

CEDAR CITY CORPORATION
PURCHASING POLICY
Adopted by Cedar City Resolution No. 12-0926
Amended by Resolution No. 13-0212-3

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CEDAR CITY CORPORATION
PURCHASING POLICY AND PROCEDURES

Adopted by Cedar City Resolution No. 12-0926.
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SECTION I. Definitions

The following definitions apply to terms used in this policy.

- A. Building improvement projects: The construction or repair of a public building or structure excluding the construction or repair at an international airport.
- B. City property: Any item of real or personal property owned by the City.
- C. Competitive bid: A written response from a contractor, supplier or vendor to a request to provide known and specific services or products as stated in an open advertisement outlining the scope, specifications, and terms and conditions of the proposed contract as well as the criteria that will be used to evaluate the responses.
- D. Donation: A gift of money, services, personal or real property of a tangible or intangible nature given without return consideration to the donor.
- E. Donor: An individual, a group of individuals or an entity that donates money, services, personal or real property of a tangible or intangible nature without return consideration.
- F. Emergency purchases: Purchases of materials or services made to eliminate an imminent risk of damage or loss of public or private property; remedy a condition that poses an immediate physical danger; or reduce a substantial, imminent risk of interruption of an essential public service.
- G. Encumbered: To record committed, planned or obligated expenditures in the accounting records.
- H. Known prospective bidders or responders: Individuals or entities that have responded to competitive bid requests or requests for proposals for similar services or products within the past two years or individuals or entities that have expressed interest in providing services or products similar to those being sought through formal written notification of their interest within the past two years.
- I. Local bidder: A business having all three of the following:

1. A commercial office, store, distribution center or other place of business located within the boundaries of Cedar City, with an intent to remain on a permanent basis. The principal place of business of a local bidder may be elsewhere as long as a local branch meeting the above criteria is present. The domicile of one or more partners, owners, associates, directors, employees or agents shall not qualify for constituting a local bidder in the absence of an actual local business outlet;
 2. A current City business license; and
 3. At least one employee physically present at the local business outlet.
- J. Lowest bidder/lowest local bidder: The bidder or local bidder, when the local bidder preference is applied, who has submitted the lowest bid to furnish supplies or contractual services to the City.
- K. Parcel of insignificant property: A continuous parcel of land that, in light of the City's zoning ordinance and engineering standards, is of insufficient size or dimension to allow a building to be erected on said property.
- L. Personal property: All rights and interests in property other than real property.
- M. Public works project: The construction of a park or recreational facility; or a pipeline, culvert, dam, canal, or other system for water, sewage, storm water or flood control; and does not include the replacement or repair of existing infrastructure on private property; construction commencing before June 1, 2003; and construction or repair at an international airport.
- N. Procurement processes: The methods of buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services or construction. Examples include competitive bidding, requests for proposals and price quotes.
- O. Real property: City property such as buildings, land, items mined from or produced from the land, and those structures that are attached to land.
- P. Request for proposal: A document used to solicit formal proposals from potential contractors, suppliers or vendors where the nature of the work to be performed or the product to be purchased has the potential to be satisfied with various options, which may be difficult to identify and accurately describe.
- Q. Responsible bidder: A bidder who has submitted a bid to furnish supplies or contractual services to the City and who has complied with the specifications, delivery terms and conditions, and other qualifications and requirements included in the invitation for bids. In determining a responsible bidder, the City may consider the following items:

1. The ability, capacity, experience and skill of the bidder to perform the service required;
2. Whether the bidder can perform, or the contractor provide his or her services within the time specified;
3. The quality and performance of the previous services by the bidder, either to the City or another entity;
4. Quality, availability and adaptability of the supplies or contractual services to the particular use required;
5. The ability of the bidder to provide future maintenance and service;
6. The number and scope of conditions attached to the bid, proposal or price quote;
7. The maintenance history of the product, the parts and service costs of the product, existing inventory, mechanics expertise and ease of maintenance; and/or
8. The local bidder preference.

