
|-------------|---|---|--|---|---|--------------------------------------|
| Partnership | Met Council   | Provided grants for landscaping project at Autumn Ridge                         | Financial support for landscaping and storm water retrofitting                             | Program is focused on beautifying outdoor spaces and improving stormwater management practices                          | Grants  | John Kinara                          |
| Partnership | Metro Blooms  | Landscaping and Design Projects Meeting at Autumn Ridge and Brooks Landing Apts | Subject matter expertise on landscaping and stormwater management at apartment communities | New landscaping installs at Autumn Ridge Apartments - More planned at Brooks Landing and Brook Gardens next spring      | All the cost of landscaping and storm water installs are grant funded | John Kinara                          |
| Supporter   | Midnight Runner   | BP car show   | promotion, help with getting permits   | City info table at a car show   | NA  | Xp Lee                               |
| Partner     | Midwest Animal Rescue & Services (MARS)                   | Wiggle Butt 5K & Bark Park Expo   | Joint event promoting a 5K fundraiser for MARS with the City Bark Park Expo                | Event with over 350 people in attendance  |   | Kelly Mertes                         |
| Partner     | Minneapolis Northwest Tourism                             | Marketing community, events, programs and opportunities                         |  |   |   | Breanne Rothstein and Michelle Margo |
| EDA         | Minnesota Africans United                                 | Workforce Development Summit  | \$3,000 sponsorship  | Convening of legislators and other dignitaries to discuss the economic impact and workforce value of African immigrants | \$1,500   | Breanne Rothstein                    |
| EDA         | Minnesota Compass and Minneapolis Area Realtors           | Real Estate Forum   | Attend and speak about housing data and trends   | Data and resource sharing   | Free  | John Kinara                          |
| EDA         | Minnesota Multi-Housing Association and Property Managers | Property Manager Summit   | convene property managers  | Convened property managers to discuss challenges around evictions   | staff time only   | Erika Byrd                           |

|             |                                    |   |  |  |   |                              |
|-------------|------------------------------------|---|--|--|---|------------------------------|
| EDA         | Minnesota Real Estate Journal      | West Metro and North Metro Development Summit   | \$1,500  | Rothstein presented on Brooklyn Park development opportunities   | \$1,500                                 | Breanne Rothstein            |
| Supporter   | MN Census Mobilization Partnership | state meeting                                   | meeting space  | hosted state meeting of state mobilization partnership   |   | Xp Lee                       |
| Partner     | MN Down Syndrome Association       | Partner in hosting the iCan Shine Bike Event    | Implement the first MN Walk event at Central Park in collaboration with Recreation Department and TR/Inclusion Svcs Division | iCan Bike is a national program that teaches people with disabilities to ride a two-wheeled bike independently. It is a gateway to a lifelong fitness activity and a skill for independence. | in-kind                                 | Michelle Margo/ Erin Johnson |
| Partner     | National Park Service              | Paddle Share Program - River Park               |  |  |   | Jody Yungers                 |
| Partnership | Nexus Community Partners           | Worker Ownership and Wealth Building strategies |  | Kim attended a Equity Summit in CA with them; They hosted a few meetings in town with Brooklyn Park business around employee ownership   |   | Kim Berggren                 |
| EDA         | NHCC/Metro State                   | CITA  | Financial partner in development and fundraising - JPA   |  |   |                              |
| Partnership | North Hennepin Community College   | Classroom and engagement events                 | Community engagement and policing dialogue   | Increasing transparency  | Funded through JCPP and dedicated staff | Van Avery and Rabe           |
| Partnership | OLM                                | Liberian public safety dialogues                | Workshops  | Increasing public safety awareness   | JCPP and dedicated staff                | Van Avery                    |

|             |  |  |   |  |                                   |                    |
|-------------|--|--|---|--|-----------------------------------|--------------------|
| Partnership | One 2 One Mentoring                    | Community and police workshops           | Community engagement and policing dialogue  | Increasing transparency  | Dedicated staff                   | Van Avery and Rabe |
| Supporter   | Organization of Liberians in Minnesota | Liberian Independence Day                | city to table at event  | Staff tabled and met residents   | \$250 for tabling fee             | Josie Shardlow     |
| Supporter   | Park Center HS Hmong Student Program   | Spring Hmong Family Event (student led)  | have info table   | exposure to local Hmong families and orgs  | NA                                | Xp Lee             |
| Partnership | Positive Image                         | Community Father's Day Event             | Space, staff and supplies   | Promotion of police and African American relationships   | Funding and dedicated staff       | Rabe               |
| Partner     | Rademacher Companies                   | Sunny Lane Bass Creek Community event    | Organize CE, Fire and Police to attend and promote their community event  | MOU  | Staff time, trinkets and printing | Claudia Diggs      |
| Partner     | Reach for Resources                    | Adaptive Recreation & Inclusion Services | Work together to provide adaptive recreation programs for individuals in our communities, as well as provide inclusion services for those in our programs | On- going  | Contracted work                   | Erin Johnson       |
| Partner     | Recycling Association of Minnesota     | Compost Bin/Rain Barrel Sale             | Host site for distribution event  |  |                                   | Tim Pratt          |
| Partner     | Robbinsdale Community Education        | Senior Oktoberfest Luncheon              | 7 Cities within the R-dale school dist to partner on a senior luncheon at the request of the district senior advisory group                               | 2nd Annual Oktoberfest Luncheon hosted at the Plymouth Creek Center w/ 200 in attendance - Cities of BP, BC, CRY, NH, GV, R-dale, PLY all participated |                                   | Kelly Mertes       |
| Supporter   | Sierra Leone Nurses Assoc.             | 2019 Health Fair                         | partnership   | will attend as vendor  | \$50                              | Xp Lee             |

| Partnership | The Inner Hero              | Community and police dialogues  | Space and staff  | Increasing transparency  | Space and dedicated staff                  | Rabe           |
|-------------|-----------------------------|---|--|--|--|----------------|
| Partner     | Think Again Brooklyn        | We partnered on these topics: Clean air/water, affordable housing and universal design, election process, solar power | That the city pay for pizza and have a staff person present to manage the technology.              | Events average 38 attendees. As often as possible, city staff present. | Approximately \$100/event, plus staff time | Josie          |
| Partner     | Three Rivers Park District  | Joint Master Plan and Development of Mississippi Gateway Regional Park/Env. Nature Area                               | Joint Master Plan and Development of Mississippi Gateway Regional Park/Env. Nature Area            |  |  | Jody Yungers   |
| Partner     | Three Rivers Park District  | Preschool Naturalist  | Work together to provide educational preschool program plan and nature materials/learning supplies | School Year calendar   | Contracted work                            | Jen Gillard    |
| Partner     | Three Rivers Park District  | Adaptive Recreation Programs  | To work together to provide collaborative adaptive recreation programs for community members       | In the works   |  | Erin Johnson   |
| Partner     | Twin Cities Habitat         | Housing Resources Workshop  | Partnership on marketing and administering housing resources programs                              | Hosted meeting that was attended by over 100 Brooklyn Park residents   | Staff time                                 | John Kinara    |
| EDA         | U of MN CURA                | Renter livability research  |  |  | contracted work                            | Erika Byrd     |
| Supporter   | Umunne Cultural Association | Igbofest  | flyers, city to have a table, Mayor to speak, licensing food vendors                               | Mayor spoke at the event along with Governor Dayton                    | \$250 for tabling fee, staff time          | Josie Shardlow |

# City of Brooklyn Park Council Work Session

|                        |   |                                |  |
|------------------------|---|--------------------------------|--|
| <b>Meeting Date:</b>   | November 4, 2019                          | <b>Originating Department:</b> | Finance  |
| <b>Agenda Item:</b>    | C.3                                       | <b>Prepared By:</b>            | Jeanette Boit-Kania Asst.,<br>Finance Director<br>Coty Hemann, Senior Accountant |
| <b>Agenda Section:</b> | Discussion Items/<br>General Action Items | <b>Presented By:</b>           | Coty Hemann,<br>Jeanette Boit- Kania   |
| <b>Item:</b>           | Procurement Policy – Purchasing Manual    |                                |  |

## Summary:

The purpose of this discussion is to review the updated purchasing manual with the City Council. City Staff will provide an overview of the updated purchasing manual. Then, City Council will have an opportunity to discuss and provide feedback.

## Attachments:

- C.3A PROCUREMENT POLICY – PURCHASING MANUAL
- C.3B CHANGES DOCUMENT





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# Purchasing Policy

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## Purpose

All disbursements of the City are to be carried out by the City Manager with proper approval of the City Council in adherence to the City Charter and Minnesota State Statutes. Minnesota Statutes [§471.345](#) sets forth the law regulating the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property in Minnesota cities and the City of Brooklyn Park.

The City of Brooklyn Park has established this policy to maximize the purchasing power and value of public funds and ensure the purchasing process is conducted in an ethical, fair, and open manner. The guidelines in this Purchasing Manual are to promote consistency, efficiency, effectiveness, equity, and fairness in public purchasing.

Disbursements of public funds are required to be for a “public purpose” under the Minnesota Constitution, which generally mean that the activity will benefit the community, and/or the activity is directly related to functions of government, and/or the activity does not have as its primary objective the benefit of a private interest. Additionally, this policy is to meet a public purpose, to establish internal controls, to maintain the appropriate documentation, to ensure the best value for the public money, and to assign purchasing responsibility and authority to the level consistent with good business practice and sound financial management policy to the extent possible.

## Policy

To ensure that the goods and services required by the City are obtained using established procedures that comply with all legal requirements for public purpose expenditures while promoting fair and open competition to ensure public confidence in the procurement process, ensure fair and equitable treatment of vendors who transact business with the City, and provide safeguards for the maintenance of a procurement system of quality and integrity.

## Responsibility

The City Manager is the chief purchasing agent for the City. Responsibility for administering established Purchasing Policies and Procedures has been delegated to the Finance Department. Department heads are responsible for monitoring the purchasing that occurs within their departments. The city follows a decentralized purchasing process.

## Ethics/ Gifts & Gratuities

It is the policy of the City that all purchases be conducted in a manner that:

- a. Fosters public confidence in the integrity of the City's procurement system
- b. Provides open and free competition among prospective suppliers of professional and technical services.
- c. All employees and agents of the City shall comply with the ethical standards set forth in Minnesota Statutes [§471.895](#) which prohibits receiving of gifts except where these are included as a part of the cost of a product, good, or service provided, such as a meal during the course of a conference.

## **Conflicts of Interest**

Minnesota State Statutes [§471.87](#) and [§471.88](#) prohibit the purchase of goods and services wherever a conflict of interest may exist. City of Brooklyn Park Personnel Rules require employees to disclose to their immediate supervisor any personal financial interest in the selling or buying of goods or services for the City of Brooklyn Park. No purchase orders, contracts or service agreements shall be given to an employee of the City or to a partnership or corporation of which an employee is a major stockholder or principal. No employee shall enter into the relationship with a vendor where the employee's actions are, or could reasonably be viewed as, not in the best interests of the City. If any employee becomes involved in a possible conflict situation, the employee shall disclose the nature of the possible conflict to his or her supervisor and to the City Manager. The City Manager shall promptly notify the individual in writing of an approval or disapproval of the activity. If disapproved, the employee shall remove himself or herself from the conflict situation. Disciplinary actions will be applied for violations of such standards by officers, employees, or agents of Brooklyn Park.

## **Compliance**

No agent or employee shall have the authority to bind the City to any contract or procurement except as provided by the City Charter (Section 7.07). Any procurement transaction made on behalf of the City which is not in compliance with established policies and procedures shall be deemed unauthorized. Any person making an unauthorized purchase may be liable for payment, restitution and/or further disciplinary action. Any obligation incurred by any City employee for any purpose not authorized in the budget or for any amount in excess of the amount authorized is considered a personal obligation of the person incurring the expenditure.

## **Procedures**

Specific procurement requirements are addressed in the Purchasing Procedures and guidelines

# Public Purpose Expenditures Policy

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## Purpose

The City Council (Council) recognizes that public funds may only be spent if the expenditure meets a public purpose and the expenditure relates to the governmental purpose for which the City of Brooklyn Park (City) was created.

The meaning of “public purpose” is constantly evolving. The Minnesota Supreme Court has followed a broad approach and has generally concluded that “public purpose” means an activity that meets ALL the following standards:

- The activity will primarily benefit the community as a body.
- The activity is directly related to functions of government.
- The activity does not have as its primary objective the benefit of a private interest whether profit or not-for-profit.

This policy is intended to provide guidelines regarding which expenditures are for public purposes and authorized in accordance with the City’s annual budget process, and which expenditures are not considered to fall within the public purpose definition and are therefore not allowed. There is a public benefit in ensuring high employee productivity and morale, recruitment and retention of personnel.

## Responsibility

The City Manager is the responsible authority overseeing all City expenditures and as such is the chief purchasing agent for the City. Responsibility for administering this Public Purpose Expenditure Policy has been delegated to the Finance Department. Further, all officers and employees authorized by their Department to make purchases for the benefit of their respective departments are responsible for complying with this policy and corresponding procedures.

## Policy

Policy Expenditures of public funds must comply with the public purpose standards defined above. When reviewing an expenditure to verify the standards have been met, the City Manager, or his/her designee, should consider the time of day the event is held, the business purpose of the event, whether the event was intended to attract non-City employees, the frequency of the event, and the reasonableness of the cost. The following guidelines address specific examples of public expenditures, but examples are not meant to be all-inclusive.

The Minnesota Supreme Court further clarified that activities that promote the following objectives for the benefit of all the city’s residents further a public purpose:

- Public health
- Safety
- General welfare
- Security
- Prosperity
- Contentment

These procedures are governed by City Charter, the City Council, and State Statute. See appendix for exact references.

