



CITY OF BLAIR

Section: 200 Organization, Management & Administration
Number: 204
Subject: Procurement & Asset Management
Issued By: Melinda K. Rump, Mayor
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Revised Date:

Purpose:

The purpose of this policy is to establish uniform procedures governing the procurement, authorization, acquisition, management, disposition, and administration of goods, services, professional services, equipment, public improvements, purchase orders, and municipal assets by the City of Blair.

This policy is intended to:

- Ensure compliance with applicable Nebraska statutes governing cities of the first class;
- Promote fairness, transparency, competition, accountability, and fiscal responsibility;
- Establish clear procurement authority and purchasing controls;
- Provide consistent purchasing, contracting, purchase order, and asset management practices;
- Protect public funds and municipal property through appropriate internal controls, approvals, and documentation;
- Establish ethical standards for procurement and asset administration; and
- Provide procedures for the lawful acquisition, retention, disposition, and use of municipal assets, including abandoned property where authorized by law.

This policy shall be administered in accordance with applicable Nebraska law, including but not limited to:

- Neb. Rev. Stat. § 16-321;
- Neb. Rev. Stat. § 16-321.01;
- Neb. Rev. Stat. §§ 73-101 through 73-105;
- Neb. Rev. Stat. §§ 60-1901 through 60-1905;
- Applicable State Procurement Act provisions;
- Applicable federal grant and procurement requirements; and
- Other applicable State and Federal laws and regulations.

Policy:

The City of Blair shall procure goods, services, equipment, public improvements, and professional services in a manner that promotes:

- Open and fair competition;
- Transparency and accountability;

- Responsible stewardship of public funds and assets;
- Compliance with applicable laws and regulations; and
- Ethical and impartial procurement and asset management practices.

Purchases, contracts, purchase orders, acquisitions, and dispositions shall be conducted only as authorized by this policy, applicable City ordinances, and Nebraska law.

No employee or official shall circumvent procurement or bidding requirements through:

- Artificial division of purchases;
- Sequential purchasing intended to avoid bidding thresholds;
- Improper emergency declarations;
- Unauthorized procurement methods; or
- Purchases made prior to required approvals.

The City reserves the right to reject any or all bids, quotations, or proposals when determined to be in the best interest of the City.

Definitions:

Abandoned Property: Property, including vehicles, that has vested in the City pursuant to Nebraska law governing abandoned property or abandoned vehicles.

Capital Expense: A purchase, acquisition, construction project, improvement, or asset having a useful life extending beyond a single fiscal year and meeting the capitalization threshold established by the City's finance policies, accounting procedures, or annual budget administration practices. Capital expenses may include, but are not limited to:

- land acquisition;
- buildings and building improvements;
- infrastructure improvements;
- vehicles;
- heavy equipment;
- major technology systems;
- utility system improvements; and
- other long-term municipal assets.

Capital expenses are typically funded through:

- capital improvement budgets;
- bond proceeds;
- grants;
- dedicated infrastructure funds; or
- other authorized funding sources.

Cooperative Purchasing: Procurement through contracts competitively solicited by another governmental entity or cooperative purchasing organization authorized under Nebraska law.

Cooperative Purchasing Organization: A governmental or quasi-governmental organization that competitively solicits and administers contracts for goods or services on behalf of participating public agencies and governmental entities.

The City may utilize contracts awarded through cooperative purchasing organizations when authorized by Nebraska law and when determined to be in the best interest of the City.

Examples include:

- Sourcewell
- NASPO ValuePoint
- Nebraska Administrative Services (State Bid)

Emergency Procurement: A procurement necessary to prevent:

- Serious harm to life, health, safety, or property;
- Interruption of essential public services; or
- Significant operational disruption.

Procurement: The acquisition of supplies, materials, equipment, services, professional services, construction, or public improvements by purchase, lease, rental, or contract.

Professional Services: Services requiring specialized knowledge, training, licensing, or expertise, including but not limited to:

- Legal services;
- Engineering;
- Architecture;
- Surveying;
- Planning;
- Auditing; and
- Information technology consulting.

Public Bid: A formal competitive procurement process requiring:

- public notice;
- solicitation documents or specifications;
- sealed bids;
- a designated submission deadline;
- public bid opening; and
- documentation and retention of bid records.

Public Improvement: Any public works project, street improvement, utility improvement, building construction, repair, enlargement, or infrastructure project undertaken by the City.

Purchase Order: A written authorization issued by the City approving the purchase of goods or services and identifying:

- the vendor;
- authorized expenditure amount;
- funding source;
- procurement method; and
- applicable approvals.

