

**CITY OF CLARKSVILLE, TENNESSEE**

**PURCHASING POLICY**

**AND**

**PROCEDURES**

**JULY 1, 2004**

Last Revision July 12, 2012

# **PURCHASING POLICY**

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## **POLICY STATEMENT**

Recognizing its obligations to the public, to the services rendered by the City government, to the business community, and specifically to the overall efficiency and value for the taxpayer, it is hereby declared the policy of the City of Clarksville to provide an effective central purchasing program through which, by means of competition based on fair and equal opportunity extended to qualified persons and firms interested in doing business with the City and City departments, the using departments may obtain needed goods and services at competitive costs consistent with suitable performance standards, quality and time of completion.

The policies and procedures described herein shall apply to the expenditure of all federal, state, and local appropriated funds.

## **ENABLING LEGISLATION**

ORDINANCE 58-2003-04

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That a centralized purchasing department is hereby established to handle all purchasing and contracting for all departments of City government. Plans and operating procedures for the new department shall be developed under the oversight of the Finance & Administration Committee, by the Director of Human Resources, and other appropriate City employees with technical assistance from the Municipal Technical Advisory Service. The department shall begin functioning on or before July 1, 2004.

*FIRST READING:* January 5, 2004  
*SECOND READING:* February 5, 2004  
*PUBLICATION DATE:* February 8, 2004

TCA 6-56-301, Municipal Purchasing Law of 1983, 6-56-302(1) provides that the Municipal Purchasing Law of 1983 shall not apply to purchases by authorized officials in municipalities having charter provisions or private act requirements governing competitive bidding and purchases. As amended July 1, 2006 the City of Clarksville is subject to provisions of the Municipal Purchasing Law of 1983. Coverage is pending review by MTAS and the State Comptroller's Office. Any rule in conflict with the Municipal Purchasing Law of 1983 is invalid.

## COMPETITIVE PROCUREMENT PROCESS

### Purchases of \$10,000.00 or more

All purchases, leases, and lease-purchases of \$10,000.00 or more purchased either singly or in the aggregate, for like items purchased in lots of two (2) or more, shall be formally bid or sealed proposals solicited prior to the purchase. All such purchases competitively bid shall be awarded to the lowest and best bidder unless provided for within the provisions of this document. All such bids or proposals shall be reported to the Finance and Administration Committee. The City Purchasing Agent or his authorized designee prior to purchase shall approve all purchases awarded. All specifications drafted shall provide for the competitive procurement of goods and services. All bids solicited under this paragraph must be sealed. Bids received after the stated opening time shall be rejected with time and date of receipt recorded and filed in the bid folder.

### Advertising

All purchases of more than \$14,000 shall be publicly advertised no less than five (5) days prior to the bid or proposal opening. "Publicly advertised" or "public advertising" shall mean every kind of conveyance to the public the notice of the City's intention to purchase, whether conveyance of intention is by word of mouth, newspaper advertising, magazine advertisement, handbill, written notice, printed notice, printed display, billboard display, poster, radio announcement, internal listing and any and all means including oral, written, **or** printed notice of intent to purchase.  
(City Ordinance 26-2007-08)

### **Purchase orders shall be issued by the Purchasing Department.**

### Purchases of \$5,000.00 to \$9,999.99

All purchases from \$5,000.00 but less than \$10,000.00 purchased either singly or in the aggregate, for like items purchased in lots of two (2) or more shall require solicitation, whenever possible, of at least three (3) competitive written quotes prior to purchase. All such purchases for which quotes are received shall be awarded for the lowest and best quotation unless provided for within the provisions of this document. Quotations may be by letter, fax, or email stating:

1. The company's name, address, and phone number,
2. The person's name giving the quote,
3. The price including delivery, and
4. The complete description of the product or service provided.

On-line quotations may be used provided the above information is included.