SECTION II. Procurement processes

Except as otherwise required by state or federal law, the City shall accept purchase prices and award contracts pursuant to one of the processes outlined in this section, provided an exception as outlined in section IV does not apply. Section III establishes when each of these processes may be used. The City shall substantially comply with the guidelines for the specific process used, but shall not incur any liability in choosing one alternative over another.

A. Competitive bids

The competitive bid process shall be used when the nature of the work to be performed or the product to be purchased is known and can be adequately and accurately described in the bid documents.

1. Required documentation. All competitive bids shall have the following minimum documentation:
 - a. A notice inviting bids;
 - b. Specifications; and
 - c. Instructions to bidders.

2. At a minimum the notice inviting bids shall consist of the following:
 - a. A general description of the goods and/or services being solicited;
 - b. A physical and/or electronic location where interested parties may access a complete set of bid documents; and
 - c. The time and date when complete bids are due and the location where complete bids are to be submitted.
3. The minimum specification requirements shall include a description of the goods and/or services being solicited in enough detail as to enable a reasonable bidder to formulate a bid.
4. At a minimum the instructions to bidders shall include the following requirements, when reasonably necessary, considering the types of goods and/or services being solicited:
 - a. Bonding and insurance requirements;
 - b. The process bidders shall use to ask questions during the bid process;
 - c. Site visits;
 - d. Necessary licensure requirements;
 - e. Due dates and location for submitting bids;
 - f. Page limits and format of the bid;
 - g. Delivery terms and/or completion deadlines;
 - h. The award of bid being contingent on successful negotiation of an agreement with the City; and
 - i. The City's right to waive certain matters and/or reject any and all informalities.
5. The notice inviting bids shall be published as per the requirements contained in II(C).
6. The following minimum standards shall apply to all bids:

- a. Only bids submitted in conformance with the bid documents shall be considered;
 - b. Bids shall be opened in public on the date and at the time and place stated in the public notice; and
 - c. A tabulation of all bids received shall be available for public inspection either electronically or at the City offices during regular business hours for a period of not less than thirty days after the bid opening.
7. Bids shall be awarded or rejected pursuant to the provisions set forth in section V.

B. Request for proposals (RFPs)

The RFP process may be used when the nature of the work to be performed, or the product to be purchased, has the potential to be satisfied with various options which may be difficult to identify and accurately describe. This process shall only be used when the City Manager or a designee determines that this process is more advantageous to the City or the use of the competitive bid process is impractical.

1. Required documentation. All RFPs shall have the following minimum documentation:
 - a. A notice inviting proposals;
 - b. A request for proposals; and
 - c. Instructions to responders.
2. At a minimum the notice inviting proposals shall consist of the following:
 - a. A general description of the goods and/or services being solicited;
 - b. A physical and/or electronic location where interested parties may access a complete RFP; and
 - c. The time and date when complete proposals are due and the location where complete proposals are to be submitted.
3. The minimum RFP requirements shall include a description of the goods and/or services being solicited in enough detail so that a reasonable responder can formulate a proposal.

4. At a minimum the instructions to responders shall include the following requirements, when reasonably necessary, considering the types of goods and/or services being solicited:
 - a. Bonding and insurance requirements;
 - b. The process responders shall use to ask questions during the proposal process;
 - c. Site visits;
 - d. Necessary licensure requirements;
 - e. Due dates and location for submitting proposals;
 - f. Page limits and format of the bid;
 - g. Delivery terms and/or completion deadlines;
 - h. The award of proposal being contingent on successful negotiation of an agreement with the City; and
 - i. The City's right to waive certain matters and/or reject any and all informalities.
5. The notice inviting proposals shall be published as per the requirements contained in II(C).
6. The following minimum standards shall apply to all proposal reviews:
 - a. Only proposals submitted in conformance with the RFP documents shall be considered;
 - b. Proposals shall be evaluated on the basis of compliance with the notice requesting proposals; and
 - c. A tabulation of all proposals received shall be available for public inspection either electronically or at the City offices during regular business hours for a period of not less than thirty days after acceptance of a proposal.
7. Revisions to submitted proposals
 - a. Revisions of proposals may be permitted after submission, and prior to selection, for the purpose of obtaining the best and final offers.

