



City of Albertville

Council Workshop Agenda

Monday, December 3, 2012

City Council Chambers

Immediately Following Regular Council Meeting

- 1. Call to Order**
- 2. Purchasing Procedures**
- 3. Evaluation Format and Process for City Administrator**
- 4. Water and Sewer Budgets and Fees**
- 5. Adjournment**



TO: City Council

FROM: Robert D. Thistle
Interim city Administrator

DATE: 11/29/2012

RE: Documenting existing Purchasing procedures

BACKGROUND:

The City has been complying with the Existing City Purchasing Policy, which authorizes the City Administrator execute and manage expenses up to \$5,000 per occurrence for items budgeted. All purchase above \$5,000 requires prior Council approval.

In discussion with the Finance Director and City Engineer/Public Works Director, it was felt that some written guidance needs to be developed addressing the City’s purchasing practices. I reviewed a number of existing procedures utilized by other communities and have used them as a format for tailoring procedures for Albertville.

In practice, department heads have been handling purchases up to \$1,000 and presenting documentation for every expenditure.

Expenditures between \$1,000 and 2,500 have needed the approval of the Finance Director before incurring the expense. Items costing between \$2,500 and \$5,000 have required the approval of the City Administrator before being incurred.

This document clearly defines what the acceptable purchasing practice is for all of the employees and gives them guidance as to what are expected for quotes or bidding.

Beyond the day to day operation of the City, there are a variety of purchasing situations that a City may face, and this purchasing procedure document outlines and provides a “road map” for how they should take place when certain situations arise. These include price agreements, emergencies disaster, cooperative and the use of credit card procedures.

The process also outlines how to handle a potential conflict of interest, should one arise, in a purchase situation.

ACTION REQUIRED:

There is no Council Action required as this is an Administrative procedure that implements existing Council Policy but council insights are welcome.

CITY OF ALBERTVILLE PURCHASING PROCEDURE

Section I. Purpose

The purpose of this policy is to establish the procedures for purchases made on behalf of the City of Albertville. This policy has the following objectives:

1. To ensure that purchases comply with all applicable laws;
2. To ensure that taxpayers receive the lowest price and the best value for their tax dollars when the City purchases goods and services;
3. To provide clear and consistent guidelines for contractors to follow;
4. To provide clear and consistent guidelines for authorized City employees/purchasers to follow;
5. To limit the discretion of City officials and thus limit the possibility of fraud or favoritism.

Section II. Purchasing Oversight

The City Administrator is the Purchasing Agent for the City of Albertville in accordance with the City Purchasing policy found in Chapter 3 of the City's Codified Policies. Department heads shall be responsible for purchasing items within their respective budgets. All contracts, bonds, and instruments of every kind to which the City is a party shall be signed by the Mayor and/or the City Administrator on behalf of the City and shall be executed in the name of the City. All credit applications must be submitted to and approved by the City Administrator.

Section III. CONFLICT OF INTEREST

Any employee, appointed, or elected official who has a family or personal relationship with a vendor must disclose that relationship to the City Administrator or Mayor. The City Council on a case by case basis shall determine the level of involvement a representative of the City may have in dealing with a vendor, in which a family or personal relationship has been disclosed.

Section IV. Purchasing Levels

Department heads shall have the authority to authorize and/or approve purchases up to \$1,000 based on appropriations contained in the City's Budget. Purchases between 1,000 and 2,500, department heads shall check with the City Finance Director for authorization to proceed. The City Administrator shall authorize all purchase over \$2,500 up to \$5,000 based on appropriations contained in the City's Budget. Purchases that are greater than \$5,000, or items not appropriated through the annual budget, must be approved by the City Council.

Section V. Purchasing Procedures

Purchases may be made by the following methods:

1. Regular purchasing procedures
2. Price agreements
3. Emergency purchasing
4. Disaster purchasing
5. Cooperative purchasing
6. Use of credit cards.

Use of Purchase Orders/Field Orders

. Certain items purchased regularly from the same vendor do not require prior approval. These items include bulk fuel purchases, periodical subscriptions, memberships, uniforms, or any other items specifically exempted by the City Administrator and/or City Council. For purchases over \$5,000, a regular Purchase Order is required. The City Administrator must provide assurance that City Council or his/her approval, as applicable, has been obtained for the purchase.