### 1. Permitted Expenditures for Meals, Refreshments:

Use of City funds in reasonable amounts for meals and/or refreshments for elected and appointed city officials and employees are permitted in the following circumstances, with Department Head approval:

- a. City-sponsored events of a community-wide interest where staff are required to be present (e.g., National Night Out, Citizens Police Academy).
- b. City council, boards and commissions meetings held during or adjacent to a meal hour
- c. Meetings related to City business at which the attendees include non-city representatives
- d. Professional association meetings, conferences and training when meals are included as part of the registration or program fee, or in accordance with the travel policy
- e. Departmental staff or training meetings (e.g. annual department level picnic)
- f. Annual employee recognition and appreciation events (e.g., service awards, food and beverage, employee recognition event, employee clean up breakfast)
- g. Annual recognition events for volunteer and non-employees
- h. City-sponsored training or work-related meetings where employees are required to participate or be available during break periods
- i. Multi-departmental meetings scheduled during or adjacent to a meal hour when no other meeting time is available
- j. Work activities requiring continuous service when it is not possible to break for meals (e.g., election days, Christmas meal, Thanksgiving meal, water main breaks, emergency snow removal, time sensitive public safety responses)
- k. Healthy snacks and incentives of moderate value provided to attendees of safety, health, and wellness programs for City employees
- l. Events recognizing completion of a significant work-related project (City Manager approval required)
- m. Events, meetings, programming, and incentives of moderate value that are supportive of the City's strategic priorities of inclusion and equity (e.g., food for attendees of training programs; attendance at events intended to increase, broaden, and engage the participation of ethnically and racially diverse communities in city matters)

## **2. Other Permitted Expenditures**

- a. Retirement and annual service awards recognition (subject to Human Resources guidelines).

### Recognition Gift:

Approved up to \$25 per employee, unless part of a Council-approved employee compensation program

Recognition gift purchases over \$25 but less than \$100 per employee, such as caps, pins, rings, watches, statues, plaques, medals, awards, ribbons, and certificates will be approved by the City Manager or his/her designee for retirement and extraordinary individual or item contributions.

### Employee Recognition Awards:

Years of service awards for regular full and part-time employees of \$10.00 per year of service are recognized at 5-year intervals and will be awarded at the Annual Recognition Event.

Retirement Refreshments in recognition of those retiring with over 10 years of service. This amount will not to exceed \$50.00.

The Council will allow for the annual appropriation of funds within the Administration Department's budget to pay for such expenditures.

- b. Clothing and Other Sundry Items -Employees may receive clothing and other sundry items of nominal value when these items are made available to the general public or if these items are determined by the City Manager to be important to the successful involvement of employees in promoting our operational values, and special city-sponsored or city supported events (i.e. National Night Out, etc.). Employees may be supplied with clothing, boots and other gear necessary for the performance of their job
- c. Staff time and equipment use for city sponsored employee events as approved by City Council and/or City Manager as allowed by state statute and/or city charter/code (e.g. set-up for annual employee lunch)
- d. City expenditures for non-profit organizations allowed by state statute
- e. Refreshments and food for Emergency Response Staff
  - Emergency personnel are often called to perform duties for extended periods of time where refreshments are important to duty performance. Firefighters, police officers, other emergency response personnel, or other staff necessary to maintain continuity of service may be provided refreshments or food when it is deemed appropriate by the City Manager or Department Director to assure the delivery of quality emergency response service
- f. Employee Wellness Program Public funds may be expended to establish, implement, and operate a preventive health and wellness program for city employees. The nature and scope of the programs to include but not limited to: preventive health screening and assessments, health and wellness education and programming (i.e. nutrition, cardiovascular fitness, flexibility and core strengthening, stress management, tobacco cessation, etc.) and program incentives to include but not limited to cash incentives as approved by the City Council. To encourage wellness activities, the cardio fitness room, weight training room, and racquetball courts (during non-prime times) at the Community Activity Center will be available to employees during their non-work hours at no charge. Registration, proper training and signed waiver form are required before use of these facilities. Only employees participating in the wellness program are eligible for this incentive

### **3. Prohibited Expenditures**

Use of City funds for meals and/or refreshments for elected and appointed City officials and employees are prohibited:

- a. Food and refreshments for routine work meetings
- b. Alcoholic beverages
- c. Employee functions or celebrations that are solely social in nature (e.g., birthdays, holiday luncheon)
- d. Fundraisers for non-City related events
- e. Participation in optional activities unless included as part of an overall conference registration fee (e.g. optional golf rounds, sporting events, concerts)
- f. Employee-sponsored fundraising events (e.g., charitable giving campaign)
- g. For funeral flower arrangements upon death of an employee, elected official, or one of their immediate family members. (Sunshine club administered separately covers this expense see appendix)
- h. Employee coffee and supplies, coffee services

### **Community Outreach**

Community Events and other events that involve or invite participation by the general public: Representative staff members/Council members may participate in events that directly benefit the marketing of the City. These events and any City expenditures for them require prior specific approval by the City Council and also include City expenditures for participation fees, donated gifts, door prizes, etc.

### **Documentation**

All expenses allowed above must be fully documented. The expected documentation will include date and time of the event, business reason for the event (agenda from a meeting is sufficient), staff and non-city representatives in attendance, and a receipt for the actual purchase. Supervisor approval and written documentation is required for use of City assets.

Any expenditure for meals or refreshments that exceeds \$250 for one event must have prior, written authorization by the Department Head, before the purchase is made. Any expenditure for meals or refreshments that exceeds \$500 for one event must have prior, written authorization by the City Manager, before the purchase is made. Failure to obtain the necessary authorization may result in denial of the claim.

### **Special Requests**

From time to time, there may be an event that is a proper public expenditure, but that is not contemplated by the policy above. Departments may submit to the City Manager, or the City Manager's designee, a request for such a public expenditure in writing. This request must show how the expenditure is related to a public purpose as stated in the Purpose section above. Only expenditures that meet all of the findings in the Purpose section above may be approved.

### **Periodic Review**

This Public Purpose Policy shall be reviewed at least once every year by the City Council.

## Budget Controls

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It is the responsibility of the department head to adhere to the department budget. Finance will provide an itemized, Council approved, budget for the departments to use for coding expenditures. Expenditures will be coded to the correct account number based on the type of expenditure, not on the amount of budget remaining. Failure to do this skews your actual expenses and provides inaccurate historical data for future budgeting data. Each division must be within their total overall budget at the end of the year. It is the responsibility of each department head to anticipate any significant budget overages and supply information for Council presentation to transfer additional funds to their budget from the contingency account.

### Unbudgeted Expenditures

1) General Requirements:

It is the responsibility of the department head to ensure their department stays within the total budgeted dollars. There are instances where emergencies arise or where procurements are desired outside the anticipated budget but within the overall budgeted dollars of a department.

2) Emergency Purchases

Occasions may arise due to emergencies where the normal bidding or RFP process cannot be followed. In those cases where the purchase exceeds \$50,000, Council approval must be obtained prior to payment. An emergency must be a situation arising suddenly and unexpectedly that requires speedy action essential to health, safety and welfare of the community, and not just an inconvenience. An emergency exists when a breakdown in machinery and/or a threatened termination of essential services or a dangerous condition develops, or when any unforeseen circumstances arise causing curtailment of an essential service.

# Purchasing Guidelines & Information

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Under City Charter and Ordinance, it has been determined purchasing will follow the Uniform Municipal Contracting Law, Minnesota Statutes Chapter [471.345](#). This allows the City Manager the authority to incorporate changes to our purchasing limitations in accordance with MN Statutes. City Manager may develop a process which may be more restrictive than State Law but may not be less restrictive. A "contract" (general purchasing) means an agreement entered into by a municipality for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property.

Capital item purchases that have been authorized by the City Council through either the budget process or the Capital Improvement/ Capital Equipment Plan approval may be made using these guidelines. If an item has not been specifically approved during these annual processes, then they must be taken back for explicit approval.

## General Guidelines

These general guidelines will be adhered to as closely as possible by all departments in the procurement of goods and services. Based on the nature of the purchase, individual departments may wish to use more stringent requirements to further protect the public goods.

- **Local Buying:** It is the desire of the City to purchase from Brooklyn Park vendors and Minnesota vendors when cost effective. This can be accomplished by insuring that local and state vendors who have goods or services available are included in the competitive shopping process that will precede most purchases.
- **Paper Procurement Policy:** Council adopted a Paper Procurement Policy in 1990 and committed to purchasing recycled and recyclable products whenever possible and feasible. (See Resolution 1990- 124)
- **Planning:** Planning for purchases will be done on both a short-term and long-term basis.
  - Small orders and last-minute purchases will be minimized thereby increasing the capability of each department to purchase its goods and services in larger quantities in order to obtain the maximum discounts possible. Planning will also cut down on the number of trips required to obtain materials and minimize the amount of clerical and supervisory time spent on documenting purchases. In planning it is critical that you begin the process by accurately estimating the total cost. Failure to follow this step could jeopardize the purchase. There are specified thresholds where different processes and procedures apply. In order to avoid violating these thresholds, if the estimated cost is close to one of the thresholds you will follow the requirements for the higher threshold.
- **Sustainable Products:** All departments will use, where practicable, reusable products, recycled content products and recyclable products. City bid specifications will provide for optional pricing of sustainable products whenever possible.
- **Cooperative Purchasing:** When available, the City will take advantage of cooperative purchasing agreements with other entities (e.g. State of Minnesota, Hennepin County, ISD#279 (Osseo) & ISD#11 (Anoka), other cities, etc.).

## Minority (People of Color) & Women-Owned Business Development

The City of Brooklyn Park contracts for and procures a wide variety of goods and services. Minority (People of Color) and Women-Owned Businesses are encouraged to respond to requests for bids and proposals directly as prime contractors.

The City will also recognize The Central Certification (CERT) Program; which is a small business certification program recognized in addition by Hennepin County, Ramsey County, the City of Minneapolis and the City of Saint Paul. The CERT Program includes certification for Minority (People of Color)-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), and Small Business Enterprise (SBE).

To become eligible for The Central Certification (CERT) Program please refer to the following criteria.

Eligible business—a business entity whose principal place of business is in the marketplace that:

- is at least fifty-one (51) percent owned by one or more native or naturalized citizens of the United States, or lawfully admitted permanent residents of the United States, and
- is not a broker, or a manufacturer's representative, does not operate as a franchisee or under a franchise agreement, and is not a business in which the owner is also owner or part owner of one or more businesses that is dominant in the same field of operation; and
- performs a commercially useful function; and
- has been in operation for at least one (1) year or, in operation for less than one year and is able to provide documentation showing that it has an established record of generating revenue while performing the business function represented in its application for certification or, if a professional service, is able to provide documentation showing that it possesses applicable licenses or professional certifications or credentials.

Small Business Enterprise (SBE)—an eligible business that additionally:

- is not a business dominant in its field of operation, nor an affiliate or subsidiary thereof

Minority-owned Business Enterprise (MBE)—an eligible business that additionally:

- is at least fifty-one (51) percent owned by one or more minority (Persons of Color), and
- has its management and daily business operations controlled by one or more minority persons who own it.

Women-owned Business Enterprise (WBE)—an eligible business that additionally:

- is at least fifty-one (51) percent owned by one or more women, and
- has its management and daily business operations controlled by one or more women who own it.

The CERT certification is valid for a thirty-six (36) month period following the date granted. A certification may be renewed for additional three-year periods by completing a recertification application.

### **Decentralized Purchasing**

The City of Brooklyn Park has a “decentralized” purchasing program where Department Directors or designated persons are responsible for negotiation with the vendor, calling for quotes, placing orders with vendors, as well as processing the request for payments. Finance is responsible for ensuring compliance with City policy and Procedures, and to serve as a resource to other departments to help with purchases. Finance will maintain information on contracts, vendors, past purchases, and other related information. There are a few exceptions including the following:

- Technology (Hardware and Software): Authorized purchasers must consult with the Information Systems Manager prior to acquiring any hardware and/or software to ensure it is consistent with the Technology Plan.
- Vehicles: Authorized purchases must consult with the Fleet Manager prior to acquiring vehicles and appurtenant equipment to ensure it is consistent with the Equipment Plan.
- Building Maintenance: All building repairs and maintenance will be coordinated with the facility maintenance divisions.
- Other.
  - To be consistent and to save time and money, some purchases are coordinated by Administration, such as:
  - Business Cards
    - City Letterhead
    - Envelopes
    - Paper
    - Stationery Products

## **Purchasing Payment Procedures**

- The Finance Division processes payments to vendors based on the Minnesota State Statute [471.425](#). – which states “For municipalities who have governing boards which have regularly scheduled meetings at least once a month, the standard payment period is defined as within 35 days of the date of receipt.”
- The Finance Division processes payments once a week. All steps of the invoice approval process, including the final procedure of “process for payment,” must be completed before the invoice can be processed.
- Payments will be made from vendor invoices, and official City Payment/Reimbursement Forms.
- Persons authorizing payments are responsible for verifying that goods and services have been received, that they are necessary, and there are no duplicate payments.
- Persons authorizing payments are responsible for coding invoices and ensuring that correct account codes are used. [Reference Account code definitions](#).
- Generally accepted accounting principles will be followed. Invoices that are received after December 31, for good or services will be expensed in the year the goods or services were received. Invoices turned in after the second Wednesday in February of the following year, will be considered expenses in the following year.
- Employees will not make the following purchases for personal use through the City, unless approved by the department head.
  - Aspirin, acetaminophen, ibuprofen etc.
  - Sunscreen,
  - Coffee
  - Alcoholic beverages of any kind.

## **Governing/ Purchasing Authority**

The City Manager is the chief purchasing agent of the City and has the authority to make or execute purchases up to \$50,000. Such purchases would include routine services, equipment, supplies or commodities up to the City Managers threshold. The City Manager may delegate the authority to make purchases and execute documents up to \$25,000 to the Department Heads. Directors or their designee are responsible to follow purchasing regulations and procedures such as, but not limited to obtaining bids or quotes, maintain records of bids or quotes in accordance with records retention requirements, place actual orders, receive and verify deliveries, and approve invoices for payment. The responsibility lies with each department to keep the City Manager and Finance Director informed of purchases.