- b. Discussions may be conducted with responders who submit responsible proposals when the City finds a reasonable likelihood that the proposal will be selected and identifies a need to further clarify its understanding of the elements of the proposal.
 - c. Responders who submit responsible proposals shall be accorded fair and equal treatment with respect to opportunities for discussion and revisions of proposals.
 - d. During discussions, information derived from submitted proposals shall not be disclosed to competing responders.
8. Proposals shall be awarded or rejected pursuant to the provisions set forth in section V.

C. Notice publication requirements for competitive bidding and request for proposals

Except as otherwise required by state or federal law, the following shall be the publication requirements for competitive bidding and requests for proposals:

- 1. Notices for all public works and building improvement projects that have an estimated cost exceeding the State of Utah's statutory bid limit shall be published twice at least five days before the due date for the bids or proposals. Notices shall be published in a newspaper of general circulation within the City and on a web page established by the collective efforts of Utah's newspapers.
- 2. All other notices shall be published once at least five days before the due date for the bids or proposals. The notices shall be published in a newspaper of general circulation within the City and on a web page established by the collective efforts of Utah's newspapers. In addition, notices may be published at least five days before the due date on the Cedar City web page.
- 3. Notices published in the newspaper and on the internet may also be delivered to known prospective bidders or responders. If notices are delivered to one known prospective bidder or responder, they shall be delivered to all known prospective bidders or responders.

D. Price quotes

- 1. Price quotes may be sought when the time and cost of using the competitive bid or request for proposals process is prohibitive.
- 2. Whenever possible, three price quotes shall be received.

3. To promote consistency, price quotes shall be solicited by written request that provides a general description of the work to be performed or the product to be purchased. Price quotes may also be solicited from published prices from various vendors, such as through internet advertisements.

SECTION III. Criteria for using procurement processes

Except as otherwise required by state or federal law, the following dollar limits shall govern the procurement processes identified in section II. Dollar limits shall apply to individual purchases or contracts, to like items rather than broad categories of purchases, and to City departments and divisions individually as identified in the City's annual budget, rather than to the City as a whole.

- A. Purchases and contracts estimated below \$3,000
 1. Purchases and contracts estimated below \$3,000 are not subject to the procurement processes identified in section II.
 2. When practical, the procurement processes identified in section II or the obtaining of verbal price quotes is encouraged.
- B. Purchases and contracts estimated at \$3,000 but below \$12,000
 1. Purchases and contracts estimated at \$3,000 but below \$12,000 shall, at a minimum, follow the procedures outlined in section II(D) for price quotes.
 2. When practical, the competitive bid process as outlined in section II(A) is encouraged.
 3. When the nature of the work to be performed or the product to be purchased has the potential to be satisfied with various options, which may be difficult to identify and accurately describe, the request for proposal process as outlined in section II(B) shall be used.
- C. Purchases and contracts estimated at \$12,000 or higher

Purchases and contracts estimated at \$12,000 or higher, shall follow the procedures outlined in section II(A) or (B).

SECTION IV. Exceptions to the procurement processes

While the procurement processes in section II are encouraged, unless otherwise required by state or federal law, they shall not be required in the following situations:

A. Professional service contracts

Upon approval of the City Manager, or a designee, professional services including but not limited to: auditing, appraisals, architecture, banking, artistic design, engineering, legal and other consulting services, may be awarded based on professional qualifications, service ability, cost of service and other criteria.

B. Contracts not suitable to competitive bidding

Contracts, which by their nature, are not suitable for competitive bidding include:

1. Contracts that may only be available from a single source;
2. Contracts for additions to and repairs and maintenance of buildings or equipment that may more efficiently or effectively be performed by a particular person or firm; and
3. Contracts for equipment and parts more compatible with existing equipment and parts inventories or the skills of trained City personnel;
4. Contracts for artistic performances and events such as concerts, comedy acts, variety shows, magic acts, races, rodeos, tournaments, festivals, and other such performances and/or events where the nature of the event is not conducive to competitive bidding.