Responsible Bidder: A bidder possessing the skill, judgment, integrity, financial resources, and ability necessary to faithfully perform the contract requirements.

Surplus Property: Any City-owned equipment, materials, vehicles, supplies, or property determined to be obsolete, unused, uneconomical to repair, or no longer necessary for municipal operations.

Procedure:

1. Procurement Authority

- a. The City Administrator shall oversee administration of procurement procedures, internal controls, purchase order procedures, and asset management procedures established by this policy.
- b. Department heads may initiate procurement requests subject to:
 - i. budget authorization;
 - ii. approval authority limits; and
 - iii. compliance with this policy.
- c. The City Council shall approve contracts, acquisitions, public improvements, and procurements as required by Nebraska law or City ordinance.

2. Purchase Orders and Preauthorization

- a. Except as otherwise authorized by this policy, departments shall obtain an approved purchase order prior to ordering, purchasing, or acquiring goods or services on behalf of the City.
- b. Purchase order requests shall include:
 - i. vendor name;
 - ii. description of goods or services;
 - iii. estimated cost;
 - iv. budget account information;
 - v. applicable quotations, bids, or procurement documentation; and
 - vi. justification for sole source or emergency procurements where applicable.

- c. Departments shall not:
 - i. authorize purchases without sufficient budget authority;
 - ii. divide purchases to avoid procurement thresholds; or
 - iii. make purchases prior to required approvals.
- d. Retroactive or “after-the-fact” purchase orders are prohibited except where specifically approved by the City Administrator due to documented emergency circumstances.
- e. Departments shall verify receipt of goods or satisfactory completion of services prior to approving invoices for payment.
- f. Unauthorized purchases made outside this policy may become the personal responsibility of the employee or official making the purchase.
- g. The City Administrator may establish administrative procedures identifying:
 - i. purchase order exemptions;
 - ii. recurring payment procedures;
 - iii. emergency procurement documentation requirements; and
 - iv. financial approval workflows.

3. Procurement Procedures

a. Small Purchases – Under \$5,000

- i. Departments may procure goods or services under \$5,000 without formal quotations provided:
 - 1. funds are budgeted;
 - 2. pricing is reasonable;
 - 3. an approved purchase order is issued when required; and
 - 4. procurement documentation is maintained.
- ii. Departments are encouraged to obtain competitive pricing whenever practical.

b. Informal Quotations – \$5,000 to \$25,000

- i. Purchases between \$5,000 and \$25,000 shall require:
 - 1. a minimum of three verbal or written quotations when practical;
 - 2. an approved purchase order; and
 - 3. documentation of pricing and vendor selection.
- ii. The department shall maintain records of:
 - 1. vendors contacted;
 - 2. pricing received; and
 - 3. justification for vendor selection.

c. Written Quotations – \$25,000 to \$90,000

- i. Purchases between \$25,000 and \$90,000 shall require:
 - 1. written quotations or informal competitive proposals from multiple vendors whenever practical;
 - 2. documented evaluation of pricing and qualifications;
 - 3. an approved purchase order; and
 - 4. approval by the City Administrator or City Council as required.
- ii. The City may utilize:
 - 1. requests for quotations (RFQs),
 - 2. informal requests for proposals (RFPs), or
 - 3. cooperative purchasing contracts.

d. Formal Competitive Bidding – Over \$90,000

- i. Contracts for public improvements or purchases subject to Neb. Rev. Stat. § 16-321 exceeding \$90,000 shall require formal competitive bidding unless otherwise authorized by law.
- ii. Formal bidding procedures shall include:
 - 1. preparation of specifications;
 - 2. public advertisement for bids;
 - 3. sealed bids;
 - 4. public opening of bids;
 - 5. bid tabulation;
 - 6. approved purchase authorization; and
 - 7. City Council approval.
- iii. Where required by statute:
 - 1. the City Engineer shall prepare cost estimates prior to bidding.
- iv. The City may reject bids substantially Exceeding:
 - 1. Engineering estimates;
 - 2. Department estimates;
 - 3. Available budget authority; or
 - 4. Appropriated funding levels.

(Refs: Neb. Rev. Stat. §§ 16-321 and 73-101 through 73-105)

4. Cooperative Purchasing

- a. The City may utilize cooperative purchasing contracts, State contracts, or intergovernmental purchasing agreements when authorized by Nebraska law.

- b. Municipal bidding procedures may be waived:
 - i. when purchasing through State Procurement Act contracts;
 - ii. when utilizing cooperative purchasing organizations;
 - iii. when required for federal grants or programs; or
 - iv. as otherwise authorized by statute.