## **Approvals**

### **Approved Signers**

The staff designated as authorized approvers must be communicated to the Finance Department. Final approval of all purchases must be evidenced by the authorized purchaser's signature on the invoice and/or receipt. Each invoice must have two level of approval and the second level approval must be a supervisor who is responsible for the budget. In the case where purchase orders are required, they must be completed prior to acquisition to insure accountability, provide amount verification and avoid any misunderstanding with respect to cost between the vendor and the City.

### **Signature Methods**

The City of Brooklyn Park will also accept e-signatures that have been authenticated by a digital software, such as DocuSign and Adobe Sign, when it includes the date and time of the signature, an authentication code, and is attributable to the person intending to sign the document.

The City of Brooklyn Park accepts handwritten signatures on faxed or scanned documents and considers them to be e-signatures and are acceptable for procurement purposes.

## **1099 Information**

The City is obligated to report to the Internal Revenue Service payments to an individual or a partnership for services rendered. The City requires a W-9 form, and their tax identification number or social security number.

## **Petty Cash Vouchers**

The petty cash fund is used for expenditures made on behalf of the city for goods up to \$20.00. Petty cash purchases shall be kept to a minimum. A Petty Cash form must include an explanation, account code and authorized signature. The person receiving the cash also needs to sign the petty cash form. The petty cash funds need to be balanced and/or replenished, at a minimum, on a monthly basis.

- Petty Cash must be requested in the same year as the expenses.

## **Internal Payments**

A payment from one department to another.

A completed Internal Payment Request form for these payments is required.

Examples of internal payments:

- Water and sewer services
- Permits
- Licenses

## **Sales Tax**

The City of Brooklyn Park is tax exempt except for Enterprise operations. To provide inputs used to provide these services exempt from tax, the local government must provide the seller with a completed Certificate of Exemption (Form ST-3), at the time of purchase.

### **Some Purchases to provide the following goods and services remain taxable:**

- Construction materials and supplies purchased by a contractor or subcontractor under a lump-sum contract.
- Purchases of construction materials for buildings or facilities which are not principally used by the local government.
- Purchases of lodging, prepared food, candy, and soft drinks.
- Leases of motor vehicles.
- Purchases of motor vehicles (see page below).
- Other taxes on certain purchases, such as solid waste management tax and petroleum tax.
- Purchases made by an employee that are reimbursed by the local government.

# Professional Service & Consultant Contracts

## Purpose

Purchases that require contracting for professional services, such as those provided by engineers, lawyers, architects, accountants, and other services requiring technical, scientific, or other professional training, when competitive bidding is not required

## Policy

The term “Professional Services” applies to all advisory services such as, but not limited to: auditing, engineering, financial, legal, personnel, technical, training, or other services requiring technical, scientific or professional training are exempt from competitive bidding requirements. However, the goals to secure professional services remain the same: to ensure all purchases are consistent with Minnesota statutes, to establish internal controls, to maintain the appropriate documentation, and to ensure the best value for the public money. Contracts for professional services shall be made only with responsible consultants who have the capability to successfully fulfill the contractual requirements. Consideration shall be given to their past performance and experience, their financial capacity to complete the project, the availability of personnel, and other appropriate criteria. Each department requiring professional services shall be responsible for researching such services as well as presenting the proposed contract to the City Council for approval. The nature of the professional service is written as a request for proposals (RFP). Contracts for professional services in excess of State Statute ([MSS 471.345](#)) shall be submitted to the City Council for approval.

State Statute does not require advertisement of bids or sealed bids for professional services such as those of engineers, lawyers, architects, accountants, and other services requiring technical, scientific, or professional training. It is recommended that proposals be obtained through a request for proposal (RFP) process when such a process would provide the City with increased quality or a decreased price.

## Procedures

Professional services are those that require specialized intellectual, educational, or creative expertise. Examples include design services, editorial services, technology related services, research services, and consultants.

Construction Professional Services are those that require architecture/engineering (A & E) services, construction consulting, construction and material testing, or construction expertise. Examples include architectural design, interior design, engineering, cost control consulting, and construction management.

Units may purchase these professional services on an intermittent or temporary basis. The following are examples of why professional services may be needed:

- limited or one-time use of specialized or creative skills;
- the provider has expertise that is not available within the unit or City's; or
- the supplier has in depth knowledge of the marketplace to provide solutions or guidance.

Professional services for auditing, architectural design, legal services and construction project management require a contract at any dollar amount.

Professional services and their expenses that total under \$3,000 may be procured without a contract for professional services. The department may create a contract if it chooses.

Professional services engagements totaling \$3,000 or greater require a contract for professional services. Units must ensure that all contracts for professional services:

- comply with IRS requirements for defining employees and independent contractors.
- comply with special requirements of projects supported by sponsored funds.
- include a complete statement of work including any deliverables.
- include either the City's standard Contract for Professional Services (CPS) terms and conditions, OR use terms and conditions that have been reviewed and approved by city Attorney
- do not conflict with other City policies.
- are fully approved and the contract is issued to the contractor before any work begins.
- All professional services and expenses may NOT be purchased using the City's procurement card (PCard).
- Per IRS regulations, City employees may NOT pay for any professional services and expenses out-of-pocket using their own funds. These expenses are always unallowable and non-reimbursable.
- For purchases totaling less than the formal bid threshold, a competitive proposal process is not required. However, the department may request that Purchasing Services conduct a competitive bid process
- If the City uses a consultant to prepare or assist in the preparation of a Statement of Work or a Request for Proposals, that consultant shall not be permitted to submit a proposal. Deviations from this policy require the approval of the City Manager.

### **Statement of Work:**

The Statement of Work is the most important document of a professional services contract, as it:

- Provides management with an outline of the project, the work to be done in-house and the work to be done by the proposer.
- Provides the basis for soliciting proposals.
- Provides the basis for the administration and management of the resulting contract.

### **General Requirements**

The Statement of Work must:

- Outline the nature of the work and the level of effort that will be required of the consultant.
- Specify the anticipated results of the contract.
- Specify the services and information that will be provided by the City.
- Be prepared in a manner that assures that all proposals can be prepared on a common basis.
- Identify the goals, objectives, criteria and issues associated with the project. If they are to be developed as part of the project, describe how they are to be finalized and by whom.
- Describe work tasks to be accomplished during the conduct of the project by the proposer, City staff or other party and a time schedule for completion of each task.
- Describe the proposed budget and proposed hours that will be required to complete each work task.

## **Request for Proposal (RFP)**

The City follows an RFP process when soliciting professional consulting services. The Request for Proposal and the Statement of Work shall provide all of the information a prospective proposer needs to submit a proposal.

Recommended sections to include in an RFP:

- Background and scope of project.
- Specifications of the professional services desired.
- Contract terms. Include and reference as an attachment the “Standard Professional Services Agreement”
- The last day for submission of proposals and the place where they are due.
- Include requirement for attendance at a pre-proposal meeting to answer vendor questions regarding the RFP. This provides fairness to all participants when questions are answered with all participants present. Request that questions be submitted in advance.
- Proposal evaluation and selection criteria.
- Format required for submitted proposals to provide for consistent submittals.
- Profile questionnaire to obtain general information about the vendor.
- A statement reserving the right of the City to reject all proposals.

The City attorney must review the RFP before it is sent to selected vendors. RFPs will be sent to a minimum of two reasonable/manageable vendors.

After the submittal deadline, review Proposals by using a rating sheet and rate each Proposal based on the specifications and general information. Follow up with reference checks as appropriate. Select a vendor and make recommendation to the City Council.

The formal RFP process for service providers must be initiated at least every fourth year. Reviewal at that point in time shall not preclude a current service provider from resubmitting a proposal for consideration.

While is not required per se, it is recommended that the solicitation of proposals be advertised in an appropriate publication (such as the State Register) or trade journals.

## **Non-applicability**

This procedure does not apply to professional services that can be acquired for less than \$50,000. For purchases of less than \$50,000, the procuring department must justify in writing to the City Manager why and how the contractor was selected.

## **People of Color & Women-Owned Business Development**

The City of Brooklyn Park contracts for and procures a wide variety of goods and services. People of Color and Women-Owned Businesses are encouraged to respond to requests for bids and proposals directly as prime contractors. (Refer to Page 15 for additional information)

## **Standard Professional Services Agreement**

A “Standard Professional Services Agreement” will be used for all professional service contracts.

The Standard Professional Services Agreement outlines consultant obligations including insurance and liability coverage requirements, audit disclosure, subcontractors, and termination processes.

This contract will be used for all professional service agreements.

## Purchasing Thresholds

**The following chart identifies the required procedures for professional services contracts.**

| PROFESSIONAL SERVICES |                           |                     |  |
|-----------------------|---------------------------|---------------------|--|
| Purchase Level (1)    | Purchase Process Required | Approving Authority | Notes  |
| \$0 - \$25,000        | Quotes                    | Department Head     | <ul style="list-style-type: none"> <li>For an item costing between \$0 and \$10,000, Quotes are not required.</li> <li>Purchases can be made on the Open Market and verbal quotes are optional.</li> <li>If quotes are received, they will be kept on file for at least one year.</li> <li>For an item costing between \$10,001 and \$25,000, the City shall request price quotations from at least two sources, when practical.</li> <li>In cases where the City has established a pool of qualified consultants (e.g., engineers, architects, planners), the consultant may be selected from the existing pool. (2)</li> <li>If a consultant is determined appropriate for continuity, cost, quality or time efficiencies, two quotes are not required. (i.e. a consultant's prior work is integral to a project, so we will not require a second quote, since the consultant is deemed the appropriate vendor.)</li> </ul>                                    |
| \$25,001 - \$50,000   | Quotes                    | City Manager        | <ul style="list-style-type: none"> <li>For an item costing between \$25,001 and \$50,000, the City shall request price quotations from at least two sources, when practical.</li> <li>For an item costing above \$25,000, the City shall request written price quotations in the form of a Request for Proposal from at least two sources, when practical.</li> <li>In cases where the City has established a pool of qualified consultants (e.g., engineers, architects, planners, etc.), the consultant may be selected from the existing pool. (2)</li> <li>If a consultant is determined appropriate for continuity, cost, quality or time efficiencies, two quotes are not required. (i.e. a consultant's prior work is integral to a project, so we will not require a second quote, since the consultant is deemed the appropriate vendor.)</li> </ul>  |
| Above \$50,000        | Council Resolution        | City Council        | <ul style="list-style-type: none"> <li>For an item costing above \$25,000, the City shall request written price quotations in the form of a Request for Proposal from at least two sources, when practical.</li> <li>In cases where the City has established a pool of qualified consultants (e.g., engineers, architects, planners, etc.), the consultant may be selected from the existing pool. (2)</li> <li>If a consultant is determined appropriate for continuity, cost, quality or time efficiencies, two quotes are not required. (i.e. a consultant's prior work is integral to a project, so we will not require a second quote, since the consultant is deemed the appropriate vendor.)</li> <li>The standard contract shall be awarded to the service provider with the best qualifications and proposal for the specific project. Total cost shall not be the only consideration but must be included in the analysis of the proposals.</li> </ul> |

1 Quotes must be kept on file for at least one year

2 If the estimated cost is close to one of the thresholds, you **will** follow the requirements for the higher threshold.

| Required Approvals   |                              |          |              |         |
|----------------------|------------------------------|----------|--------------|---------|
| Professional service | Documentation                | Director | City Manager | Council |
| Up to \$25,000       | 2 or more quotes if possible | X        |              |         |
| \$25,000-\$50,000    | Multiple quotes recommended  | X        | X            |         |
| \$50,000+            | Multiple quotes recommended  | X        | X            | X       |

<sup>1</sup> Quotes must be kept on file for at least one year

<sup>2</sup> Use City's "Professional Services Agreement (Contract)"

<sup>3</sup> Contracts over \$175,000 that include labor require a performance and payment bond

## Alternative to Publishing of Bids and Requests for Proposals (RFPs)

As an alternative to publishing bids in a newspaper, a city or other political subdivision may post solicitations of bids, requests for information or requests for proposals by using its Web site or recognized industry trade journals. The political subdivision must simultaneously publish, either in minutes or separately in a notice published in the official newspaper, a description of all solicitations or requests so distributed, along with the means by which the publications occurred. Publication by alternative means must be in substantially the same format and for the same period of time as a publication in a qualified newspaper.

For the first six months after the political subdivision designates an alternative means of publication, it must continue to publish solicitations of bids, requests for information, and requests for proposals in the official newspaper in addition to the alternative method. The publication in the official newspaper must indicate where to find the designated alternative methods.

If, in the normal course of its business, a qualified newspaper maintains a Web site then, as a condition of accepting and publishing public notices, the newspaper must agree to post all the notices on its Web site during the notice's full publication period.<sup>11</sup>

<sup>10</sup> Minn. Stat. [§§ 412.311](#), subd. 1 (published notice); 331A.03, subd. 3 (alternative methods).

<sup>11</sup> Minn. Stat. [§ 331A.02](#), subd. 5.

## Exceptions to Competitive Bidding

The following are some of the more common exceptions to the competitive bidding requirements:

- Contracts less than the State Statute ([MSS 471.345](#))
- Cooperative purchasing organizations
- Intergovernmental Contracts
- Noncompetitive supplies and equipment
- Real estate purchases
- Professional services including:
  - Architectural
  - Auditing
  - Engineering
  - Legal
  - Group Insurance
  - Banking Services
  - Investment Services
  - Financial Service Providers
  - Construction Management
  - Surveying
- Emergency Purchases
- Some fuel contracts
- Guaranteed energy-saving contracts
- Professional services including:
- Reverse auctions for purchase of supplies, materials and equipment
- Electronic sale of surplus supplies, materials and equipment
- Non-competitive supplies and equipment

## Construction and Other Contracts

A "contract" means an agreement entered into by a municipality for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property. All contracts will be shared with Finance.