After the information is obtained by the using department and sent to the Purchasing Department, the information will be confirmed and a **purchase order issued by the Purchasing Department.**

### Purchases of \$1,000 to \$4,999.99

All purchases from \$1,000.00 but less than \$5,000.00 purchased either singly or in the aggregate, for like items purchased in lots of two (2) or more shall require solicitation, whenever possible, of at least three (3) competitive written quotes prior to purchase. All such purchases for which quotes are received shall be awarded for the lowest and best quotation.

Purchase orders will be issued by the using department. **Purchase orders shall be issued prior to confirming a purchase and receipt of an invoice.**

Purchases of less than \$1000

Purchases under \$1000.00 are considered small dollar purchases. A Request for Payment or the City Purchasing Card program may be used for such purchases.

Records Retention

Reference City Code Section 6-102 (d)

Funding

Reference City Code Section 6-102 (e)

**PROCUREMENT INVOLVING USE OF FEDERAL FUNDS**

**1.0 PROCUREMENT INVOLVING TRANSIT DEPARTMENT**

When using federal assistance awarded by the Federal Transit Administration (FTA), the City will follow Federal Transit Administration Circular 4220 (as amended).

**2.0 PROCUREMENT INVOLVING HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT**

Procurement involving the use of any **federal funds** requires that the jurisdiction follow all guidelines referenced at 24CFR 85.36.

Procurement procedures

A. The director or supervisor of the Office of Housing and Community Development or other departments of the City responsible for procurement of services, supplies, equipment, or construction obtained with federal funds including but not limited to CDBG or HOME funds shall review all proposed procurement actions to avoid the purchase of unnecessary or duplicative items. Such reviews shall consider consolidation or breaking out to obtain a more economical purchase. When determined appropriate by the director or supervisor, an analysis to determine which approach would be the most economical shall be undertaken.

B. The City shall take affirmative steps to assure that small and minority firms and women-owned business enterprises are solicited whenever there are potential qualified sources. The City shall also consider the feasibility of dividing total requirements into smaller tasks or quantities so as to permit maximum participation by small and minority firms and women's business enterprises. Where permitted by regulations, delivery schedules will be developed which will include participation by such businesses. Where possible, evaluation criteria will include a factor with an appropriate weight for these firms. In identifying small and minority business firms, the City may request the assistance of the Division of Minority/Women's Business Enterprise within the Department of Economic Development.

C. All prime contractors shall be required to take the affirmative steps described in the preceding subsection if subcontractors are let. The City may assist the prime contractor whenever possible by providing copies of lists which identify qualified small and minority firms, women's business enterprises, and labor surplus area firms.

Selection procedures

A. All procurement carried out with federal funds including but not limited to CDBG or HOME funds, where the City is a direct party, shall be carried out in a manner that provides maximum free and open competition. Procurement procedures will not restrict or eliminate competition. The City shall not place unreasonable requirements on firms in order for them to qualify to do business. Nor will the City encourage or participate in noncompetitive practices among firms. The City is alert to organizational conflicts that would jeopardize the negotiation process and limit competition. The City will not require **unnecessary** experience or other requirements such as excessive bonding.

B. Pursuant to state law, all solicitations of offers shall incorporate a clear accurate description of the technical requirements for the material, service, or product to be procured. In competitive procurement, these descriptions shall not contain features that unduly limit competition. The description may include a statement of the qualitative nature of the material, product, or service and the minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications shall be avoided whenever possible. A "brand name or equal" description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand that must be met by offerors shall be clearly stated.

C. All solicitations of offers shall clearly set forth all requirements which offerors must fulfill and all other factors to be used in evaluating bids, proposals, or statements of qualifications.

D. Contracts shall be awarded only to responsible contractors/firms that possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such factors as the contractor's/firm's capacity, integrity, compliance with public policy, record of past performance, and financial and technical resources.

Solicitation procedures and procurement are conducted in full compliance with Federal standards stated in 24 CFR 85.36, or State and local laws that are more stringent, provided they are consistent with 24 CFR 85.36.