C. Auction, bankruptcy, close-out and internet sales

Purchases of supplies, materials and equipment may be made at auctions, bankruptcy or close-out sales or on the internet, when the City Manager determines that such purchases would be made at a cost below the current market cost.

D. Exchanges

Real or personal property shall be exchanged between the City and any public agency by mutual agreement of all agencies involved.

E. Agreements with other agencies

The City shall have the power to enter into joint purchase agreements with any or all other public agencies within the state for the purchase of any commodity if the City Council finds the joint purchase agreement to be in the best interest of the City.

F. Projects performed by City employees

City employees may be used to complete City projects provided the City complies with state statutory requirements governing contracts for municipal public improvements.

G. State and other municipal government bid lists

The City may purchase supplies or goods, but not services, from the vendor who has submitted the lowest bid price for such items to the State of Utah purchasing office at the quoted price without any solicitation or price quotation or invitation to bid. For such purposes, the quoted price shall be deemed to be the lowest price available for such items and the City need not follow any other bidding requirements unless the cost of the proposed purchase on the State of Utah bid list exceeds twelve thousand dollars (\$12,000.00). If the State bid list price exceeds twelve thousand dollars (\$12,000.00) the City shall solicit bids in conformance with the procedures in this policy. If a local vendor, or vendors, bid on the item, and the local vendor, or vendors, are within one and one half percent (1.5%) of the state bid list, the bid shall be awarded to the local vendor with the lowest submitted price. Local vendors that have the low State bid price at the time of the purchase shall be required to honor the State bid list price and not receive a one and one half percent (1.5%) preference. For purposes of this policy local vendor is defined as a vendor with a principal place of business located within Cedar City and a valid Cedar City business license.

H. Utah Correctional Industries Division

The City may purchase goods and services produced and sold by the Utah Correctional Industries Division.

I. Grant and donor instructions and restrictions

City department and division heads are not prohibited from accepting cash or noncash grants and donations with specific instructions or restrictions that may conflict with the City's procurement processes. When such grants and donations are accepted, the grant and donor instructions and restrictions shall be followed when in conflict with City procurement processes.

J. Emergencies

The City Manager or his or her designee may authorize emergency purchases of materials or services.

SECTION V. Awarding bids and selecting proposals

Bids and proposals shall be evaluated and awarded or rejected in conformance with the requirements of the bid documents and this policy.

A. Awarding /rejecting bids and proposals

1. All bids required by the procurement criteria outlined in section III of this policy shall be awarded by the Cedar City Council except when the conditions outlined in sections V(A)(3) and (4) apply.
2. All proposals required by the procurement criteria outlined in section III of this policy shall be awarded by the Cedar City Council after considering cost benefit, staff recommendations and the criteria outlined in the RFP.
3. With the Mayor's authorization, and upon notification being provided to the City Council, City division and department heads shall have the authority to award bids between \$15,000 and \$50,000 when all of the following conditions are met:
 - a. The award is granted to the lowest bidder or the lowest local bidder under the local bidder preference in section V(E). When the lowest bidder or the lowest local bidder may not be a responsible bidder, the authority to award the bid shall revert back to the City Council, and
 - b. The award is for purchases approved as part of the City's annual budget.
4. City division and department heads shall have the authority to award bids and proposals under \$15,000 when all of the following conditions are met:
 - a. The award is granted to the lowest bidder or the lowest local bidder under the local bidder preference in section V(E). When the lowest bidder or the lowest local bidder may not be a responsible bidder, the authority to award the bid shall revert back to the City Council, and
 - b. The award is for purchases approved as part of the City's annual budget.

B. Rejection of all bids or proposals

Those authorized to approve or reject bids and proposals under section V(A) are also authorized to reject all bids or proposals presented, and may re-advertise for bids or proposals using the procurement processes outline in sections II and III.

C. Tie bids

When two or more bids are received that are equal in price, quality and service, the City Manager or designee may negotiate with the bidders to obtain the best bid possible.