These procedures apply to the purchase of supplies, materials, equipment, or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property. All purchases must be consistent with the approved annual budget. All telephone or verbal quotes must be followed with written confirmation.

1. Purchases of less than \$1,000

The purchase may be made in the open market by an authorized purchaser. Authorized purchasers are strongly encouraged to seek quotations from several vendors if the anticipated cost approaches \$1,000.

2. Purchases from \$1,000 to \$2,500

The purchase should be based on a minimum of three (3) quotations. Quotations may be obtained by telephone or in written form via facsimile, delivery service, or Internet. Quotations must have a specific date and time period for which they are valid. All quotations should be kept on file for a minimum of one (1) year and include the names of vendors providing the quotations, the amounts of the quotations, and each successful quotation signed and dated. Quotations from unsuccessful bidders should be attached to the payment voucher of the successful bidder. A Purchase Order must be completed. City Administrator approval is required.

3. Purchases from \$5,000 to \$100,000

The proposed purchase must be presented to Council for approval before the commencement of the purchasing process. The purchase may be made either via sealed bids or by obtaining three (3) or more written quotations, without advertising for bids or otherwise complying with the requirements of competitive bidding laws. Quotations may

be obtained by telephone or in written form via facsimile, delivery service, or Internet. Quotations must have a specific date and time period for which they are valid. All quotations should be kept on file for a minimum of one (1) year and include the names of vendors providing the quotations, the amount of the quotations, and each successful quotation signed and dated. If quotations are obtained by phone, they must be followed up with a signed quotation to be considered a valid quotation. The quotations must be forwarded to the City Council for selection and approval. This approval shall be accomplished by an agenda write-up submitted for consideration at a regularly scheduled Council meeting. A Purchase Order must be completed.

4. Purchases exceeding \$100,000

The proposed purchase must be presented to Council for approval before the commencement of the purchasing process. Purchases or contracts exceeding \$100,000 require formal sealed bids solicited by public notice in accordance with Minnesota Statute 471.345, Subd.3. The purchaser shall prepare or cause to be prepared, the specifications, the advertisement to solicit sealed bids, the opening and tabulation of bids, and any necessary investigation of the bids. The City's designated representative shall recommend to the City Council which bid is the lowest, responsible bid. The City Council shall determine the lowest responsible bidder and shall accept such bid. In all cases, the City Council reserves the right to accept or reject any or all of the bids, and waive informalities therein.

The City has reasonable discretion in determining the lowest responsible bidder. Not only must a successful bidder submit the lowest bid price and substantially meet the terms and conditions of the specifications, the low bidder must be considered "responsible" and have the capacity to perform the proposed contract. "Responsibility" includes such considerations as the bidders' financial responsibility, integrity, ability, skill, and likelihood of providing faithful and satisfactory performance. There is more latitude in purchasing items of equipment not capable of exact specifications. In making such a purchase, the City Council may exercise reasonable discretion in determining the lowest responsible bidder. The City Council may consider, in addition to the bid price, the quality, suitability, and adaptability of the article for its intended use.

Exclusions from Competitive Bidding Requirements

It is not legally necessary to advertise for bids for:

1. Professional services such as those provided by doctors, engineers, lawyers, architects, accountants, and other services requiring technical, scientific, or professional training. Before contracting any professional service over \$4,999, City Council approval is required. The City Council will decide if quotations or bids are appropriate even though not legally required;
2. The purchase or lease of real estate;
3. The purchase of non-competitive products patented or obtainable from only one source. Demonstration of this circumstance must meet statutory requirements for a "sole source vendor" purchase.

Travel

All expenditures for travel and training need prior approval by the Department Head. The Director of Fiscal and Support Services shall verify that the expenditure has been budgeted and that sufficient funds are available. The travel request will then be forwarded to the City Administrator for approval.

Invoice Approval

Department heads shall review all invoices for expenditures in their departments and verify the validity of the charges. Department heads shall sign and appropriately code invoices after ascertaining that the goods or services have been delivered to the City in the quantities listed and that the amounts charged are correct. The packing list or other documentation of receipt should be attached to the signed invoice. Certain invoices are excluded from Department Head review and approval. These include monthly invoices which are allocated to departments based on employee costs or other factors, e.g., health insurance, life insurance, dental insurance, utilities, telephone invoices, and refuse removal. However, if unusual or non-recurring charges appear on any of these invoices, Department head approval should be obtained prior to processing. All purchases/payments shall be reviewed and ratified by the City Council at their regular meeting before payments are released.