**EXEMPTION FROM COMPETITIVE PROCUREMENT PROCESS**

Reference City Code Section 6-102 (g) (1) through (15)

When using federal assistance awarded by the Federal Transit Administration (FTA), the City will follow Federal Transit Administration Circular 4220 (as amended).

**APPROVAL AUTHORITY DESCRIBED**

The City Purchasing Agent or his designee has the authority to issue contracts for bids within the following conditional guidelines:

1. Purchases over \$10,000 shall be obtained through the approved competitive procurement methods. Bids will be advertised at least five (5) working days to bid opening date. Bid requests and specifications shall be mailed to prospective bidders.
2. Award shall be made to the lowest responsible and responsive bidder meeting quality and performance specifications;
3. Items that have been previously identified and approved for purchase by the City Council during the budget process for that fiscal year (appropriated funds);
4. The award does not exceed the budgeted amount approved;
5. There is no apparent controversy surrounding the bid process or any question about selection of the low bidder meeting specifications; and
6. A Bid Summary Report containing a recap of activity shall be presented to the Finance and Administration Committee at each meeting. This report shall state the bid number, department, bid description, successful vendor, and amount of each purchase made within these guidelines. In addition, the Purchasing Department will include a listing of all unsuccessful bidders and the amount of their bid.
7. The Purchasing Department shall approve and issue all purchase orders over \$5,000.00 after receiving quotations along with request forms from the using department.

### **GRANT OF AUTHORITY**

Reference City Code Section 6-102 (k)

### **VIOLATION OF PURCHASING POLICIES**

Reference City Code Section 6-102 (l)

Department Heads will be responsible for explaining any such violations in writing to the Mayor, Finance and Administration Committee, City Purchasing Agent and/or the City Council.

### **CONSTRUCTION PROJECTS**

Reference City Code Section 6-102 (m)

### **AUTHORITY OF PROPRIETARY FUND CHIEF FINANCIAL OFFICERS**

Reference City Code Section 6-102 (n)

## **METHODS OF PURCHASE**

Unless otherwise authorized by law, all City contracts above the sealed bid limit shall be obtained by Competitive Sealed Bid with the award made to the lowest responsible and responsive bidder whose bid or proposal is the most economical and efficient for the purpose intended according to the criteria set forth in the solicitation.

Other methods of award may be used following the determination by the Purchasing Agent or his designee that the Competitive Sealed Bid is not practicable or advantageous to the City. These methods are Multi-Step Bidding, Request for Proposal, and Competitive Negotiation. Purchase methods are defined as follows:

### **1. COMPETITIVE SEALED BID/PROPOSALS**

All purchases, leases, and lease-purchases of ten thousand dollars (\$10,000.00) or more purchased either singly or in the aggregate, for like items purchased in lots of two (2) or more shall be formally bid or sealed proposals solicited prior to the purchase. All such purchases competitively bid shall be awarded to the lowest and best bidder unless provided for within the provisions of this chapter. All such bids or proposals shall be reported to the Finance and Administration Committee. The City Purchasing Agent or his designee prior to purchase shall approve all purchases awarded. All specifications drafted shall provide for the competitive procurement of goods and services. All bids solicited under this paragraph must be sealed. Bids received after the stated opening time shall be rejected with the time and date of receipt recorded and filed in the bid folder.

### **2. MULTI-STEP BIDDING PROCESS**

The multi-step sealed bidding process is a two phase process consisting of a technical first phase composed of one or more steps in which bidders submit unpriced technical offers to be evaluated by the City, and a second phase in which those bidders whose technical offers are determined to be acceptable during the first phase have their price bids considered.

This method is designed to obtain the benefit of Competitive Sealed Bidding by award of a contract to the lowest responsive and responsible bidder, and at the same time obtain the benefits of the competitive sealed proposals procedure through the solicitation of technical offers and to conduct discussions to evaluate and determine their acceptability.

### **3. COMPETITIVE NEGOTIATION PROCESS (RFP)**

Selection shall be made of two or more proposers deemed to be fully qualified and best suited among those submitting proposals based on the factors involved in the request, including price, if so stated. Negotiations shall then be conducted with the top rated proposer and a contract offered if both parties

agree. If a contract cannot be negotiated with the top rated proposer, then negotiations shall be conducted with a second rated proposer and a contract offered if both parties agree, and so on.

