City of Kramer Municipal Code
**Chapter 12 – Regulation of City Purchasing**

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**Section 1 – Purpose.** Be it ordained by Kramer City Council of the City of Kramer, North Dakota declares this ordinance to provide for a uniform method for procuring supplies, materials, equipment and services necessary to carry out the duties and responsibilities for the City of Kramer. Furthermore, this ordinance enacts the 2025 City of Kramer Financial Controls, which outlines procedures for the protection of the city fiscal resources.

**Section 2 - Definitions.** The following words, terms, and phrases, and their derivations, have the following meanings except where the context clearly indicates a different meaning:

“*Bid*” also known as a [request for proposal (RFP)](https://www.google.com/search?rlz=1C1QCTP_enUS1162US1162&cs=0&sca_esv=f8b4fb4309dfaf24&sxsrf=AE3TifMunNrYmHQ9L6biTKFXGwRe00DPag%3A1751499274180&q=request+for+proposal+%28RFP%29&sa=X&ved=2ahUKEwiTsoegq5-OAxX0EVkFHeTgH9EQxccNegQIChAB&mstk=AUtExfDR2cGvf0ybHxzNHBXct8eAX2KR7qe9M9fuRfNWCnNGEzpqLu00RTO4fLF-A09wbArnVjmWJihLDqhT9IQHbK7duAn_23iP7HEWPqm8uGYLmwB6ksW6fNfsFan6oOl6TGl5XF0H4AqP_r40ZbXp9K87AMQqshFXKL1pYIWJgCaOf40&csui=3) or a request for quotation (RFQ), is a formal invitation from a city government for businesses to submit offers to fulfill specific needs, such as supplies, equipment, or provision of services. The process is designed to ensure that the city gets the best value for its money by fostering competition among potential vendors.

“*Cit*y” is defined as the City of Kramer.

“*City Council*” is defined as the Kramer City Council for the City of Kramer, North Dakota

“*Conflict of Interest*” in procurement is defined when a person involved in the procurement process has personal, financial, or other interests that could compromise their impartiality or objectivity, potentially leading to unfair advantages for certain suppliers. This can negatively impact the integrity and fairness of the procurement process, erode public trust, and even expose organizations to legal and financial risks.

“*Open Market*” is defined as the procurement of material or services in the city service area using local and regional providers, when said action is not restricted by a state or county contract and/or is below the established threshold of $300.00 requirement for a bidding process.

“*Procurement*” is defined as the process of locating and agreeing to terms and purchasing goods, services, or other works from an external source, often with the use of a tendering or competitive bidding process.

“*Sealed Bid*” is defined as a method of submitting a bid where the offer is placed in a sealed envelope or submitted through a secure system without revealing the bid amount to other bidders. All bids are opened and evaluated simultaneously at a designated time, typically at the end of a specific bidding period. The highest bid (or lowest, in some cases like government contracts) wins the auction or procurement.

“*Service Area*” is defined as the geographic region where City of Kramer can reasonably procure its supplies, equipment, or provision of services and such action can remain fiscally responsible. The City of Kramer’s service area is limited to Bottineau, McHenry, Rolette and Ward counties. When feasible, businesses in the City of Bottineau are considered as preferable but not mandated. Online purchases are to be used only when other alternatives do not exist or are beyond the reach of the service area.

**Section 3 - Policy and Compliance with the Law**

**12.3. Policy**

It is the policy of the City of Kramer to procure supplies, materials, equipment and services in an efficient manner and to ensure that the highest quality is obtained at the best price available. When practicable and in the best interest of the City, competitive bids shall be solicited to reduce prices.

**12.3.1. Compliance with Law**

It is the policy of the City of Kramer to comply with all laws, rules, regulations and orders with respect to local preference, non-discrimination, wages and hours and all other applicable laws, rules, regulations and orders.

Furthermore, all suppliers, contractors and service providers doing business with the City of Kramer shall certify that they are in compliance with all Federal, State and local laws, regulations and orders, including, but not limited to, those regarding non-discrimination, wages and hours, workers' compensation and immigration. Failure of compliance shall result in the cancellation of any City contract and exclusion from consideration for future contracts.

**12.2.2. Conflict of Interest - Financial**

Any purchase of a good or service, or contractual relationship which might directly or indirectly benefit a member of the city council or appointee must be obtained through a formal public bid process regardless of the estimated or actual purchase price. Furthermore, in accordance with City of Kramer Conflict of Interest Policy, any vote concerning said purchases, the individual with the conflict-of-interest must recuse themselves or as the council determines, permit the vote or set-aside the member from the vote.

**12.2.3. Approval of Purchases**

Regardless of the value, all contractual agreements obligating the City of Kramer must be reviewed by city auditor and approved by the Kramer City Council.

**Section 4 - Competitive Bidding**

**12.4. Competitive bidding required.**

All procurement of supplies, materials, equipment and contractual shall be made by competitive bid, except as otherwise provided herein. Bid requests shall be advertised in the Bottineau Courant once each week for two consecutive weeks with the bid opening at least five days after the last advertisement.

**12.4.1. Sealed bids**

The City shall accept only sealed bids. Whenever the City advertises, or solicits, sealed bids, it shall designate a time and place for the opening of such bids. If all the bids are not rejected, the purchase must be made by the bidder submitting the lowest and best bid meeting or exceeding the specifications set out in the invitation for bids. If two or more bids contain identical pricing or receive identical evaluation scores, preference must be given to bids submitted by local vendors. The City reserves the right to reject all bids, and to waive irregularities.

**Section 5 - Exceptions to competitive bidding.**

**12.5. Fisal Limitation**

Notwithstanding Section [4](https://library.municode.com/nd/dickinson/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTVPR_S2-443COBIRE), competitive bidding shall not be required for the purchases of supplies, materials, equipment and services having a total cost of three-hundred dollars ($300.00) or less. Purchases of such may be made in the open market, without competitive bidding, provided:

* The city auditor solicits prices or quotes for the supplies, materials, equipment and services from a minimum of two local vendors, if available in the service area of the city.
* The city auditor must provide information as to why any purchase should not be made using competitive bidding and provides the prices or quotes supplied by such vendors to the council.
* The city auditor’s recommendation that the purchase be made by the vendor submitting the lowest price or quote that meets or exceeds the specifications of the purchase and the needs of the city, and the city council agrees the purchase price for the supplies, materials, or equipment is a reasonable and fair price in the local market.

**12.5.1. Documentation of Purchases**

 Purchases by the council or the city auditor should be paid using an approved City of Kramer check through FNBT from the appropriate account and with two pre-approved signatures.

 When circumstances do not lend themselves to use an approved city check, the purchase must be fully documented with receipts, and the disbursement of funds to reimburse the auditor or city official for the purchase made must be attached or copied onto the receipt for the purchase and it must be clearly annotated on the monthly financial report to the city council.

**14.6. Authorization**

This municipal Chapter requires two readings, a vote of approval by the Kramer City Council, and it shall become effective upon signature

**12.7.** **Supremacy Clause.**

This ordinance supersedes all previous ordinance and amendments and negates all and any previous contracts and agreements, written or spoken concerning the

Documented Vote:

Date of First Reading: City Officer in Attendance

Date of Second Reading: City Officer in Attendance

Adopted this day:

Mayor: Auditor Attests