Payments will only be made from the original invoice; payments from statements are not allowed. Employee reimbursements must be submitted on the approved form and must be signed by the employee and the Department Head. All non-mileage reimbursements must have the original receipts attached.

Price Agreements

Price agreements may be used to acquire items the City frequently purchases in small quantities, i.e. gasoline, propane, and heating fuel. A price agreement is a contract between the City and a vendor. Under it, the vendor agrees to supply all of the City's requirements for the specified commodity during the period of agreement. The price may be fixed or variable, such as a fixed discount from market price. Such price agreements expedite delivery, reduce paperwork, and generally result in lower prices. The procedure for "Purchases of less than \$1,000" applies.

Emergency Purchasing

When an emergency occurs that may jeopardize public safety or the health and welfare of employees or citizens, department heads may authorize a necessary emergency purchase. Department head emergency purchases and the reason for the purchase shall be reported in writing to the City Administrator within 24 hours. At least two (2) competitive quotations should be utilized whenever possible as part of the process.

In an emergency situation, the City Council may dispense with the bidding requirements of state contract law. Before deciding if an emergency exists, the City Council shall consult with a competent attorney.

Disaster Purchasing

The Mayor may declare a local disaster or emergency. The declaration shall not be continued for a period in excess of three (3) days except by, or with the consent of, the City Council. A disaster may result from fire, flood, tornado, blizzard, destructive winds, or other natural causes, or from sabotage, hostile action, or from hazardous material mishaps or catastrophic measures, or emergencies that are technological in nature.

During a declared emergency, the City may enter into contracts and incur obligations necessary to combat the disaster by protecting the health and safety of persons and property, and providing assistance to victims of such disasters. The City may exercise such power as deemed necessary without complying with purchasing procedures prescribed by law pertaining to the performance of public work, entering into rental equipment agreements, purchase of supplies and materials, limitations upon tax levies, and the appropriation and expenditures of public funds, including, but not limited to, publication of resolutions, publication of call for bids, provisions of personnel laws and rules, provisions related to low bids, and requirement for budgets.

Cooperative Purchasing

The City may increase savings from bulk discounts by making purchases jointly with one or more governmental units through joint powers agreements. Under these programs, several governmental units can enter into an agreement to authorize one party to solicit bids and provide for the purchase at the option of each participating governmental unit. Once the governmental units agree on the specifications of the item, one party may advertise for bids on behalf of all the parties that participate in the agreement. Rather than specify a specific number of items, the advertising participant will advertise for a range of quantities estimated for the entire group. Each participating unit can make the final decision on whether to purchase the items from the successful bidder.

The City currently could participate in the Cooperative Purchasing Venture (CPV) administered by the Minnesota State Board of Administration.

Use of Credit Cards

As per MN Statute 471.382, the City Council may authorize the use of a credit card by any City officer or employee otherwise authorized to make a purchase on behalf of the City. In accordance with this statute, if a City officer or employee makes or directs a purchase by credit card that is not approved by the City Council, the officer or employee is personally liable for the amount of the purchase. All purchases by credit card must otherwise comply with all statutes, rules, and policies applicable to City purchases. The City Council shall approve the establishment of all credit card accounts. The Finance Department shall keep a record of all persons issued a credit card or having authorization to use a City credit card. Authorized persons will receive, sign, and file an acknowledgment form regarding credit card use.

Purchases must comply with the following requirements:

1. Claims presented to the City for payment must be in writing and itemized. Billings from credit card companies do not contain the detail necessary to satisfy these requirements;

therefore, the City must retain original invoices and receipts for all items charged on a City credit card.

2. The City will not use credit cards for carrying debt. The City will pay all credit card balances each month. The City will not be responsible for interest charges accrued due to delayed submission of receipts and payment requests. Such payment delays caused by the employee or officer failing to submit the necessary receipts to support the credit card statement in a timely manner shall be the responsibility of the employee or officer. The City will use all methods available to effect collection of these interest and carrying charges.
3. Individuals failing to comply with this policy shall have credit card privileges revoked and will be responsible for interest and late charges that result from their failure to comply with this policy.

Section VI. Effective Date

This administrative process implementing the City of Albertville's Purchasing policy is effective _____, and will remain enforce until changed by the City Administrator.