(Ref: Neb. Rev. Stat. § 16-321.01)

5. Professional Services

- a. Professional services may be procured using:
 - i. direct negotiation;
 - ii. qualifications-based selection;
 - iii. requests for qualifications (RFQs); or
 - iv. requests for proposals (RFPs).
- b. Selection criteria may include:
 - i. qualifications;
 - ii. experience;
 - iii. specialized expertise;
 - iv. project understanding;
 - v. references; and
 - vi. pricing when appropriate.
- c. The City is not required to select professional services solely on lowest cost.

6. Sole Source and Specialized Purchases

- a. The City may authorize sole source procurements where:
 - i. goods or services are available from only one source;
 - ii. compatibility with existing systems or equipment is necessary;
 - iii. standardized equipment or software is operationally required;
 - iv. unique or specialized equipment is necessary; or
 - v. other circumstances justify sole source procurement in the best interest of the City.
- b. Departments requesting sole source procurement shall provide written justification documenting:
 - i. the basis for sole source determination;
 - ii. operational necessity;
 - iii. compatibility considerations; and
 - iv. why competitive procurement is impractical.
- c. Sole source determinations shall be retained with procurement records.

7. Emergency Procurement

- a. In the event of an emergency requiring immediate procurement action:
 - i. competitive bidding requirements may be suspended as authorized by Nebraska law;
 - ii. emergency purchases shall be limited to those necessary to address the emergency condition.
- b. Emergency procurements shall:
 - i. be documented in writing;
 - ii. identify the nature of the emergency;
 - iii. identify the vendor selected;
 - iv. identify the goods or services acquired; and
 - v. be reported to the City Council.
- c. *(Ref: Neb. Rev. Stat. § 16-321 emergency provisions)*

8. Grant Funding Compliance

- a. Procurements involving federal or state funding shall comply with:
 - i. funding agency procurement requirements;
 - ii. grant conditions;
 - iii. Uniform Guidance requirements where applicable; and
 - iv. other applicable State or Federal regulations.
- b. Nothing in this policy shall be construed to waive or supersede any applicable federal or state procurement requirement. Where federal or state statutes, regulations, grant conditions, funding agreements, or agency directives establish procurement standards that are more restrictive than this policy, those requirements shall govern.
- c. Departments administering grant-funded projects shall maintain procurement documentation sufficient to demonstrate compliance with all applicable funding requirements.

9. Ethical Standards and Conflicts of Interest

- a. City officials and employees involved in procurement or asset administration shall:
 - i. avoid conflicts of interest;
 - ii. avoid favoritism or preferential treatment;
 - iii. disclose financial or personal interests in procurement matters; and
 - iv. comply with all applicable ethics policies and Nebraska law.

- b. No employee or official shall participate in procurement decisions involving:
 - i. immediate family members;
 - ii. businesses in which they hold a financial interest; or
 - iii. situations creating actual or perceived conflicts of interest.

10. Records and Documentation

- a. The City Clerk or designated staff shall maintain procurement and asset management records sufficient to document:
 - i. purchase orders;
 - ii. solicitations;
 - iii. quotations;
 - iv. bids;
 - v. proposals;
 - vi. evaluations;
 - vii. contracts;
 - viii. approvals;
 - ix. change orders;
 - x. invoices;
 - xi. procurement correspondence;
 - xii. asset acquisition records;
 - xiii. surplus disposition records; and
 - xiv. abandoned property documentation.
- b. Records shall be maintained in the City's records management system in accordance with applicable records retention requirements.

11. Public Notice and Bid Openings

- a. Where formal bidding is required:
 - i. public notice shall be published in accordance with Nebraska law;
 - ii. bids shall be publicly opened at the designated time and place; and
 - iii. bid results shall be documented and retained.

12. Lowest Responsible Bidder

- a. The City shall not be required to award contracts solely based upon lowest price. The City may consider whether a bidder is the lowest responsible bidder based upon factors including, but not limited to:
 - i. the ability, capacity, and skill of the bidder to perform the contract required;
 - ii. the character, integrity, reputation, judgment, experience, and efficiency of the bidder;
 - iii. whether the bidder can perform the contract within the time specified;