### Original Contract

- If the proposed contract amount is less than \$25,000, the responsible department head may sign the contract on behalf of the City.
- If the proposed contract is anticipated to exceed \$25,000, but less than \$50,000, the City Manager must sign the contract on behalf of the City.
- If the proposed contract is anticipated to exceed \$50,000, the Project Manager must seek Council approval to authorize the City Manager to execute the contract.

### Contract amendments

- If the original contract exceeded \$50,000 and the cumulative amendment increase is less than 10 percent of the original contract amount, the City Manager may sign the amendment.
- If the original contract exceeded \$50,000 and the cumulative amendment increase equals or exceeds 10 percent of the original contract amount, the City Manager must seek Council approval of the amendment.
- If the original contract was less than \$50,000 and the cumulative amendment increase brings the proposed amended contract to \$50,000 or greater, the City Manager must seek Council approval of the amendment.

### Contract on Open Market

For contracts valued below the amount established by state statute ([MSS 471.345](#)), the City's policy will be to purchase items on the open market or by quotation. Quotes will be documented on the purchase unless the item is a routinely purchased item which will be price compared annually.

- Purchases made for items under \$2,000.00 can be made on the open market without quotes.
- Purchases between \$2,000.01 and \$9,999.99, verbal or written quotes are encouraged. When the quotes are verbal, document the quote, listing the contact person, phone number, amount of quote, etc.
- Purchases estimated to exceed \$10,000.00 but less than \$50,000.00 need two quotes. quotes must be in writing and documented.
- Contracts on the open market may be signed by the department head or designee.

### Contracts requiring quotes

For contracts requiring quotes as set forth by state statute ([MSS 471.345](#)), the City's policy will be to obtain at least two quotes. These quotes will be in writing. Departments Shall keep all quotes on file for one year from the date of purchase. The quotes shall be kept with the invoice.

- If purchases are estimated to exceed \$10,000 but not to exceed \$50,000, the purchase may be made either upon sealed bids or by direct negotiation based upon quotations per [MSS 471.345](#).

## Contracts requiring Bids

For contracts in excess of the State Statute ([MSS 471.345](#)), the City shall advertise for sealed bids in the official newspaper of the City. See City Clerk for the official newspaper of the City.

The following steps need to be taken, the responsibility for which, rests with the originating department:

- Ensure that funds have been appropriated for this contract.
- Place plans and specifications for local improvements/special assessment projects on the City Council agenda for approval as required by Mn. Stat. [429.041](#).
- Ensure proper publication is made in the official City newspaper.
- Distribute specifications and answer any bidder questions.
- Open sealed bids at the scheduled time and place, and tabulate.
- The contract shall be awarded to the lowest, responsible bidder.
- Request for Council Action to approve the awarding of the contract.
- Arrange for the contract to be signed by the City Manager and the Mayor.

## Other Bidding Requirements

- Bidding Requirements shall not be avoided by splitting a contract into two or more contracts, each of which is below the minimum amount requiring bids; in an attempt to circumvent the necessity of obtaining sealed bids and the appropriate approval authority.
- Specifications may not be written so as to exclude all but one type or kind of supplies or equipment.
- The City may not accept a bid that includes a number of items when the advertisement called for separate bids for each item.
- The City must re-bid when they make a material change in the specifications of the contract, even if the change would not affect the rank order of the bids received.
- Minnesota Statutes [Chapter 429](#) (local improvement code) applies to all public improvement contracts (i.e., sewer, water and streets) being financed with special assessments.

## Sole Source Purchases

Sole Source is a vendor or provider of service that offers a unique service or product that no one else offers. Sole source procurements under \$50,000 shall be approved by the City Manager and sole source procurements in excess of \$50,000 shall be approved by the City Council. Sole source purchases may be made if they comply with at least one of the following:

- Item or service under patent or copyright held by a single vendor and item or service possesses or has capabilities critical to use.
- Item or service possesses a unique function or capability critical in the use of the item or service and not available from any other sources.
- The purchase is for equipment associated with use of existing equipment where compatibility is essential for integrity of results.
- The purchase is for replacement parts needed for repair of existing equipment where compatibility with equipment from the original manufacturer is paramount.
- The purchase is for accessories sought for enhancement of existing equipment where compatibility with equipment from the original manufacturer is paramount.
- The purchase is for technical services associated with the assembly, installation, or servicing of equipment of a highly technical or specialized nature.
- Additional item, service, or work required, but not known to have been needed when the

original order was placed with vendor and it is not feasible or practicable to contract separately for the additional need.

- The purchase must match the existing piece or brand of equipment and is only available from one vendor.

Sole source purchases must still follow the purchase process required based on the amount being purchased. For example, if the purchase is expected to exceed the State Statute ([MSS 471.345](#)), a competitive bidding process must be followed even if the expectation is that only one bid will be received.

## **Emergency Contracts**

Under Minnesota’s Emergency Management Act (Minn. Stat. [§12.01-12.61](#)), the City has the authority to enter into contracts during an emergency without following many normally required procedures. An emergency is defined “an unforeseen combination of circumstances that calls for immediate action to prevent a disaster from developing or occurring.” A disaster is “a situation that creates an actual or imminent serious threat to the health and safety of persons, or a situation that has resulted or is likely to result in catastrophic loss to property or the environment, and for which traditional sources of relief and assistance within the affected area are unable to repair or prevent the injury or loss.”

During an emergency or disaster, the City Council may waive compliance with the time-consuming procedures or formalities concerning:

1. The performance of public work;
2. Contracting;
3. Incurring obligations;
4. Renting equipment; and
5. Purchasing supplies and materials.

Emergency purchases will only be allowed when the mayor issues a proclamation declaring an emergency, and the steps listed in Minn. Stat. [§12.29](#) are completed.

## **Withholding Certificates (IC134)**

No state agency or local unit of government can make final payment to a contractor until the Department of Revenue has certified that the contractor and any subcontractor have fulfilled the requirements of Minnesota withholding tax laws. If you are a prime contractor, a contractor or a subcontractor who did work on a project for the state of Minnesota or any of its local government subdivisions — such as a county, city or school district — you must submit a Contractor Affidavit to the Department of Revenue to receive a certificate of compliance.

## **Contract Change Orders**

Change orders may occur due to City driven changes, errors and omissions, field directives, unforeseen/hidden conditions, regulatory requirements or changes that are contractor driven. Changes that need to be made during construction need to be addressed and approved in a timely manner in order to keep the project on schedule.

Any change order that does not exceed \$50,000 may be approved by the City Manager or a Department head specifically designated by the City Manager. Any change order that exceeds \$50,000 must be approved by City Council. In an emergency the City Council may enter into contracts and incur obligations necessary to combat the disaster by protecting the health and safety of persons and property and by providing emergency assistance to the victims of the disaster without complying with the laws relating to purchasing and contracting.

## **Retainage**

A City of Brooklyn park will reserve an amount as retainage from any progress payment on a public contract for a public improvement. The amount may not exceed 5 percent of the payment. The city may reduce the amount of the retainage and may eliminate retainage on any monthly contract payment if the work progresses satisfactorily.

## **Prompt Payment to Subcontractors**

City contracts that involve a prime contractor must require the prime contractor to pay subcontractors within ten days of the prime contractor's receipt of payment from the city for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1.5 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time.

## **Performance and Payment Bonds (Contractor's Bond)**

For contracts in excess of the State Statute [MSS 471.345](#) that include labor (ex. road construction and the purchase and installation of playground equipment) a performance and payment bond in an amount not less than the contract price is required from the vendor. The required performance bond benefits the city by ensuring that the work is completed according to the terms of the contract, while the required payment bond benefits subcontractors and people who provide labor and materials, by seeing that their claims for labor and materials are paid. <sup>18</sup> When the public work contract is let, the amount of the bond needs to be equal to the contract price. If the contract price increases due to change orders, unforeseen conditions, cost overruns or any other reason after the contract is signed, the City Council has the option of increasing the amount of the contractor's bond. Consideration may be given for the percentage of the contract that is complete in relation to the contractor's bond and the increase in the contract price. Additional Information on Performance and Payment Bonds (Contractor's Bond) is available in the state statutes below

<sup>18</sup> See Public Contractors' Performance and Payment Bond Act, Minn. Stat. [§§ 574.26-.32](#).

## **Provisions Included in all Contracts (Procurement Standards)**

It is the policy of Brooklyn Park to include all of the following provisions, as applicable, in all contracts (including small purchases) with contractors and sub-awards:

1. Remedies:  
All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) ([MSS 471.345](#)) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.

2. Termination:  
All contracts in excess of \$10,000 shall contain suitable provisions for termination by Brooklyn Park, including the manner by which termination shall be affected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.
3. Equal Employment Opportunity:  
All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
4. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148):  
If included in the federal agency's grant program legislation, all construction contracts of more than \$2,000 awarded by Brooklyn Park and its sub-recipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of Brooklyn Park to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. Brooklyn Park shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. Brooklyn Park shall report all suspected or reported violations to the Federal awarding agency.
5. Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):  
[Where applicable] All contracts awarded by Brooklyn Park excess of \$100,000 for contracts that involve the employment of mechanics or laborers shall include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence
6. Rights to Inventions Made Under a Contract or Agreement:  
Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and Brooklyn Park in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts

and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

7. Clean Air Act (42 U.S.C. 7401-7671q and the Federal Water Pollution Control Act (33 U.S.C. 1251 -1387), as amended:  
Contracts and sub-awards of amounts in excess of State Statute ([MSS 471.345](#)) shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
8. Debarment and Suspension (E.O.s 12549 and 12689):  
Brooklyn Park will review all purchases to verify that purchases will not be made against contractors that are on the Debarment or Suspension list supplied by the Government. The Department will review all requests submitted to make sure the contractor is not on the debarment list. This list is available at - <https://www.sam.gov/>. If a match is found, the program manager will be notified directly, and Accounting will not process the requisition. All results of searches will be attached to the filed paperwork for verification of search.
9. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):  
For all contracts or Sub-grants of \$100,000 or more, Brooklyn Park shall obtain from the contractor or sub-grantee a certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, Brooklyn Park shall provide such certifications in all situations in which it acts as a sub-recipient of a sub-grant of \$100,000 or more.

Below is a quick reference chart for procurement methods according to dollar amount:

### Quick Reference Chart - Procurement Methods

| Construction, Contracted Services, Goods & Services Contracts |  | Required Approvals |              |         |
|---|--|--------------------|--------------|---------|
| Contract or Purchase amount                                   | Documentation  | Director           | City Manager | Council |
| Less than \$25,000  | <ul style="list-style-type: none"> <li>Open Market or</li> <li>Direct Negotiation if Over \$10k (at least 2 quotes)<sup>1</sup></li> </ul>   | X                  |              |         |
| \$25,000- \$50,000  | <ul style="list-style-type: none"> <li>Sealed Bids or Direct Negotiation (at least 2 quotes or sealed bids)<sup>1</sup></li> <li>RFPs (Best Value optional), or Cooperative Purchasing Contracts that comply with bidding process (if applicable)</li> <li><i>*Competitive bidding is allowed but not required.</i></li> </ul> | X                  | X            |         |
| \$50,000- \$175,000   | <ul style="list-style-type: none"> <li>Sealed Bids or Direct Negotiation (at least 2 quotes or sealed bids)<sup>1</sup></li> <li>RFPs (Best Value optional), or Cooperative Purchasing Contracts that comply with bidding process (if applicable)</li> <li><i>*Competitive bidding is allowed but not required.</i></li> </ul> | X                  | X            | X       |
| \$175,000+  | <ul style="list-style-type: none"> <li>Sealed Bids or Cooperative Purchasing Contracts that comply with bidding process (if applicable)<sup>2</sup></li> </ul>   | X                  | X            | X       |

<sup>1</sup> Quotes must be kept on file for at least one year

<sup>2</sup> Contracts in excess of MSS 471.345 that include labor require a performance and payment bond

## Purchasing Thresholds

All expenditures up to \$25,000 must be within the limits established by the department budget. There are six basic thresholds of dollar amounts that have been established either by policy, City Code or statutory authority for the purpose of purchasing City goods and services.

## Purchasing Thresholds

| MATERIALS – SUPPLIES – EQUIPMENT - NON-PROFESSIONAL SERVICES - CONSTRUCTION |                                 |                     |   |
|---|---------------------------------|---------------------|---|
| Purchase Level (1)(2)   | Purchase Process Required       | Approving Authority | Notes   |
| \$0 - \$25,000  | Quotes                          | Department Head     | <ul style="list-style-type: none"> <li>At the point of sale, the receipt must be signed by the individual purchasing the item.</li> <li>The receipt must be coded prior to submission to Finance.</li> <li>For an item between \$0 and \$10,000, Quotes are not required.</li> <li>Purchases can be made on the open market and verbal quotes are optional.</li> <li>For an item costing between \$10,001 and \$25,000, the shall request price quotations from at least two sources, when practical, and shall place the order at the lowest quoted.</li> <li>Products or services quoted shall be the same or similar of comparable quality from each vendor.</li> </ul>  |
| \$25,001 - \$50,000   | Quotes                          | City Manager        | <ul style="list-style-type: none"> <li>The City Council will grant the City Manager the authority to make or execute purchase contracts for routine services, equipment, supplies and commodities for which the cost does not exceed twenty thousand dollars (\$50,000).</li> <li>The City shall make the contract by sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase, when practical, and without advertising for bids or otherwise complying with the requirements of competitive bidding.</li> <li>Products or services quoted shall be the same or similar and of comparable quality from each vendor.</li> <li>The City must consider the availability, price and quality of supplies, materials, or equipment available through the state's cooperative purchasing venture before purchasing through another source.</li> <li>If a cooperative purchasing agreement is in place, quotations are not needed.</li> </ul> |
| \$50,001 - \$175,000  | Council Resolution              | City Council        | <ul style="list-style-type: none"> <li>The City shall make the contract by sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase, when practical, and without advertising for bids or otherwise complying with the requirements of competitive bidding.</li> <li>Products or services quoted shall be the same or similar and of comparable quality from each vendor.</li> <li>The City must consider the availability, price and quality of supplies, materials, or equipment available through the state's cooperative purchasing venture before purchasing through another source.</li> <li>If a cooperative purchasing agreement is in place, quotations are not needed.</li> </ul>  |
| Above \$175,000   | Sealed Bids/ Council Resolution | City Council        | <ul style="list-style-type: none"> <li>Competitive bidding is required for the following contracts:                             <ul style="list-style-type: none"> <li>Contracts for the sale, purchase, or rental of supplies, materials, or equipment.</li> <li>Contracts for the construction, alteration, repair, or maintenance of real or personal property.</li> </ul> </li> <li>The City must consider the availability, price and quality of supplies, materials, or equipment</li> </ul>  |

<sup>1</sup>The estimated cost is close to one of the thresholds, you will follow the requirements for the higher threshold.