TO: City Council

FROM: Robert D. Thistle
Interim city Administrator

DATE: 11/29/2012

RE: **City Administrator evaluation format and process**

Following a review of the previous City Administrator evaluation format, talking with City Department Heads and hearing several Council comments regarding the previous evaluation format, I decided to undertake a review and modification to the process and prior format.

I reviewed the existing evaluations used by the City and a wide variety of formats used in other government organizations, as well as several from the private sector. In crafting these documents I considered several factors including: topics relevant to the position, clarity of task, ease of evaluation utilization and ability to give clear understanding of performance and future expectations. The evaluations need to be useful for all of the participants.

The review of the current evaluation format found it detailed and specific and often gave so many suggestions for improvement that the ability to undertake and improve all the areas became difficult. It is easier to focus on a few areas for improvement rather than a multitude.

The new format eliminates the numerical total composite score, as each area of responsibility needs to be evaluated on its own merit, and that an overall composite score is really not meaningful. As an example, the numerical adding of being excellent with community relations (5) and poor at economic development activities (1) don't average for both activities being 3. They are separate skills and need to be evaluated as such.

Personnel Committee

The Personnel committee met on November 13th and reviewed the proposed changes and made a number of constructive suggestions which have been incorporated into the new evaluation format. They concurred that the new format would be an improvement over the previous format and recommended it for consideration by the Council.

The following are the objectives I used in formulating the new format:

1. It should reflect the full range of expectations of the position.
2. It should be clear, clean and understandable.
3. It should be easy to utilize.

The following are the significant changes from the previous format:

1. It does away with the numerical calculation as those can be misleading in the cumulative.
2. It limits the narrative to an optional inclusion by each Councilmember.
3. It can be used individually or collectively by the Council and Administrator.
4. It can be used by the Council to establish goals for the next year for the Administrator.

Process (proposed):

1. The Administrator sends out the evaluation form to Council members. Optionally, the Administrator can also send it to direct report staff for their feedback and the Administrator can fill the evaluation out for her/him and send it to Council for their consideration.
2. Council members return the evaluations to the Personnel Committee for their review and compilation. The Committee should decide how they want to compile the evaluations. Should the committee decide to use a third party, it should not be direct reports to the Administrator.
3. The Personnel Committee reports their compilation to the City Administrator and City Council for review and discussion in a closed meeting. The City Administrator has the right to see each Council member's completed evaluation.
4. The Council can use the evaluations to set the direction for the Administrator for the upcoming year.



City Administrator Evaluation Format

Council Member _____

INSTRUCTIONS

This evaluation form for the City Administrator contains ten categories of evaluation criteria. Each category contains a statement to describe a behavior standard in that category. For each Statement, use the following scale to indicate your rating of the City Administrator's performance.

5 = Excellent (almost always exceeds the performance standard)

4 = Above Average (generally exceeds the performance standard)

3 = Average (generally meets the performance standard)

2 = Below Average (usually does not meet the performance standard)

1 = Poor (rarely meets the performance standard)

Any item left blank will be interpreted as a score of "3 = Average"

This evaluation form also contains a provision for entering narrative comments, including an opportunity to enter responses to specific questions and an opportunity to list any comments you believe appropriate and pertinent to the rating period. Please write legibly.

Leave all pages of this evaluation form attached. Initial each page. Sign and date the cover page. On the date space of the cover page, enter the date the evaluation form was submitted. All evaluations presented prior to the deadline identified on the cover page will be summarized into a performance evaluation to be presented by the Personnel Committee to the City Administrator.

PERFORMANCE CATEGORY SCORING

1. INDIVIDUAL CHARACTERISTICS

Diligent and thorough in the execution of duties, "self-starter"

Exercises good judgment

Displays enthusiasm, cooperation, and will to adapt

Mental and physical stamina appropriate for the position

Exhibits composure, appearance and attitude appropriate for executive position

INT: _____

2. Professional Skills

- Maintains knowledge of “best practices” being utilized in the management of local government
- Demonstrates a capacity for innovation and creativity
- Anticipates and analyzes problems to develop effective approaches for solving them
- Willing to try new ideas proposed by governing body members and/or staff
- Sets a professional example by handling affairs of the public office in a fair and impartial manner