Offeror shall be accorded fair and equal treatment regarding any opportunity for discussions and revision of proposals, and such revisions may be permitted after submission and before award to obtain the best and final offer. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing proposers.

The proposals are not required to be read aloud, however the names of the proposers are publicly announced.

#### **4. PROFESSIONAL SERVICES (TCA 12-4-106)**

Contracts for professional services:

- (a)(1) Contracts by counties, cities, metropolitan governments, towns, utility districts, and other municipal and public corporations of the state, for legal services, fiscal agent, financial advisor or advisory services, educational consultant services, and similar services by professional persons or groups of high ethical standards, shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity. The prohibition against competitive bidding in this section shall not prohibit any entity enumerated from interviewing eligible persons or groups to determine the capabilities of such persons or groups.
  - (2)(A) In the procurement of architectural and engineering services, the selection committee/procurement official may seek qualifications and experience data from any firm or firms licensed in Tennessee and interview such firm or firms. The selection committee/procurement official shall evaluate statements of qualifications and experience data regarding the procurement of architectural and engineering services, and shall conduct discussions with such firm or firms regarding the furnishing of required services and then shall select the firm deemed to be qualified to provide the services required.
  - (B) The selection committee/procurement official shall negotiate a contract with the qualified firm for architectural and engineering services at compensation which the selection committee/procurement official determines to be fair and reasonable to the government. In making such determination, the selection committee/procurement official shall take into account the estimated value of the services to be rendered, the scope of work, complexity and professional nature thereof.
  - (C) Should the selection committee/procurement official be unable to negotiate a satisfactory contract with the firm considered to be qualified, at a price determined to be fair and reasonable, negotiations will continue with other qualified firms until an agreement is reached.
  - (D) A city, county or utility district having a satisfactory existing working relationship for architectural or engineering services may expand the scope of the services; provided, that they are within the technical competency of the existing firm, without exercising the provisions of this section.
- (b) Any person providing fiscal agent, financial advisor or advisory services to any county, city, metropolitan government, town, utility district or other municipal or public corporation shall perform such services only pursuant to a written contract, to be entered into prior to, upon or promptly after the inception of the relationship, specifying the services to be rendered, the costs therefore, and the expenses to be covered under such contracts.

- (c) Any person providing fiscal agent, financial advisor or advisory services to any county, city, metropolitan government, town, utility district or other municipal or public corporation of this state who desires to bid, directly or indirectly, on any bonds, notes or other obligations of such entity sold pursuant to public, competitive sale shall receive in writing prior to the sale the permission of such entity to bid either directly or indirectly on the obligations.
- (d) For the purposes of this section, "providing fiscal agent, financial advisor or advisory services" means a relationship that exists when a person renders or enters into an agreement to render financial advisory or consultant services to or on behalf of an issuer with respect to a new issue or issues of municipal securities, including advice with respect to the structure, timing, terms and other similar matters concerning such issue or issues, for a fee or other compensation or in expectation of such compensation for the rendering of such services. Notwithstanding the foregoing provisions of this subsection, a financial advisory relationship shall not be deemed to exist when, in the course of acting as an underwriter, a municipal securities dealer renders advice to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities.
- (e) (1) Contracts by counties, cities, metropolitan governments, towns, utility districts and other municipal and public corporations of the state for information management services, including, but not limited to, computer program analyst services shall, upon approval by a two-thirds (2/3) vote of the governing body, be procured through a request for proposals process. The request for proposals process will invite prospective proposers to participate and will indicate the service requirements and the factors used for evaluating the proposals. Such factors shall include cost, vendor's qualifications and any additional factor or factors deemed relevant by the procuring entity for the procurement of the service; cost is not to be the sole criteria for evaluation. The contract for such services will be awarded to the best evaluated, responsive proposer.