<sup>2</sup>The purchase level is based on the gross purchase price; not net of an asset trade-in.

<sup>3</sup> When quotes are received, they will be kept on file for at least one year

<sup>4</sup> Purchase order required only for capital purchases (>\$5000).

# Solicitation

## Policy

If the City uses a consultant to prepare or assist in the preparation of a Statement of Work or a Request for Proposals, that consultant shall not be permitted to submit a proposal. Deviations from this policy require the approval of the City Manager.

## Notice of Solicitation of Bids

A formal sealed bid procedure is required for all purchases that are estimated to exceed the State Statute [MSS 471.345](#), except for purchase through a cooperative purchasing contract (see below). A published (412.311) notice of the bid is required in the official city newspaper at least ten (10) days in advance of the bid opening, or in advance of the City Council meeting. This allows for a thorough review and retabulation of the bids and to allow for reference checks as appropriate. All bid openings are to be administered by the originating department. The preparation of all specifications and required authorization is to be the responsibility of the originating department.

The published notice must contain the following:

- A description of the project or the purchase
- The availability of specifications including the location, for example, Office of the City Clerk, etc.
- The last day for submission of bids and the place where they are due
- The time and place for opening bids
- A statement reserving the right of the City to reject all bids

A recommendation can then be made to the City Council and the City Council will award or deny the contract. Bids rejected by council must be kept on file for 6 years.

## Government Purchasing Organizations

Certain governmental units form purchasing organizations to obtain group-pricing discounts. The City may be eligible for participation in some of these programs and individuals are encouraged to obtain quotes from suppliers in these programs.

**Following is a list of purchasing cooperatives of which the City is a member:**

### ***State, County and Other Cooperative Purchasing Contracts***

#### **1. The Cooperative Purchasing Venture (“State Contract” or “CPV”)**

Cooperative purchasing contracts provide an opportunity for the City to purchase supplies, materials, or equipment (but not services) at reduced costs. This enables the City to buy goods and services under the terms of contracts already negotiated by the State of Minnesota. The Cooperative Purchasing Contracts operate without regard to the competitive bidding requirements of the Uniform Municipal Contracting Law if the purchase is through a national municipal association’s purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations that complies with State Statute.<sup>14</sup>

The Cooperative Purchasing It is a members-only joint powers program operated by the Minnesota Department of Administration, Materials Management Division.<sup>13</sup> The CPV allows There is currently no fee to join. For those contracts, a municipality must “consider the availability, price and quantity of supplies, materials, or equipment available through the state’s cooperative purchasing venture before purchasing through another source.”<sup>12</sup>

12 Minn. Stat. [§ 471.345](#), subd. 15.

13 See Minn. Stat. [§ 16C.03](#), subd. 10.

IF it is determined that a product/service is on a state contract, vendors will be told that the purchase will be made using that contract. When completing the purchasing paperwork, note that the purchase is per state contract and indicate the contract number.

<sup>14</sup> Minn. Stat. [§ 471.345](#), subd. 15.

Vendors will often contend that the City can purchase from them without bidding because they are on the “state contract” or they will sell at the state contract price. Beware of these approaches. Verify both the vendor and the specific product/service is listed on the state contract. It is likely that not all of a vendor’s products/services have been selected to be on the state contract. If a vendor is not on the state contract, but will match the state contract price, this action does not exempt the City from following the competitive bidding laws. For additional information, visit the Cooperative Purchasing Venture website at <http://www.mmd.admin.state.mn.us/cpv2.htm>

## 2. Hennepin County Cooperative Purchasing Contracts

The City participates in the Hennepin County Cooperative Purchasing Program. In order to participate, submittal of a checklist anticipating estimated quantities prior to the bidding process is required. If the City has filled out a checklist, it is obligated to purchase the item from the county for the duration of that particular contract, as outlined in the contract specifications.

## 3. Sourcewell (Joint Powers Member)

Any Joint Powers Purchasing Entity of which the City is a member provides for purchases.

- <https://www.sourcewell-mn.gov/>
- [GSA's Cooperative Purchasing Program. \( www.gsa.gov/cooperativepurchasing\)](http://www.gsa.gov/cooperativepurchasing)

## 4. U.S. Communities Government Purchasing Alliance

The City participates in the U.S. Communities Government Purchasing Alliance <http://www.uscommunities.org/>. See the Fleet Services Supervisor for further information.

- [US Communities Government Purchasing Alliance.   
http://www.uscommunities.org/resources/state-statutes/mn/](http://www.uscommunities.org/resources/state-statutes/mn/)

## 5. National IPA

The City participates in the National IPA cooperative purchasing organization.

<http://www.nationalipa.org>. See the Fleet Services Supervisor for further information.

1. National Intergovernmental Purchasing Alliance (NIPA). [www.nationalipa.org/agreements](http://www.nationalipa.org/agreements)
2. Cooperative Purchasing Connection (CPC). [Http://www.purchasingconnection.org//site/](http://www.purchasingconnection.org//site/)
3. National Cooperative Purchasing Alliance (NCPA). <http://www.ncpa.us/>

## 6. Great Lakes GPO

The Great Lakes GPO is a fire service program open to all Cities.

- For all other cooperative purchasing alliances, contact the Finance Department to verify that they meet the criteria before acquiring the item.

## Federal purchases

Under uniform grant guidance (2 CFR 200.317–326) there are additional procurement requirements that need to be considered when making purchases related to a federal program. Five procurement methods are identified including: micro-purchase (<\$3,500), small purchase procedures (<\$175,000), sealed bid (>\$175,000), competitive proposal (>\$175,000), and noncompetitive proposal (>\$3,500). The general purchasing policy addresses many of these requirements and the City will also consider the full requirements in relation to each method as described in 2 CFR. The micro-purchase threshold which is set by Federal Acquisition Regulation at 48 CFR Subpart 2.1 is subject to change with inflation. The City will follow changes to thresholds as modifications occur. When practicable, micro-purchasing will be distributed among qualified suppliers.

- Vendors who have contracts with the federal General Services Administration (GSA) Federal Supply service may pass the established price down to us.
  - Still required to obtain quotes and bids in accordance with State Statutes.
- If the purchase price is over \$25,000.00, we must follow the MSS 471.345 and receive sealed bids.

## Evaluation of Proposals

### General

The need to positively demonstrate that a particular proposer will be awarded the contract is a difficult proposition because the evaluation must be based on qualitative data. The following guidelines attempt to provide a systematic approach to the selection of the most deserving proposer.

### Selection Team

- a. Proposals for services costing up to \$50,000 do not require the use of a selection team.
- b. Proposals for services costing over \$50,000 will always be evaluated by a selection team.
- c. The selection team will consist of at least three members who may be from the following:
  - The project manager specified in the Statement of Work.
  - Representatives of other City functions that have a direct interest in the project and/or staff members whose expertise will have value in the selection of the proposer.
  - Group of peers from other communities with special expertise.
  - Other interested parties as identified by the project manager.
    - As team chair, the project manager is responsible for:
    - The organization of the selection team.
  - Providing its members with copies of the RFP, proposals, evaluation forms and other needed data.
  - The scheduling of meetings.
  - The scheduling of proposer interviews will the selection team desire.
  - Including the consensus of the evaluation team in the recommendation memorandum.
- d. Recommendation

Upon completion of the evaluation process, the project manager shall prepare a recommendation for approval in accordance with the procedures in this section.

## Awarding Contracts

### “Best Value” Procurement Alternative

As an alternative, cities and other government entities may use a “best value” procurement process for “construction, building, alteration, improvement or, repair [and maintenance] contracts.”<sup>5</sup> Minnesota Statute [412.311](#) allows the City to use a “Best Value” alternative instead of awarding the bid to the lowest responsible bidder. Responsibility in bids means financial responsibility, but also integrity, skill, and the likelihood of the bidder doing faithful and satisfactory work. Contact City Attorney in order to use the best value alternative.

Best value procurement is a process based on competitive proposals that awards the contract to “the vendor or contractor offering the best value, taking into account the specifications of the request for proposals, the price and [specific] performance criteria.”

The price and performance criteria may include, but are not limited to:

- 1) Quality of performance on previous projects.
- 2) Timeliness of performance on previous projects.
- 3) Level of customer satisfaction on previous projects.
- 4) Record of performing projects on budget and ability to minimize cost overruns.
- 5) Ability to minimize change orders.
- 6) Ability to prepare appropriate project plans.
- 7) Technical capabilities.
- 8) Qualification of key personnel.
- 9) Ability to assess and minimize risks<sup>7</sup>

The solicitation document must state the relative weight of price and other selection criteria. The award must be made to the vendor or contractor offering the best value applying the weighted selection criteria. If an interview of the vendor’s or contractor’s personnel is one of the selection criteria, the relative weight of the interview must be stated in the solicitation document and applied accordingly.<sup>8</sup>

Personnel administering best value procurement procedures must be trained in the Request for Proposals (RFP) process for best value contracting for construction projects.<sup>9</sup>

<sup>5</sup> Minn. Stat. [§§ 412.311](#), subd. 2, and [471.345](#), subds. 3a, 4a, and 5.

<sup>6</sup> Minn. Stat. [§ 16C.28](#), subd. 1(a) (2). The performance criteria are set forth in Minn. Stat. [§ 16C.02](#), subd. 4a, and is described in solicitation documents.

<sup>7</sup> Minn. Stat. [§ 16C.02](#), subd. 4a.

<sup>8</sup> Minn. Stat. [§ 16C.28](#), subd. 1(c).

<sup>9</sup> Minn. Stat. [§ 16C.03](#), subd. 19.

# Capital Purchases

## Fixed Asset (Capital Outlay)

An item is considered a fixed asset or capital outlay item if:

- It is a tangible asset
- It has a useful life of at least one year
- It has a donated value of at least \$2,500.00, with the following exceptions:
  - Costs and services related to new structure construction or additions to existing structures
  - Costs related to improving or repairing an existing asset, thereby increasing the life of the asset
  - Costs related to acquire land (example: taxes)
  - Meet the threshold of Capital Asset and Grants policy

Fixed asset records are maintained for financial reporting as well as general accountability to our taxpayers. Therefore, any item meeting all of the three criteria identified will be coded as a capital outlay when purchased.

## Real Estate/ Land

Real Estate refers to the purchase of land and buildings. All purchases of real property must follow State Statutory guidelines and be approved by the City Council. The purchase or sale of real property is generally not subject to competitive bidding.

## Purchase of city vehicles

All costs associated with getting the vehicle out on the road shall be considered part of the total cost. For fixed asset purposes, licenses, radios, customizing (light bars, squad car build ups, special shelving in vans, etc), truck boxes and plows are all considered part of the total cost.

The sales tax and licensing of vehicles is not done at the point of purchase, but rather through a Deputy Registrar Internal Transfer.

## Leases and Lease Purchases

All lease agreements need approval through the Finance and City Attorney prior to initiating lease. The responsibility lies with each department to obtain at least two quotes to ensure the best financing rates. Lease Performance Bonds are sometimes prudent for Lease Purchases; if you are unsure whether a Lease Performance Bond will be required, ask your department head to contact the City Attorney.

## Purchase or Lease of Used Public Safety Equipment

In 2011, the Minnesota Legislature granted cities and other local governments authority to lease or purchase used public safety without bidding in certain specified circumstances. The new statute provides that a city may acquire by purchase or lease used public safety equipment without competitive bidding or proposals “if the equipment is clearly and legitimately limited to a single source of supply, and the contract price may be best established by direct negotiation.”<sup>15</sup>

The term “public safety equipment” is defined to mean “vehicles and specialized equipment used by a fire department . . . in firefighting, ambulance and emergency medical treatment services, rescue, and hazardous materials response.”<sup>16</sup>

<sup>15</sup> Minn. Stat. [§ 471.3455](#); see 2011 Minn. Laws, ch. 33.

<sup>15</sup> Another provision of the law allows cities to issue certificates of indebtedness or capital notes to acquire new or used public safety equipment by lease for a term of up to 15 years. The long-term lease agreement obligation does not constitute debt under other statutes, and no election is required in connection with the execution of a lease agreement authorized by the new provision. See Minn. Stat. [§ 471.3455](#), subd. 3

## Disposal of Equipment

### Introduction

This policy establishes the methods for the disposal of surplus City property, police confiscated property, and recovered property that has been unclaimed for more than sixty days., as required by Minnesota Statutes [§ 471.3459](#). It also governs the disposition, by means other than donation, of surplus property with an estimated value in excess of the city manager's contracting authority.

### Definitions

For purposes of this policy, “surplus property” is any personal property that is no longer useful for a public purpose due to any number of factors including state of repair, deterioration, replacement by more current models, etc.

“Eligible surplus equipment” is any surplus property that qualifies for donation under Minn. Stat. [§ 471.3459](#).

