



*"Village with a Past, City with a Future"*

210 Fidalgo Ave, Kenai, Alaska 99611-7794  
Telephone: (907) 283-7535 | Fax: (907) 283-3014  
[www.kenai.city](http://www.kenai.city)

## Scope

This policy applies to all purchases, except for routine, repetitive purchases of utilities, debt service payments, investments, and personnel services (payroll and benefits).

## Policy

The Finance Director must approve purchases of goods and services in advance and in writing. KMC 7.15 governs the purchases made by the City of Kenai. The following policy is intended as a supplement to KMC 7.15. The intent of the policy is to assure the expenditure of public funds is being made in the most responsible manner. The policy should in no case shall be less restrictive than KMC 7.15. The expected goal of any purchase shall be to receive the lowest cost for a good or service that meets the needs of the purchasing department:

### 1. Purchases less than \$1,000.00

Purchases less than \$1,000.00 do not require request for quotes or formal solicitation. Departments are encouraged to shop and verify the price being paid is competitive.

### 2. Purchases greater than \$1,000.00 but less than \$10,000.00

Purchases greater than \$1,000.00 but less than \$10,000.00 will require a minimum of three (3) verbal quotes. Verbal quotes must be documented on the purchasing Verbal Quote form. If three (3) verbal quotes are not available, a Sole Source Request form must be completed including a brief explanation as to why and justification for selection of the vendor is required. The completed Verbal Quote form must be routed to the Finance Department at the time a requisition is submitted.

### 3. Purchases greater than \$10,000.00 but less than \$25,000.00

Purchases greater than \$10,000.00 but less than \$25,000.00 will require a minimum of three (3) written quotes. Written quotes must be documented on the purchasing Written Quote form. If three (3) written quotes are not available, a Sole Source Request form must be completed including a brief explanation as to why and justification for selection of the vendor is required. The completed Written Quote form must be routed to the Finance Department at the time a requisition is submitted.



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**4. Purchases greater than \$25,000.00 but less than \$35,000.00**

Purchases greater than \$25,000.00 but less than \$35,000.00 will require City Manager approval to **NOT** require formal solicitation or bid. A written request to exempt a purchase from formal solicitation must include justification and the proposed method to be used in the absence of formal bid using the Exemption from Formal Bid Request form. At a minimum the requirements of purchases greater than \$10,000.00 but less than \$25,000.00 shall be followed. The approved Exemption From Formal Bid Request form must be routed to the Finance Department at the time a requisition is submitted.

**5. Purchases greater than \$35,000.00**

Purchases of goods or professional services greater than \$35,000.00 require formal competitive bid. Any deviation from formal competitive bid must be allowable under KMC 7.15.050 and be approved by the City Manager using the Exemption From Formal Bid Request form. The approved Exemption From Formal Bid Request form must be routed to the Finance Department at the time a requisition is submitted.

**6. Sole Source Procurement**

Purchases made without a competitive process, based on a justification that only one known source exists or that only a single supplier can fulfill the requirement are considered a sole source procurement. Requests to purchase from a sole source must be submitted to the City Manager for approval on the Sole Source Request form. The approved Sole Source Request form must be routed to the Finance Department at the time a requisition is submitted.

**7. Product Standardization**

Purchases from a single manufacturer or supplier to provide a good or service for which other manufacturers or suppliers exists is considered Product Standardization. Requests for product standardization must be submitted to the City Manager for approval on the Product Standardization Request form. Once approved, the purchase of standardized product or service must follow all requirements of KMC 7.15 and this policy. The approved Product Standardization Request form must be routed to the Finance Department at the time a requisition is submitted.