**NOTE: A REQUEST TO SELECT A FIRM AS A PROFESSIONAL SERVICE MUST BE DOCUMENTED. THE DEPARTMENT HEAD/MANAGER ALONG WITH THE PURCHASING AGENT MUST AFFIX A SIGNATURE TO THE "REQUEST FOR PROFESSIONAL SERVICE" FORM. THIS SIGNED FORM IS KEPT ON FILE IN THE PURCHASING DEPARTMENT. ALL PROFESSIONAL SERVICES ARE REPORTED TO THE FINANCE AND ADMINISTRATION COMMITTEE.**

## **EMERGENCY PROCUREMENT POLICY**

Emergency purchases are exempt from the competitive purchase process. Emergency purchases where there exists a threat to public health, welfare, or safety are provided with the subsequent approval of the City Purchasing Agent or his designee. All such emergency purchases shall be reported in writing to the Finance and Administration Committee at their next regularly scheduled meeting. If the financial resources of the City or the public welfare of the City's citizens is jeopardized by the continued existence of the emergency and the continued delay in obtaining the appropriate approval, the program supervisor or department head involved in the emergency may complete the emergency purchase prior to reporting the purchase to, and obtaining the approval of, the City Purchasing Agent or his designee. A written report must be filed with the City Purchasing Agent or his designee within three (3) workdays

after the emergency detailing the emergency and explaining why the normal competitive purchasing procedures could not be followed. Any employee, supervisor, department head, or official abusing the emergency procedures shall be subject to disciplinary action, to include termination.

The above policy statement shall not apply to the procurements that were caused from poor planning or scheduling by the using department as determined by the Mayor or his designee.

## **SOLE SOURCE PROCUREMENT POLICY**

When using federal assistance awarded by the Federal Transit Administration (FTA), the City will follow Federal Transit Administration Circular 4220 (as amended).

Sole source procurement is exempted from the competitive process. A contract may be awarded for a commodity, service, or proprietary item to the only known capable supplier where no competition exists, due to the unique nature of the requirement, the supplier, or market conditions. Sole source procurement shall not be used unless there is clear and convincing evidence that there is only one source. The department requesting sole source procurement shall provide written evidence and report of research to support the request to the Purchasing Agent or his designee.

## **COOPERATIVE PURCHASING AGREEMENTS**

Pursuant to TCA 12-3-1009, the City is authorized to use cooperative purchasing agreements and contracts.

### **TCA (12-3-1009)**

(a) Any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct or administer a **cooperative purchasing** agreement for the procurement of any supplies, services or construction with one (1) or more other local governments in accordance with an agreement entered into between the participants. Such **cooperative purchasing** may include, but is not limited to, joint or multi-party contracts between local governments. Where the participants in a joint or multi-party contract are required to advertise and receive bids, it shall be sufficient for those purposes that the purchasing entity comply only with its own purchasing requirements.

(b) (1) Any municipality or municipal agency may participate in, sponsor, conduct, or administer a **cooperative purchasing** agreement for the procurement of any supplies or any services other than construction, engineering or architectural services or construction materials with one (1) or more other local governments outside this state, to the extent the laws of the other state permit the joint exercise of purchasing authority, in accordance with an agreement entered into between or among the participants. A municipality may participate in a master agreement by adopting a resolution accepting the terms of the master agreement. If a participant in a joint or multi-party agreement is required to advertise and receive bids, then it will be deemed sufficient for those purposes that the purchasing entity or the entity that procured the bid complied with its own purchasing requirements. When any general law, charter or private act requires that a municipality or municipal agency purchase an item or a service by competitive bidding, either formal or informal, the municipality or municipal agency may consider the price for the same item or service under any contract or agreement pursuant to this section in the same manner as one of the formal bids or informal quotations required under such general law, charter or private act.

(2) The powers conferred by this subsection (b) are in addition and supplemental to the powers conferred by any other law and without regard to the provisions, requirements or restrictions of any other law, and the limitations imposed by this subdivision (b)(2) shall not affect powers conferred by any other law.