### Disposition of City Assets

The City Manager shall establish procedures for: monitoring city equipment, materials and supplies; determining what items are surplus property or eligible surplus equipment; estimating the fair market value of the surplus property or eligible surplus equipment; and disposing of surplus equipment with an estimated value that is within the city manager's contracting authority, in a manner allowed by law. The City Manager may, from time to time, recommend to the Council that certain property owned by the City is no longer needed for a municipal purpose and will be sold.

### Procedures

Electronic equipment, telephones, computers, computer peripherals, or mobile devices:

Each department is responsible for identifying when supplies, materials or equipment used by its department is surplus. Departments will notify the IT manager about surplus electronic equipment, including telephones, desktop or laptop computers, computer peripherals, or mobile devices; the IT division is responsible for determining the estimated value and recommended method of disposal for that equipment.

Office furniture, artwork, vehicles, heavy equipment or capital assets:

Departments will notify the public works department about all other surplus equipment including office furniture, artwork, vehicles, heavy equipment or capital assets. The public works director or designee is responsible for determining the estimated value and recommended method of disposition for that equipment. The method of disposal of surplus property will vary depending on the type of property and how the property was acquired. In determining the recommended method of disposition, the IT manager and public works director or designee may consider all relevant factors, including staff time and costs involved in alternative methods of disposition, available storage capacity, and electronic device security.

Disposal of property is offered to the general public with the intent of receiving proceeds for its sale. Confiscated or recovered property will be sold by some type of public offering. The following methods may be used for disposing of property:

For purposes of this policy, the estimated value of surplus property is the estimated price at which the property would likely sell in the applicable market, less the estimated costs of sale. There are three aspects to any disposal of a City asset:

1. Terms of Sale Approval

The sale itself must be approved, either by the City Manager or his/her designee (sales up to \$50,000) or by the City Council (sales over \$50,000).

2. Proper Municipal Sale Contract

Just as with purchasing, making a sale is considered entering into a contract. After the Council has declared the property as surplus, estimated its value, and approved its disposal, the City Manager (or his/her designee) is authorized to dispose of the property using one of the following methods:

## **Permitted Methods of Disposition**

Depending upon the value and type of surplus property, the possible methods of disposition include:

1. Public Auctions or Sales – This may include an auction by the City, a general sale offered to the public, participating in auctions held by other government units, or the use of other public auction houses. This method may be used for any type of surplus property, regardless of estimated value.
  - Negotiated sale. This method may be used only for surplus property that has an estimated value of \$25,000 or less.
  - Transfer to another government entity. This method may be used for any type of surplus property, regardless of estimated value. By state law, it may be transferred for nominal or no consideration if approved by the city council.
  - Donation to a nonprofit organization. This method may be used for eligible surplus equipment, in accordance with Council Policy. It also may be used for other surplus property that is estimated to have little or no value. (See Section Below)
2. On-line Auctions or Sales – Various public auction and sales services are available on the internet providing the opportunity of reaching a large number of bidders.
3. Trade-in – When replacing City equipment, a trade-in offer may be requested from the vendors submitting quotes/bids on the new equipment. A trade-in may be utilized when the trade-in value is determined to be advantageous to the purchase price or a better value than other types of disposal. This method may be used for any type of surplus property, regardless of estimated value.
4. Quotations or Bids – The City may request quotations or bids on used City equipment. This method will be used when an individual sale of specific equipment is determined to be advantageous to the sale price. This method may be used for any type of surplus property, regardless of value, but is used only for items valued at \$100,000 or more.

5. Donation - to a nonprofit organization. This method may be used for eligible surplus equipment, in accordance with Council Policy. It also may be used for other surplus property that is estimated to have little or no value. (See Section Below)

6. Scrap or Destroy – If property is determined to have only a scrap value, it may be held until a sufficient quantity exists to warrant sale to a scrap yard. If a department determines that an item has little or no value, the item may be discarded as trash or may be given to an outside organization. The benefiting organization may use the item, obtain the item for parts, recycle components, or scrap the item in an environmentally friendly method. Property will not be given directly or indirectly to employees unless purchased through a public auction. Notify the Finance Division to remove the item from the fixed asset system.

7. Dangerous or Hazardous Materials – Items that may be dangerous or hazardous may be disposed of without any public notice to expedite the removal of the items from City property. All disposals will be by an environmentally friendly method.

Minnesota State Statute [15.054](#) states that "property or materials owned by the state or a subdivision, except real property, and not needed for public purposes, may be sold to an employee of the state or the subdivision after reasonable public notice at public auction or by sealed bid if the employee is the highest responsible bidder and is not directly involved in the auction or sealed bid process." (See Appendix)

## **Sale at City Auction**

Throughout the year the city collects items to be sold at an annual public auction. The listing and storing of those items must be coordinated through the public works director or designee or, for electronic equipment, through the IT manager.

A list of all items available for auction will be maintained by the public works director or designee. Prior to the auction, the public works director or designee will provide the auctioneer with a description and number of items to be sold and make arrangements for those items to be transported.

An employee from the city is present the day of the auction to ensure the integrity and accuracy of the auction. The auction house will forward a tabulation of the bids received along with payment. The information is reviewed by the public works director or designee and then the payment is forwarded to the finance department.

## **Vehicle Auction**

The city participates in the county auctions for disposal of vehicles. In preparation for the auctions the city submits a request for the number of vehicles to be sold at each of the auctions held during the year. The designation of vehicles to be sold at each auction takes into consideration the need for spare vehicles during the summer months.

Prior to each auction the city supplies the county with a list of vehicles to be auctioned. The following information is supplied; vehicle, make, model, year, serial number, approximate mileage and proof of a clear title.

The week prior to the auction all vehicles are cleaned, and all markings and equipment are removed from the vehicles. The city marks vehicles with assigned numbers from the county and checks with administration to assure the vehicles are insured for transport. The day prior to the auction, the city delivers the vehicles to the auction site with all paperwork and titles; and registers

correct mileage on the titles and sales receipts.

On the day of the auction the city is required to, in order to participate in the auction, provide two employees; one to assist the auctioneer and a spotter/runner.

Shortly after the auction the county sends out a statement which breaks down the amount received for each vehicle auctioned and the amount of the commission kept by the county. A copy of this statement is sent to the finance department along with a finance provided fixed asset form indicating that the asset is no longer in the city's fleet.

## **Electronic Bidding**

Cities have authority for the following procedures related to purchases and sales:

1) Reverse Auction Purchases—Minn. Stat. § 471.345, subd. 16

- A city may contract to purchase supplies, materials and equipment (but not services), using an electronic purchasing process in which vendors compete to provide the supplies, materials, or equipment at the lowest price in an open and interactive environment.

2) Electronic Sales - Minn. Stat. [§ 471.345](#), subd. 17

- MSS [§ 471.345](#) sub 17 states that “a city may contract to sell supplies, materials, and equipment which is surplus, obsolete, or used, using an electronic selling process in which purchasers compete to purchase the items at the highest purchase price in an open and interactive environment.”

## **Trade-ins**

The City Council must approve the disposal of equipment via trade-in (put toward the purchase of new equipment), just as it approves a regular disposal. A trade-in offer may be requested from the vendors submitting quotes/bids on the new equipment. A trade-in may be utilized when the trade-in value is determined to be advantageous to the purchase price or a better value than other types of disposal. This approval can be done as part of the approval of the purchase of new equipment (if the purchase is over \$50,000). Even if the new purchase is under \$50,000 (and doesn't require Council approval), the trade-in disposal still must be approved by the Council.

## **Government to Government Sales**

The City may transfer real and personal property to another governmental entity for nominal or no consideration and without following the process set out under “Proper Municipal Sale Contract” (item #3) above. Sealed bids or quotes are not required. Council approval of the disposal (item #1 above) is always required. Council approval of the terms of the disposal (item #2 above) is required only if consideration is over \$10,000. The council may approve both the disposal and disposal terms in one action. If there is no consideration or consideration is under \$10,000, the City Manager may approve the terms of the disposal.

### **Additional Disposal Information:**

- As is  
A donation of surplus equipment is made "as is" with no warranty, guarantee or representation of any kind, express or implied, as to the condition, utility, or usability of the surplus equipment offered. The surplus equipment may be defective and cannot be relied up for safety purposes. A copy of this policy must be provided to every nonprofit organization that requests a donation.

- Title  
The city manager or designee shall cause any title or other ownership documents to be transferred to the receiving nonprofit organization at the time of transfer. Any fees required to transfer the surplus equipment are the responsibility of the nonprofit organization.
- Transportation  
A requesting nonprofit organization must provide a detailed plan for transporting the surplus equipment from the city to the nonprofit organization. The receiving nonprofit organization
- Restrictions on Sale:  
According to City code, no employee of the City who is a member of the administrative staff, department head, a member of the Council, or an advisor serving the City in a professional capacity may be a purchaser of property sold under this Section. Other City employees may be purchasers if they are not directly involved in the sale, if they are the highest responsible bidder, and if at least one (1) week's published or posted notice on the city website of sale is given. No public notice or posting is required for an electronic auction at a nationally recognized web site. The council may establish conditions on the sale of surplus property, such as a minimum sales price, to ensure that the city receives a fair price for the property
- Conflict of Interest  
Any city employee or official who participates in the decision to donate surplus equipment must disclose any relationship with the requesting nonprofit organization, including volunteer work or financial contributions. The city manager, in consultation with the city attorney, may determine that an employee or official is disqualified from participating in the donation decision, based upon the level of the person's relationship with of the organization

# Approval Authority

The following chart details the approvals required, depending upon the type of property and method of disposition.

| Property type              | Method of deposition  | Estimated Value                           | Approval Needed                     | Notes   |
|----------------------------|---|---|-------------------------------------|---|
| Eligible surplus equipment | Donation  | Less than \$10,000                        | City manager                        | the City Manager may sell it either upon quotation or in the open market, in the discretion of the City Manager. If the surplus property is sold based upon quotation, the City Manager shall obtain, so far as practicable, at least two quotations which shall be kept on file for a period of at least one year after their receipt.         |
|                            |   | \$10,000 or more                          | City council                        | If Surplus property is estimated to exceed \$25,000 but not to exceed the State Statute, the City Manager may sell the property upon sealed bids or by direct negotiation, by obtaining two or more quotations for the sale when possible. All quotations obtained shall be kept on file for a period of at least one year after their receipt. |
|                            | Other method  | See "Other surplus property" below        | See "Other surplus property" below  |   |
| Other surplus property     | Sale to government entity for value   | Less than \$100,000                       | City manager or delegate            |   |
|                            |   | \$100,000 or more                         | City council                        |   |
|                            | Transfer to government entity for less than its value   | Any value                                 | City council                        |   |
|                            | Sale to private entities or persons by other sale methods (bids, quotes, negotiated sale, auction) <sup>1</sup> | Less than \$25,000<br>Nominal or no value | IT manager or public works director |   |
|                            |   | \$25,000-\$50,000                         | City manager                        |   |
|                            |   | \$50,000 or more                          | City council                        |   |

<sup>1</sup> Sales by bids, quotes or negotiated sales are by the ordinary contracting process. Sales by auction are addressed below. City employees are prohibited from purchasing any surplus property; except that a city employee may purchase surplus city property sold at public auction or by sealed bids so long as the employee was not directly involved in the auction or sale process.

<sup>2</sup> The trade-in is a requirement in the purchase agreement for the new equipment. The method used to purchase and the authority to approve the purchase is determined by the estimated cost of the new equipment.

<sup>3</sup> Recycling is preferred over disposal in landfills; hazardous materials must be disposed of as required by law.

<sup>3</sup> Destruction may be appropriate if necessary, to protect the security of electronic data, or where the cost of securing the data exceeds the property's estimated value. Disposal as waste or recycling may be used where the costs of selling the property exceed the property's estimated value.

# Donation Policy

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## Scope

This policy applies to all donations of surplus equipment to a nonprofit organization, regardless of the estimated value of the surplus equipment. For purposes of this policy, surplus equipment that is eligible for donation includes:

- equipment used by the public works department that is no longer needed by any city department and has minimal or no resale value
- cellular phones that are no longer needed by any city department and have minimal or no resale value; and
- emergency medical or firefighting equipment that is no longer needed by any city department and either does not meet industry standards for emergency medical services, police or fire departments or has minimal or no resale value.

To be eligible for a donation, a nonprofit organization must have been formed under section 501 (c)(3) of the Internal Revenue Code and must serve one or more of the following functions: cultural, historical, educational, safety, social services, environmental or economic.

## Procedure

A proposed donation of surplus equipment may be initiated by a city department or by request of a nonprofit organization. The city manager must evaluate the proposal or request and make a preliminary decision whether donation is appropriate. If the manager determines that donation is appropriate, the availability of the surplus equipment for donation must be advertised on the city's website for at least 5 working days prior to a final decision being made, and nonprofit organizations that have requested to be notified of possible donations must be notified by email or other reasonable means. After considering all responses, the city manager must make a decision or recommendation to the city council, as appropriate to the manager's authority.

## Authority

The city manager has authority to approve donations of surplus equipment with an estimated value of less than \$10,000. The city council must approve the donation of any surplus equipment with an estimated value of \$10,000 or more, by majority vote.

## Prioritization of donations

If more than one nonprofit organization requests a donation for the same surplus equipment, the city shall consider factors it deems relevant, including how the surplus equipment will be used, whether the organization serves city residents, how the donation will serve the city's strategic goals, the extent to which the donation will serve the greatest number of people, and whether the organization has previously received a donation.

# Travel Policy

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## **Purpose and Scope**

This Policy shall apply to all business trips by City employees, Mayor and Council, all Commission and Authority members, traveling in an official capacity for City business, the cost of which is borne in part or total by the City. It is the purpose of this policy statement to establish adequate internal controls to satisfy Internal Revenue Service (IRS) regulations, state laws, and to provide a framework to use as a guide to prescribe circumstances for which travel allowances will be authorized and to provide procedures for reimbursement. Reimbursements can only be claimed for accommodations and services utilized and when an expense is incurred. Travelers are expected to utilize the same care when incurring official expenses that a prudent person would utilize if traveling on personal business. The City will pay or reimburse travel costs. All persons conducting official City business are expected to show good judgment in the nature and amount of expenses incurred while conducting City business in accordance with this policy.