D. Single bids

The City Manager or designee may require a price or cost analysis when only one bid is received. The bidder may be required to furnish a detailed cost proposal, and the bid award may be subject to subsequent negotiations.

E. Local bidder preference

1. In awarding bids for public work or for the procurement of supplies or services preference shall be given to local bidders, unless prohibited by federal law or by the terms of a federal grant or loan; the proceeds of which are used to fund the public work or procurement of supplies or services.
2. When the lowest responsible bidder is not a local bidder and local bidders are within five percent of the lowest responsible bid, the lowest responsible local bidder shall be awarded the bid if the lowest responsible local bidder agrees in writing to meet the lowest responsible bid within seventy-two hours after being notified by the City of the option to exercise the local bidder preference.
 - a. If the lowest responsible local bidder elects not to exercise the local bidder preference, the next lowest responsible local bidder who is within five percent of the lowest responsible bid shall be given the option to exercise the local bidder preference. This process shall continue until a qualified local bidder exercises the option or until there are no more local bidders within five percent of the lowest responsible bid.

- b. The City's notice to the lowest responsible local bidder shall contain the exact bid amount submitted by the lowest responsible bidder.
 - c. The City shall not enter into a contract with regard to the bid until the seventy-two hours beginning with notification to the local bidder has elapsed.
3. If no bidders qualify as local bidders, the same preference and procedures shall be extended to bidders from Iron County.

SECTION VI. Donations

This section shall not apply to federal and state grants. The City is not obligated to accept donations, and in fact, should not accept donations for projects that have not received approval from the City Council.

A. Cash donations

Before accepting a cash donation of more than \$250, the City department or division head receiving the donation shall obtain in writing from the donor all of the following:

1. The amount of the donation;
2. All donor instructions and restrictions governing the donation; and
3. Actions the City must take with any excess donated funds after the intended purpose of the donation has been met.

The City shall not incur any liability associated with the purpose of donated funds until all of the cash has been received.

B. Noncash donations

Before taking possession of a noncash donation with a fair market value in excess of \$1,000, the City department or division head receiving the donation shall obtain written validation from the donor that the noncash donation has been paid for and is free of all third party obligations.

SECTION VII. Purchasing procedures

Subsequent to compliance with all bid requirements set forth herein, the following shall govern purchasing procedures:

A. Preauthorization procedures

Purchases for goods and services not exempted in section VII(D) shall be preauthorized prior to the purchase being made.

1. Uniform purchase order forms approved by the Finance Director shall be used to obtain preauthorization for purchases.
2. Subsequent to compliance with all bid requirements, the department or division shall complete a purchase order and submit it to the finance department. The Finance Director or his or her designee shall review the purchase order for budget compliance and completeness and forward the approved purchase order to the City Manager or, in the absence of the City Manager, his or her designee.
3. Upon approval by the City Manager or his or her designee, the purchase order will be returned to accounts payable and, where possible, budgeted funds encumbered.
4. A copy of the approved purchase order will then be returned to the department or division and serves as notification that the purchase has been authorized.
5. Based on the parameters of the approved purchase order, the purchase can then be made.

B. Blanket purchase orders

A single purchase order may be preauthorized and budgeted funds encumbered for the entire amount of contracts and for blanket purchase orders to reduce paperwork and authorization time associated with multiple purchases throughout the year from the same vendor.

C. Payment of invoices

The division or department shall submit the invoice to accounts payable for payment. Invoices to be paid shall be accompanied by a copy of the preauthorized purchase order, or when a blanket purchase order is being used, the face of the invoice shall make reference to the blanket purchase order.

Checks will be released to vendors after final approval by the City Council. In rare instances checks may be released prior to City Council approval, when deemed necessary and appropriate by the City Manager or the Mayor.