3. RELATIONS WITH ELECTED MEMBERS OF THE GOVERNING BODY

- Carries out directives of the body as a whole as opposed to those of any one member or minority group
- Sets meeting agendas that reflect the guidance of the governing body and avoids involving the City Council in unnecessary administrative detail.
- Disseminates complete and accurate information equally to all members in a timely manner
- Assists by facilitating decision making without usurping authority
- responds appropriately to requests, advice, and constructive criticism

4. POLICY EXECUTION

- Implements governing body actions in accordance with the intent of Council
- Supports the actions of the governing body after a decision has been reached, both inside and outside the organization
- Understands, supports, and enforces local government's laws, policies, and ordinances in a consistent manner.
- Reviews ordinance and policy procedures periodically to suggest improvements to their effectiveness
- Offers workable alternatives to the governing body for changes in law or policy when an existing policy or ordinance is no longer practical or reasonable enforceable.

INT: ___

5. REPORTING AND COMMUNICATIONS

- Provides regular information and reports to the governing body concerning matters of importance to the local government, using the city policies as a guide
- Responds in a timely manner to requests from the governing body for special reports
- Takes the initiative to provide information, advice, options, and recommendations to the governing body on matters that are non-routine and not administrative in nature
- Reports produced by the administrator are accurate, comprehensive, concise and written for their intended audience
- Produces and handles reports in a way to convey the message that affairs of the City organization are open to public scrutiny

6. CITIZEN RELATIONS

- Responsive to requests from citizens in a timely manner and keeps them reasonable informed on the status of their request.
- Demonstrates a dedication to service to the community and its citizens
- Maintains a nonpartisan approach in dealing with the news and social media
- Meets with and listens to members of the community to discuss their concerns and strives to understand their interests
- Gives an appropriate effort to maintain citizen satisfaction with city services

7. STAFFING

- Recruits and retains competent personnel for staff positions and keeps City Council aware of staffing needs and workloads.
- Applies an appropriate level of supervision to improve any areas of substandard Performance
- Stays accurately informed and appropriately concerned about employee relations
- Professionally manages the compensation and benefits plan
- Promotes training and development opportunities for employees at all levels of the organization

INT: _____

8. SUPERVISION

- Encourages heads of departments to make decisions within their jurisdictions with minimal City Administrator involvement, yet maintains general control of operations by providing the appropriate amount of communication to the staff
- Instills confidence and promotes initiative in subordinates through supportive rather than restrictive controls for their programs while still monitoring operations at the department level
- Develops and maintains a friendly and informal relationship with the staff and work force in general, yet maintains the professional dignity of the City Administrator's office
- Sustains or improves staff performance by evaluating the performance of staff members at least annually, setting goals and objectives for them, periodically assessing their progress, and providing appropriate feedback
- Encourages teamwork, innovation, and effective and efficient problem-solving among the staff members

9. FISCAL MANAGEMENT

- Prepares a balanced budget to provide services at a level directed by Council
- Makes the best possible use of available funds, conscious of the need to operate the local government efficiently and effectively
- Prepares a budget and budgetary recommendations in an intelligent and accessible and comprehensive format.
- Ensures actions and decisions reflect an appropriate level of responsibility for financial planning and accountability
- Works with Finance Director to monitor and manage fiscal activities of the organization

10. COMMUNITY

- Shares responsibility for addressing the difficult issues facing the city
- Avoids unnecessary controversy
- cooperates with neighboring communities and the county
- Helps the Council address future needs and develop adequate plans to address long term trends
- Cooperates and participates with other regional, state and federal government agencies

INT:___

11. COMMUNITY DEVELOPMENT/REDEVELOPMENT KNOWLEDGE

- Maintains process for communications with existing business/maintain annual business visitation process to facilitate business retention, expansion and new employer.
- Develop and executes strategies for Community marketing.
- Uses the 2012 Visioning Plan to guide development
- Awareness of available economic/financing resources
- Federal and State program familiarity, i.e. housing, transportation and funding programs

NARRATIVE EVALUATION (optional)

- A. What would you identify as the Administrator's strength(s), expressed in terms of the principle results achieved during the rating period?

INT:___

B. What performance area(s) would you identify as most critical for improvement?
What constructive suggestions or assistance can you offer the Administrator to enhance performance?

C. What other comments do you have for the Administrator; e.g., priorities, expectations, goals or objectives for the new rating period?
(Items in this area can be time specific, i.e. 3 months, 6 months etc.)

INT:___

Administrator's response comments:

INT: __