Travelers are encouraged to use their City assigned purchasing card for travel expenses other than meals. A City assigned purchasing card may NOT be utilized to pay for meal expenses requiring overnight travel but may be used for eligible meal expenses in the metro area. Per diem allowances based on Federal rates should be used for meals associated with overnight travel.

## **Responsibility and Travel Authorization:**

### **City Employees**

Travelers (employees and non-employees) are responsible to ensure that travel expenses are for valid City business-related purposes; are in accordance with City policies and procedures; and are a prudent use of public and City funds. Individuals traveling on City business are expected to choose the least costly method of transportation that meets the traveler's scheduling and business needs.

Travelers must substantiate and document all travel expenses in accordance with City policy and applicable federal and state laws. In circumstances where the City (via PCard, reimbursement, etc.) and a third party pay for the same travel expenses, the traveler must ensure that the duplicate reimbursement is returned to the City within 60 days of completion of travel.

Travel expenses must be approved by an authorized approver for reimbursement of travel expenses. Approvers are responsible for validating that all expenses: comply with City policy; are a prudent use of public and City funds; are appropriately documented; and are submitted and accounted for in a timely manner.

Budget Approval Departments shall request a training and travel budget that is submitted to the City Manager and included in the final budget that is adopted by the City Council. The City Manager is responsible for including a training and travel budget for elected officials within the final budget that is adopted by the City Council.

All expenses except those made directly by the City Manager will have two different approval signatures, one for first level approval and one for second level approval. All second level approvals must be made by a supervisor. Expense reimbursements to all employees (including directors and the City Manager) must be approved by an employee in a supervisory level above the employee requesting reimbursement. No employee may approve their own expenditures. The Mayor or City Attorney must approve the expense reimbursements for the City Manager.

### **Advances**

Advances are considered an exception and should be submitted to Finance with a reason for the advance and the approval of the supervisor and department director. All advances will require a travel expense form to be completed and approved after the travel has been completed. (The use of a City Purchase Card is encouraged when possible.)

## **Elected Official Travel**

### **Elected Official Travel**

The City recognizes that its elected officials may at times receive value from traveling within the state or out of state for workshops, conferences, events, and other assignments. To manage budget resources and provide equal opportunities for all members of Council to participate in learning opportunities the following statements set forth the conditions for elected official travel.

### **Out-of-State Travel**

The Mayor/Mayor Pro Tem and three Council Members (alternating) have the opportunity to travel out-of-state (domestically) one time annually, pending Council's approval. This approach would allow for the Mayor/Mayor Pro Tem to travel up to four times per term and Council Members to travel two times per term. If necessary, and if approved by Council, additional out-of-state travel could be approved for the Mayor/Mayor Pro Tem or Council members using unused Council travel budget resources or other funding resources (e.g. EDA, Administration budget, etc.) Expenses for out-of-state travel are encouraged to not exceed \$2500.

### **In-State Travel**

Travel for League of Minnesota Cities Newly Elected Official training would be available for all new Council Members. As resources allow, and if approved by Council, the Mayor and Council Members can request to travel to in-state conferences annually.

The statements below set forth the conditions under which travel by elected officials will be reimbursed by the City.

- The event, workshop, conference or assignment must be approved in advance by the City Council at an open meeting and must include an estimate of the cost of travel, description of the public purpose and expected benefit.
- Upon returning from an event, workshop, conference or assignment the elected official will make a public presentation on key learnings within 45 days.
- No reimbursements will be made for attendance at events sponsored by or affiliated with political parties.
- Travel costs will be reimbursed in accordance with the Travel Costs section of this policy.
- Requests for reimbursement must be submitted with appropriate receipts on a signed travel expense form to the Finance Department for review and payment.

- Elected officials appointed to serve on a National League of Cities Policy or Steering Committee will be allowed to attend both the Congressional City Conference and the Congress of Cities.
- When feasible, a city vehicle should be considered for in-state transportation needs.

## **Extending Business Travel with Personal Travel**

When a Traveler combines personal and business travel, reimbursable expenses will cease to accrue as of the expected return date and time. The City will reimburse the Traveler only for the documented expenses that are directly related to the business portion of the trip. Excess travel time and activities not required for the business trip purpose shall be at the Traveler's own expense.

## **Transportation**

The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. Government and group rates must be used when available.

### **Air Transportation**

- The cost of airline tickets will be reimbursed or paid for when traveling on City business. It is expected that city officials will travel by coach or economy class.
- Travel by air is limited to the lowest, non-refundable, coach/economy class fare available at time of booking. Travelers may select their seat to another seat within coach/economy (exit row, aisle seats or "extra leg room") on any flight, when no other coach/economy seats are available, or it better meets the traveler's needs.
- When the total flight time, excluding layovers, from departure to arrival is 8 or more hours (including connecting domestic legs), travelers may, with preapproval from their unit, upgrade from coach to the next most economical class of travel over coach (business class in most cases, first class in cases where business class is not offered).
- Travelers may not travel using a private plane or non-approved air charter unless the City Risk Management Office grants an exception in advance of the travel. If the traveler does not obtain an exception, the City will not reimburse the unapproved transportation expenses.
- Employees are prohibited from piloting personal or leased aircrafts while on City business travel. If they choose to do so, the City will not consider the traveler to be acting in an official capacity of the City nor will the City reimburse the traveler for any related expenses.
- It is recommended that no more than 20 City staff, or Regents fly on the same plane at the same time.

### **Airport Parking / Baggage**

- Long-term parking must be used for travel exceeding 24-hours. The maximum reimbursement rate, regardless of where you park, is the long-term parking lot parking rate at the airport they are flying out of.
- Parking at the destination hotel or business site is reimbursable and limited to the lowest daily rate
- Baggage fees is reimbursable
- Valet parking is not reimbursable

### **Accrual and Use of Frequent Flyer Miles**

- In accordance with Minnesota State Statute, 15.435, frequent flyer miles or any other benefit issued by an airline must accrue to the benefit of the City whenever City funds are used to pay for airline travel, regardless of the origination of those funds (e.g., from state or federal grants, contracts, or appropriations, or private donors.) City employees may not use these miles for their personal travel.
- City employees, rather than departments, are responsible for tracking miles earned with City funds, and providing records of such tracking upon request. When they have accumulated enough frequent flyer miles to earn free travel, employees must use the miles for City travel.

### **Automobile**

Automobile mileage will be reimbursed at Internal Revenue Service rates presently in effect (see [www.irs.gov](http://www.irs.gov)) \*These rates are designed to compensate the driver for gasoline, insurance, maintenance and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are reimbursable. Damage to a traveler's personal auto is the responsibility of that individual or his/her insurance company.

- **City Vehicle:** When traveling in a City vehicle, the Traveler should use a City assigned purchasing card for fuel expenses or one's own credit card if a City purchasing card is not available. Due to potential liability considerations, transportation of family members not on official City business is prohibited in City vehicles.
- **Personal Vehicle:** When personal vehicles are used as a mode of transportation for travel within the five-state region (Minnesota, North Dakota, South Dakota, Wisconsin, and Iowa), reimbursement will be made at the mileage or allowance rate in effect at the date of travel. Payment of mileage will be based on the most direct route from the point of departure to the point of destination. Please refer to the City's Mileage Policy. The City is not responsible for damage to one's personal vehicles while on official business, as the Traveler's vehicle is not covered by the City's insurance coverage. The Traveler must maintain appropriate insurance when using personal vehicle for business travel.
- **Car Rental:** The traveler must have approval for a rental car, as described above, in order to be reimbursed for rental car parking. Rental rates that are equal or less than those available through the State shall be considered the most economical and reasonable for purposes of reimbursement under this policy.
  - No personal use of car rental is allowed to be claimed.
  - The City's automobile insurance coverage applies to rental vehicles. Under normal circumstances, should a rental car be damaged while being used for business purposes, the City will defend and indemnify the Traveler against any claims made by the rental company for damage to the rental car.
  - Minnesota law requires one's personal insurance company to provide coverage when the rental car is being used for personal activities in most instances.
  - Car rental insurance will not be reimbursed by the City. If car rental insurance is purchased, it would be at the Employee's personal expense.
  - Fuel for a car is reimbursable, however, fuel pre-payment is not allowed and will not be reimbursed.
- **Taxis/Shuttles.** The cost of taxis, shuttles or rideshares (Uber, Lyft, Micro mobility, etc.) fares may be reimbursed.

Documentation: Itemized receipt from rental agency and payment documentation, if not shown on the receipt. Fuel receipts must be submitted. Receipts for parking and other transportation must be submitted.

### **Parking Fees**

If the traveler uses a vehicle on official city business and is reimbursed for mileage, parking charges may be reimbursed as an incidental expense. Maximum per park with receipt will be the actual expense.

\*Travel Reimbursements must be submitted within 60 days of the expense.

### **Lodging**

Hotel or Motel expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. Lodging fees associated with trips for training or business that are longer than one day and are outside the Twin Cities Metro Area associated with a single occupancy rate. Lodging reimbursement requests must be accompanied by a lodging receipt from the hotel, motel, or other commercial lodging establishment.

- Conferences/Meetings. If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking.
- Other Lodging. An employee will always stay at a facility that is reasonably priced and request government or corporate rates. The employee must stay at a licensed lodging facility and cannot be reimbursed for staying at a non-licensed lodging facility. In situations where a non-conference domestic lodging rate falls outside of the City guidelines, the traveler must obtain pre-approval from the appropriate authorized approver by completing the Request for Lodging Exception form. If the traveler does not obtain prior approval, the supervisor/manager may deduct the overage from the reimbursement request.

### **Meals and Incidental Expenses**

The per diem allowance is a daily payment for meals and related incidental expenses when overnight travel accommodations are necessary, in accordance with published federal per diem rates instead of receipt-based reimbursement. The City intends for its Travelers to pay for meals, tips and service charges using the current per diem schedules as set by the federal government. These schedules can be found at: <https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup> (M&IE column). The Traveler may claim an amount not to exceed the allowable per diem rate in accordance with the Standard Federal Per Diem Rate Schedule in effect at the time of travel as published by the U.S. General Services Administration (GSA). The per diem allowance is separate from lodging, transportation, and other miscellaneous expenses. The per diem allowance covers all charges, including taxes and service charges where applicable for:

1. Meals including expenses for breakfast, lunch, dinner, and related taxes (specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons) and

2. Incidental expenses, including:

- a. Fees and tips given to wait staff, baggage carriers, maids, and
- b. Transportation and tips between places of lodging or business and places where meals are taken, if suitable meals can't be obtained at site.

Meals for which the City pays directly, such as meals included in a conference registration fee or as part of airfare, or hotel costs, must be excluded from per diem and will not be further reimbursed. The Traveler must note on the expense claim if a meal is included in the cost of the travel fare, conference fee, or hotel lodging. If a lodging facility provides a hot breakfast, the breakfast allowance is excluded from the per diem amount. This provision does not apply to "continental breakfast". When the Traveler receives a meal at no cost, the Traveler is not eligible to be reimbursed for that meal and that meal allowance must not be included in the combined total. On "travel days", defined as the first and last day of travel (departure and return), per diem amount equals 75% of total M&IE regardless of departure time. Reimbursement may be allowed if the Traveler has special dietary needs that cannot be accommodated by the available meal options included in the conference registration or event programming. The Department Head reviews the circumstances and determines when reimbursement is warranted.

If actual expenses exceed the applicable per diem rate, the excess amount is a personal expense of the Traveler. If actual expenses are less than the per diem rate, the Traveler is not required to refund the difference to the City.

If Traveler travels on a conference day, Traveler is allowed the full per diem regardless of departure time.

Travelers should NOT submit receipts for any meal purchases when requesting overnight travel reimbursements. A City assigned purchasing card may NOT be utilized to pay for meal expenses requiring overnight travel.

Documentation: Receipts are not required for M&IE

Example 1: Traveler travels to Orlando, FL for a 3-day conference and travels the day before and after the conference. Lunch is provided for all 3 days. Below is the per diem breakdown for Orlando based on the GSA schedule:

| Primary Destination | County | M&IE Total | Continental Breakfast/ Breakfast | Lunch | Dinner | Incidental Expenses | First & Last Day of Travel |
|---------------------|--------|------------|----------------------------------|-------|--------|---------------------|----------------------------|
| Orlando             | Orange | \$59       | \$13                             | \$15  | \$26   | \$5                 | \$44.25                    |

Traveler's allowed per diem per day for days 2-4 is \$44:

- \$59 M&IE Total
- \$15 Lunch
- \$44 Allowed per diem per day

Since lunch is provided, lunch allowance is deducted from the total and Traveler is allowed \$44 per day for days 2-4. On travel days, day 1 & day 5, the Traveler is allowed \$44.25 per day as found on the schedule.

## **Other Expenses**

- Conference, seminar or convention registration fees may be pre-paid once approval is received from the Department Head.
- Other expenses such as fees for social events, activities and tour opportunities during the conference are reviewed on a case-by-case basis. The Department Head will determine if reimbursement is warranted.
- In unique instances involving lost luggage, Traveler may need to purchase clothing and toiletries for the duration of their travel. The Department Head will review and determine if additional costs are reimbursable.

## **International Travel**

For domestic travel purposes, the IRS definition of the United States includes the 50 states and the District of Columbia. The purpose of travel outside the United States for City business must be unquestionably professional in content and should only be considered if a similar meeting, conference, or training of similar quality cannot be found within the continental limits of the United States.

The per diem rates when traveling abroad are determined by the US Department of State and can be found at [https://aoprals.state.gov/web920/per\\_diem.asp](https://aoprals.state.gov/web920/per_diem.asp).