D. Exceptions to preauthorization and/or payment of invoice procedures:

1. Purchase Cards

- a. The City may utilize a purchase card program as an alternative to purchase orders to provide a more efficient, cost-effective method of purchasing and paying for small-dollar transactions. An essential element of any purchase card program instituted by the City shall be the ability to establish monthly and single purchase limits. The maximum limits shall be \$7,500 per employee for monthly purchases and \$1,000 per department or division head or \$500 per employee for single purchases.
 - b. Department and division heads shall have the authority to designate employees who are issued purchase cards and establish purchasing limits within the overall parameters of this policy. All employees who are issued a purchasing card shall attend purchase card training prior to being issued the card and shall adhere to the policies and procedures developed for the purchase card program.
2. Recurring monthly charges for goods and services such as utility and fuel bills.
3. Travel per diem and other reimbursements to employees and other agents of the City including witness fees.
4. Refunds of deposits, overpayments and payments for services that ultimately are not provided to the customer.
5. The City Manager or his or her designee may authorize emergency purchases of materials or services.
6. Electronic transfers of funds from City accounts to facilitate bond payments, bond closings and other operational needs of the City when other options are not available, and upon approval of the City Treasurer and the City Manager or the Mayor.
7. When a cost savings or the loss of a cost savings of the greater of \$100 or five percent of the price would result due to a time deadline upon approval of the department head and the City Manager.
8. Use of the City's credit card after obtaining a preauthorized purchase order.

SECTION VIII. Change orders

The City recognizes that change orders are a normal component of the procurement process. This section outlines when modifications to approved competitive bids or proposals qualify as change orders and the approval process for change orders.

A. Determination of change orders

Modifications to approved contracts shall be deemed change orders when the Mayor and City Manager determine that:

1. The modification is related in some manner to the same project approved in the contract, and
2. Treating the modification as a change order would maximize efficiency in completion of and cost savings to the City.

Modifications deemed change orders shall not be required to go through the procurement processes outlined in section II of this policy.

B. Additive change order approval process

1. Individual change orders below \$3,000 or two percent of the contract amount, whichever is less, may be approved by the responsible department head after consultation with the project manager, provided the change order is within the approved project budget. Change orders similar in nature and timing shall not be split into multiple change orders to fall below the \$3,000 threshold.
2. Individual change orders \$3,000 and above shall be approved by the Mayor and City Manager after consultation with the responsible department head and project manager, provided the change order is within the approved project budget.
3. All change orders that will exceed the approved project budget shall be approved by the City Council before work is initiated.

C. Deductive change order approval process

1. The responsible department head, after consultation with the project manager, may approve change orders below two percent of the contract amount.
2. The Mayor and City Manager may approve change orders totaling two percent, but below five percent, of the contract amount.
3. Change orders of five percent or more shall be approved by the City Council.

D. Netting

1. The netting of cost increases and decreases to arrive at an additive or deductive change order is allowed only when items contained in the original contract are being upgraded, downgraded or replaced with related items that will serve the same, or a similar function or purpose.
2. When netting is used, the resulting additive or deductive change order shall follow the applicable approval process outlined in section VIII(B) or (C).

SECTION IX. Disposal or lease of City property

A. Disposal of personal property

1. Disposal of personal property with an estimated value less than \$1,000:
 - a. If the personal property in question is a consumable item such as office supplies, cleaning supplies, or other such supplies that are not in a condition to provide a beneficial use to the City, then such materials may be disposed of. The preferred method of disposal is by recycling the material. If recycling is not available the items may be placed in the garbage.
 - b. Items of personal property owned by the City that are provided for sale to the public, with prices established in the City's consolidated fee schedule, may be disposed of by the various departments without further process.
 - c. If the item of personal property in question is not a consumable item such as cell phones, keyboards, tools, hand guns, auto parts, sporting equipment or other such items, the following is the process for disposal:
 - 1) The department head shall gather an inventory of the items and provide said inventory to the City Manager. The inventory shall include a proposed method of disposal for each item.
 - 2) Once the inventory is given to the City Manager, and the City Manager approves of the disposal of the items contained in the inventory and the method of disposal, the department may dispose of the items. Methods of disposal include exchange, recycling, sale, donation, or depositing the property in the garbage. In choosing the method of disposal the department head shall give primary consideration to the method of disposal that will provide

the maximum benefit to the City and protect any confidential information. Recycling of used electronic devices is considered providing a benefit to the City.