- iv. the quality of performance on previous contracts;
 - v. previous and existing compliance with laws and regulations relating to the contract;
 - vi. financial capacity and stability;
 - vii. life-cycle costs and maintenance costs associated with the goods or services;
 - viii. operational compatibility with existing City systems or equipment;
 - ix. energy efficiency and operational performance;
 - x. delivery schedules and responsiveness;
 - xi. references and documented performance history;
 - xii. previous performance for the City;
 - xiii. compliance history with City ordinances, utility accounts, permits, taxes, or fees;
 - xiv. responsiveness to specifications and solicitation requirements; and
 - xv. other information determined relevant to the best interests of the City.
- b. The City reserves the right to reject bids determined not to be in the best interest of the City.
- c. *(Refs: Neb. Rev. Stat. §§ 73-102 through 73-105)*

13. Vendor Suspension or Disqualification

- a. The City Council may declare a vendor or contractor to be suspended, disqualified, or an irresponsible bidder for a stated period of time when determined to be in the best interest of the City.
- b. Grounds for suspension or disqualification may include, but are not limited to:
 - i. default on previous bids, quotations, contracts, or projects;
 - ii. unresolved performance deficiencies;
 - iii. failure to timely complete prior work;
 - iv. repeated nonperformance or poor workmanship;
 - v. collusion or procurement misconduct;
 - vi. fraud, misrepresentation, or false statements;
 - vii. violation of procurement requirements;
 - viii. delinquent debts, taxes, utility accounts, or fees owed to the City;
 - ix. debarment or suspension by another governmental entity; or
 - x. failure to comply with applicable laws, ordinances, permits, or licensing requirements.
- c. Prior to disqualification:
 - i. the vendor shall receive notice of the proposed action;
 - ii. the vendor shall be provided an opportunity to respond; and
 - iii. the City Council shall consider the matter at a public meeting.
- d. The determination of the City Council shall be final unless otherwise provided by law.

14. Local and Regional Vendor Participation

- a. The City encourages participation by local and regional vendors whenever practical and permitted by law. Nothing in this policy shall:
 - i. require award based upon geographic preference;
 - ii. supersede federal or state grant requirements; or
 - iii. prevent the City from selecting the procurement option determined to be in the best interest of the City.

15. Contract Administration

- a. Departments administering contracts shall:
 - i. monitor contractor performance;
 - ii. verify satisfactory completion of work;
 - iii. approve invoices only for acceptable work or delivered goods;
 - iv. document deficiencies or disputes; and
 - v. maintain contract records.
- b. Change orders exceeding budget authority or materially altering the scope of work shall require approval consistent with City procedures.

16. Capital Expenses

- a. Capital expenses shall remain subject to all applicable procurement, quotation, bidding, purchase order, approval, and documentation requirements established by this policy and applicable Nebraska law.
- b. The classification of a purchase or project as a capital expense shall not exempt the procurement from required competitive procedures or approval requirements.

17. Surplus Property

- a. The City may dispose of surplus or obsolete property through:
 - i. trade-in;
 - ii. public sale;
 - iii. auction;
 - iv. sealed bids;
 - v. cooperative governmental transfer; or
 - vi. other methods approved by the City Council or City Administrator.
- b. Disposition shall be documented and conducted in the best interest of the City.

18. Acquisition and Use of Abandoned or Forfeited Property

- a. The City may acquire title to abandoned vehicles or other property in accordance with applicable Nebraska law.
- b. Where authorized by statute, the City may:
 - i. retain property for municipal use;
 - ii. transfer property between departments;
 - iii. sell property;
 - iv. auction property; or
 - v. otherwise dispose of property in the best interest of the City.
- c. Prior to retaining abandoned property for municipal use:
 - i. statutory notice and title procedures shall be completed;
 - ii. ownership shall vest in the City as required by law;
 - iii. the property shall be evaluated for operational suitability and safety; and
 - iv. approval shall be obtained from the City Administrator or City Council, as applicable.
- d. The City shall maintain records documenting:
 - i. acquisition;
 - ii. statutory compliance;
 - iii. title transfer;
 - iv. departmental assignment;
 - v. inventory records; and
 - vi. final disposition.
- e. Nothing in this policy shall supersede requirements governing:
 - i. evidence retention;
 - ii. criminal forfeiture;
 - iii. seized property; or
 - iv. other property subject to court jurisdiction.
- f. *(Refs: Neb. Rev. Stat. §§ 60-1901 through 60-1905)*

19. Enforcement

- a. Violations of this policy may result in:
 - i. cancellation of procurements;
 - ii. disciplinary action;
 - iii. contract termination;
 - iv. referral for investigation; or
 - v. other remedies authorized by law.

- b. Unauthorized purchases or acquisitions made outside this policy may become the personal responsibility of the employee or official making the purchase or acquisition.