For foreign travel, all reimbursable expenses that were not paid using a credit card or US currency must be converted to US currency before listing them on the travel expense claim.

## **City Reimbursement of Travel Costs that do not Require Overnight Travel**

Travel plans involving expenses that do not require overnight travel accommodations will be reimbursed based on actual cost substantiated by appropriate receipts. This includes training or meetings within the metro area.

## **Non-Reimbursable Expenses**

Examples of non-reimbursable personal expenses include, but are not limited to:

1. The personal portion of any trip;
2. Political fundraising or charitable contributions or events;
3. Family expenses, including partner's expenses when accompanying a city official on City related business, as well as children- or pet-related expenses;
4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events, travel gym, massage and/or golf related expenses, other cultural events or personal reading material;
5. Alcohol/personal bar expenses;
6. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
7. Personal losses incurred while on City business, such as clothing and personal effects.

## **Documentation**

All employees are required to provide the following documentation for all expenditures: (Unless following Per Diem)

- Itemized receipt
- Purpose for the expense
- In addition, if the expense is meeting-related:
  - o Specify attendee and employee or non-employee
  - o Relationship of non-employee to the meeting
  - o Reason that the meeting was not possible during business hours, if applicable

## **Violation of the Travel Policy**

Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following:

1. Loss of reimbursement privileges,
2. Demand for restitution to the City,
3. Disciplinary action,
4. Civil penalties of up to \$1,000 per day and three times the value of the resources used, and
5. Prosecution for misuse of public resources.

# Mileage Reimbursement Policy

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## Purpose and Scope:

The purpose of this policy is to define the terms and conditions under which the City will reimburse employees when using their personal vehicles while engaged in City business. The City encourages the use of city vehicles whenever possible. This policy shall also apply to elected officials and board/commission members, but only when traveling outside of the seven-county metro area while engaged in City business.

## Policy

Employees using their personal vehicles while engaged in City business are entitled to reimbursement for the lesser of ;1) miles actually driven to and from a meeting, training, or temporary work location; or 2) the miles that would have been driven had the employee traveled directly from and returned directly to their City workspace. Mileage Reimbursement is not applicable to any employee receiving a monthly car allowance.

The business mileage reimbursement is clarified in the following two examples:

- An employee is attending an all-day training session that is 15 miles from his or her workspace at Community Center but only 10 miles from his or her home. The employee opts to drive directly from home to the training and directly back home at the end of the day, without going to his or her workspace at Community Center. This employee would be eligible for reimbursement for 20 miles total (10 miles each way). Another employee who is based at Community Center lives 25 miles from the training and also drives directly from home to the training and back again. This employee would be reimbursed for 30 miles total (15 miles each way), because the distances from Community Center to the training is the lesser of the two amounts. The principle is that the City will not reimburse more than the actual miles driven, nor will it reimburse more than the mileage from Community Center to the event simply because an employee happens to live further out.
- A second example would be an employee traveling from home to his or her regular workplace at City hall and then leaving mid-day to attend a work-related function 12 miles away in Minneapolis. The employee then drives directly home after the function, which is a distance of 15 miles. This employee would be eligible for reimbursement for a total of 24 miles – the actual miles traveled to the event and an equivalent amount back, because that is the lesser of the distance back to City hall and the distance to their home.

## Procedure

1. Employees seeking mileage reimbursement are responsible for submitting a mileage reimbursement form within 60 days. This mileage reimbursement claim form is required for federal accountability requirements and allows the reimbursement to be nontaxable to the employee.
2. The supervisor is responsible for reviewing mileage reimbursement claim forms for accuracy prior to approving in a timely manner.
3. Mileage reimbursement rates are set by the City of Brooklyn Park to coincide with the standard rate at the time of travel allowed by the IRS which changes annually.
4. The mileage reimbursement is cut by Accounts Payable and sent to the employee.

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| Procedure       | Brooklyn Park Current                              | Proposed change  | Comments   |
|-----------------|--|--|--|
| <b>Policies</b> |  |  |  |
| 1               | General Purchasing Policy                          | Change in the lay out of the Manual : The Purchasing Policy did not have a purpose, policy, and high level procedures.   | p.7  |
| 2               | Public Purpose Policy (PPE)                        | 1)Any expenditure for meals or refreshments that exceeds \$250 for one event must have prior, written authorization by the Department Head, before the purchase is made. Any expenditure for meals or refreshments that exceeds \$500 for one event must have prior, written authorization by the City Manager, before the purchase is made. 2) Prohibited expenses, 3) documentation, 4)Prohibited Expenditures 5)Documentation 6) Special requests   | p.9-12   |
| 3               | PPE - Other Permitted Expenditures                 | Removed reference to Paid on-call firefighters awards  | p.10   |
| 4               | PPE - Other Permitted Expenditures                 | Employee training  | a. Registration, tuition and travel expenses for conferences, seminars, workshops, tuition and approved City employment related course work in accordance with City of Brooklyn Park Employee handbook is allowed.---<br>b. Tuition assistance required for retraining as part of planned organizational change based on an organization change plan is allowed.-- REMOVED |
| 5               | PPE - Other Permitted Expenditures                 | Memberships and Dues   | When primary purpose if the membership is for public benefit and not personal interest or gain accordance with City of Brooklyn Park Employee handbook - REMOVED   |
| 6               | Budget Controls                                    | Removed Dollar Amounts and line item requirements  | p.13   |
| 7               | Emergency Purchases                                | Occasions may arise due to emergencies where the normal bidding or RFP process cannot be followed. In those cases where the purchase exceeds \$25,000, Council approval must be obtained prior to payment.   | Change policy from 25k to 50k. Due to this having requirements in which deems a disaster, increasing this to 50k would allow us to still be protected  |
| 8               | People of Color & Women Owned Business Development | The City of Brooklyn Park contracts for and procures a wide variety of goods and services. Minority and Women-Owned Businesses are encouraged to respond to requests for bids and proposals directly as prime contractors.<br><br>The City will also recognize The Central Certification (CERT) Program; which is a small business certification program recognized in addition by Hennepin County, Ramsey County, the City of Minneapolis and the City of Saint Paul. The CERT Program includes certification for Minority-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), and Small Business Enterprise (SBE). | p.14   |
| 9               | Approved Signers                                   | Only supervisors will have second level approval authority   | p.17   |

| Procedure       | Brooklyn Park Current                    | Proposed change  | Comments  |      |
|-----------------|--|--|---|------|
| <b>Policies</b> |  |  |   |      |
| 10              | Electronic Signatures                    | <p>Signature Methods</p> <p>The City of Brooklyn Park will also accept e-signatures that have been authenticated by a digital software, such as DocuSign and Adobe Sign, when it includes the date and time of the signature, an authentication code, and is attributable to the person intending to sign the document.</p> <p>The City of Brooklyn Park accepts handwritten signatures on faxed or scanned documents and considers them to be e-signatures and are acceptable for procurement purposes.</p> | p.17  |      |
| 11              | Petty Cash                               | The petty cash fund is used for expenditures made on behalf of the city for goods up to (\$50.00).   | Change Policy to \$20.00  | p.17 |
| 12              | Contracts                                | Former State Statute was 150k  | Changed and Updated Policy to reference the state Statute.  | p.19 |
| 13              | Standard Professional Services Agreement |  | <p>Added: A "Standard Professional Services Agreement" will be used for all professional service contracts.</p> <p>The Standard Professional Services Agreement outlines consultant obligations including insurance and liability coverage requirements, audit disclosure, subcontractors, and termination processes. This contract will be used for all professional service agreements.</p>   | p.23 |
| 14              | Contracts                                |  | Should be Shared with Finance   | p.24 |
| 15              | Sole Source Purchases                    |  | <p>1) Changed the Sole Source limit from 25k to 50k for the City Manager, and Council review for 50k and over.</p> <p>2) Added examples of what Sole Source purchases that can be made.</p>   | p.25 |
| 16              | Withholding Certificates (IC134)         |  | No state agency or local unit of government can make final payment to a contractor until the Department of Revenue has certified that the contractor and any subcontractor have fulfilled the requirements of Minnesota withholding tax laws. If you are a prime contractor, a contractor or a subcontractor who did work on a project for the state of Minnesota or any of its local government subdivisions — such as a county, city or school district — you must submit a Contractor Affidavit to the Department of Revenue to receive a certificate of compliance. | p.26 |
| 17              | Retainage                                |  | A City of Brooklyn park will reserve an amount as retainage from any progress payment on a public contract for a public improvement. The amount may not exceed 5 percent of the payment. The city may reduce the amount of the retainage and may eliminate retainage on any monthly contract payment if the work progresses satisfactorily.   | p.27 |
| 18              | Prompt Payment To Subcontractors         |  | City contracts that involve a prime contractor must require the prime contractor to pay subcontractors within ten days of the prime contractor's receipt of payment from the city for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1.5 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time.   | p.27 |

| Procedure       | Brooklyn Park Current         | Proposed change  | Comments |
|-----------------|-------------------------------|--|----------|
| <b>Policies</b> |                               |  |          |
| 19              | Performance and Payment Bonds | <p>For contracts in excess of the State Statute MSS 471.345 that include labor (ex. road construction and the purchase and installation of playground equipment) a performance and payment bond in an amount not less than the contract price is required from the vendor. The required performance bond benefits the city by ensuring that the work is completed according to the terms of the contract, while the required payment bond benefits subcontractors and people who provide labor and materials, by seeing that their claims for labor and materials are paid. 18 When the public work contract is let, the amount of the bond needs to be equal to the contract price. If the contract price increases due to change orders, unforeseen conditions, cost overruns or any other reason after the contract is signed, the City Council has the option of increasing the amount of the contractor's bond. Consideration may be given for the percentage of the contract that is complete in relation to the contractor's bond and the increase in the contract price. Additional Information on Performance and Payment Bonds (Contractor's Bond) is available in the state statutes below</p> <p>18 See Public Contractors' Performance and Payment Bond Act, Minn. Stat. §§ 574.26-.32.</p> | p.27     |
| 20              | Debarment and Suspension      | Added Language around Suspension and Debarment   | p.29     |
| 21              | City Manager Limit            | If the proposed contract is anticipated to exceed \$10,000, but less than \$25,000, the City Manager must sign the contract on behalf of the City.   | p.31     |
| 22              | Department Heads Limit        | If the proposed contract amount is less than \$10,000, the responsible department head may sign the contract on behalf of the City   | p.31     |
| 23              | Asset Disposal                | <ol style="list-style-type: none"> <li>1) Added Asset Disposal Policy</li> <li>2) Types of Disposals (Ex. Donations to non-profits, Online Auctions, Scrap or Destroy, Dangerous or Hazardous Materials)</li> </ol>  | p.37     |
| 24              | Travel Policy                 | <ol style="list-style-type: none"> <li>1) Purpose and Scope</li> <li>2) Elaborated on the Travel Policy for further clarification and examples</li> <li>3) Added the Non-Reimbursables Expenses Section</li> <li>4) Expanded International Travel</li> <li>5) Frequent Flyer Miles</li> <li>6) Expanded on Transportation/Lodging</li> <li>7) Expanded on Meals and Incidental Expenses and provided examples</li> <li>8) Added Other Expenses Section which addresses things such as Lost luggage, registration fees</li> <li>9) Documentation</li> <li>10) Violation of This policy</li> </ol>   | p.44     |

| Procedure       | Brooklyn Park Current             | Proposed change  | Comments                                   |
|-----------------|-----------------------------------|--|--|
| <b>Policies</b> |                                   |  |  |
| 25              | Airport Parking / Baggage         | Long-term parking must be used for travel exceeding 24-hours. The maximum reimbursement rate, regardless of where you park, is the economy lot parking rate at the airport they are flying out of. The City will reimburse employees traveling on city business for 1 bag, unless the airline offers a free checked bag with the airfare. Gratuities of up to 15 percent will be reimbursed.   | p.44                                       |
| 26              | Parking Fees                      | If the traveler uses a vehicle on official city business and is reimbursed for mileage, parking charges may be reimbursed as an incidental expense. Maximum per park with receipt will be the actual expense.<br><br>*Travel Reimbursements must be submitted within 30 days of the expense.   | p.46                                       |
| 27              | International Travel              | International Travel<br>For domestic travel purposes, the IRS definition of the United States includes the 50 states and the District of Columbia. The purpose of travel outside the United States for City business must be unquestionably professional in content and should only be considered if a similar meeting, conference, or training of similar quality cannot be found within the continental limits of the United States.<br>The per diem rates when traveling abroad are determined by the US Department of State and can be found at <a href="https://aoprals.state.gov/web920/per_diem.asp">https://aoprals.state.gov/web920/per_diem.asp</a> .<br><br>For foreign travel, all reimbursable expenses that were not paid using a credit card or US currency must be converted to US currency before listing them on the travel expense claim. | p.50                                       |
| 28              | Mileage Reimbursement Policy      | New Policy ,and Expanded on examples   | p.52                                       |
| 29              | Policy and Procedures             | Updated Policy and Procedures based on current policies and procedures. (Example. Removed references from HTE, Purchase Orders, etc.)  |  |
| 30              | Procurement Standards             | Incorporated Procurement Standards into the policy.  | Approved by council in 2017.<br>p.28- p.29 |
| 31              | Links to Minnesota State Statutes | Adding Links for ease of researching data  |  |

**Action**

|                 |  |  |  |
|-----------------|--|--|--|
| Contract Review |  | Finance Review all contracts over 25k. |  |
| Bid Review      |  | Finance Review all bids over 25k.      |  |
|                 |  |  |  |

**Additional Items**

|                    |  |                                    |  |
|--------------------|--|------------------------------------|--|
| Contract Templates |  | Creating Contract Templates        |  |
| Form Updates       |  | Updated Forms                      |  |
| Links              |  | Updated Links to Outside resources |  |

| Procedure | Brooklyn Park Current | Proposed change | Comments |
|-----------|-----------------------|-----------------|----------|
|-----------|-----------------------|-----------------|----------|

**Policies**

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