2. Disposal of personal property with a value equal to or greater than \$1,000.00:
 - a. If a department has an item of personal property it would like to dispose of with an estimated value exceeding \$1,000.00, the department head shall request permission to dispose of the item from the City Council.
 - b. Once the City Council has given its permission to dispose of an item the department head may dispose of the item by recycling it, selling it at a public auction, or using it toward an exchange.

B. Disposal of real property

1. Other than rights of way, easements, or licenses reasonably anticipated to last no more than two years, all disposals of real property shall, at the minimum, follow the following procedure:
 - a. Receive a recommendation from the Planning Commission.
 - b. The property shall be appraised by a real estate appraiser that is duly licensed by the State of Utah. The appraisal shall be completed within six months of the proposed disposal, or at a date closer to the disposal if the City deems market conditions favorable to generating a greater sale price. The City may reserve the right to select the appraiser; however, once the appraiser is selected, the appraisal will be ordered by the City. All appraisal costs shall be prepaid for by the party who initiated the property disposal.
 - c. The property shall be placed for public bid with public notice being published one time at least 10 days prior to the closing of the public bid process. Notice shall be posted on the City's web page, in a newspaper of general circulation, and provided to known bidders.
2. If the real property proposed for disposal is an insignificant parcel of property, the property may be disposed of by a majority vote of the City Council without a public hearing.
3. If the real property proposed for disposal is a significant parcel of property, the property may be disposed of by a majority vote of the City Council. In the case of a significant parcel of real property the Planning Commission shall hold a public hearing prior to making its recommendation. The public hearing shall be advertised at least 14 days in advance on the City's web page and in a newspaper of general circulation.

C. Lease of real property

1. The Council recognizes that some of the City's property is leased out for a short term on a regular basis. Examples of these types of leases or rentals are rooms at Festival Hall, park facilities, and rooms at the Aquatic Center. These types of leases are not governed by this section of the policy. Rather, these types of leases are regulated by the establishment of a rental rate in the City's consolidated fee schedule.
2. In the case the request is made to lease property other than property where a rate is established in the City's consolidated fee schedule, the City Council may approve the lease of the City's real property upon such terms and conditions as may be deemed desirable, fair, and appropriate: considering intended land use, equivalent property tax value, fair and reasonable lease rates that will be adjusted over time, and the best interests of the City. Prior to approving a lease the City Council shall hold a public hearing which shall be advertised one time at least 14 days in advance of the public hearing on the City's web page and in a newspaper of general circulation.

SECTION X. Sanctions

A. It is unlawful:

1. For any bidder or any employee or officer thereof, in restraint of freedom of competition or otherwise, by agreement with any other person, bidder or prospective bidder, to bid a fixed price or to "rotate" bidding practices among competitors.
2. For any person or entity to offer or to give to any elected or appointed official, officer or employee of the City, or any member or their immediate family, any gift in excess of \$50, whether in the form of money, services, loan, travel, entertainment, hospitality, promise, or other form.
3. For any elected or appointed official, officer, or employee to disclose, in advance of the opening of bids or proposals, the content of any bid or proposal invited through the competitive bid or request for proposal process.
4. For any elected or appointed official, officer or employee to participate in the awarding of a contract from which said person would directly benefit, without fully disclosing any interest therein.

5. For any elected or appointed official, officer or employee or other person to appropriate any item of City property for personal or private use.
 6. For any elected or appointed official, officer or employee to purchase supplies or equipment for the personal use, unless the item or items are required as part of a worker's equipment and are necessary to the successful performance for the duties of such official, officer or employee. Other personal purchases shall not be permitted and will be cause for disciplinary action.
- B. The following contracts are, at the discretion of the City Council, voidable:
1. Contracts which result from a conflict of interest of this policy or other applicable law.
 2. Contracts awarded to a person or firm that tried to influence the award of contract by offering something of value to any elected or appointed official, officer or employee.