## **RIGHT TO AUDIT**

Contractors shall establish a reasonable invoice accounting system which enables ready identification of contractor costs of goods and use of funds. The City or its representative may audit the contractor's records anytime before four (4) years after final payment (or until all disputed claims have been settled, whichever is longer) to verify the City's payment obligation and the use of City's funds. This right to audit shall include subcontractors from whom goods or services are subcontracted by the contractor. Contractor shall ensure the City has these rights with subcontractors. Any disputed claims will be verified by an independent auditor at the cost of the City unless the contractor is found to have overcharged the City in which case the contractor will pay the cost of the audit as well as repay all overcharges.

## **DURATION OF CONTRACTS**

The City of Clarkville may enter into annual contracts for goods or services that contain a one-year renewable option not to exceed three years. Lease or lease/purchase agreements may be for more than three years with the decision for time determination being based on that which will best serve the interest of the City. Special contract conditions will be approved by the Finance and Administration Committee.

## **BIDDER'S LISTS**

Purchasing shall maintain current information relative to vendors who have requested to be placed on the bid list. Every effort shall be made to identify potential vendors for each solicitation to foster competition and ensure a fair and equitable environment. Requests for removal from the active bid file shall be in writing delivered to the City Purchasing Office.

It is necessary, periodically, to delete from our bidders list the names of those person, firms or corporations who fail to respond after having been invited to bid on a commodity or commodities for three (3) successive bid openings.

Vendor Applications may be obtained by accessing the City of Clarksville official website at [www.cityofclarksville.com](http://www.cityofclarksville.com). Applications may also be picked up at the Purchasing Offices located at 1 Public Square.

## **SURETY REQUIREMENTS**

### **BID BOND**

A bid bond issued by a surety company licensed to do business in the State of Tennessee may be required for a specified solicitation. The amount of the bid bond shall be stated as a set amount or as a percentage of the bid price. In no event may it exceed five percent (5%) of the total contract price. Bid bonds submitted by unsuccessful vendors will be returned upon award of a contract. Personal checks are not acceptable in the place of bid bonds; however, bank cashier's checks, a certified check or any other direct obligation drawn on a bank doing business in the United States are acceptable.

### **PERFORMANCE BOND**

A performance bond issued by a surety company licensed to do business in the State of Tennessee and acceptable to the City of Clarkville may be required for a specified solicitation. The amount of the performance bond shall be stated as a percentage of the contract price but may not exceed one hundred percent (100%) of the total contract price. Personal checks are not acceptable in the place of performance bonds; however, bank cashier's checks are acceptable. An irrevocable letter of credit from a state or national bank or a state or federal savings and loan association having its principal office in Tennessee may be accepted instead of a performance bond, subject to approval of the terms and conditions of said irrevocable letter of credit.

If the successful bidder fails to furnish a performance bond and execute a contract within the time allowed, the bid deposit of the bidder shall be retained by the City as liquidated damages and not as a penalty. In addition, the City shall remain free to pursue any other remedies it may have at law or in equity.

### **PAYMENT BOND**

A payment bond issued by a surety company licensed to do business in the State of Tennessee may be required for a specified solicitation. The bond shall be not less than 25% or more than 100% of the contract price. The bond is to ensure that the contractor will pay for all labor and materials used by the contractor or any immediate or remote subcontractor under the contractor.

## **QUALITY ASSURANCE, INSPECTION, AND TESTING**

The Purchasing Agent or a designee may take such steps as deemed desirable to ascertain or verify that supplies, services or construction items procured conform to specifications. This authority may be delegated to the using department if the best interest of the City operation is served.

## **FEDERAL AND STATE SURPLUS PROPERTY**

Authority is granted to the City Purchasing Agent or his designee to monitor both Federal and State surplus property programs and to allow using departments to purchase if (a) the price is reasonable; (b) the item is budgeted; (c) funds are available; and (d) justification of need is provided. An approved purchase order and request to purchase will be obtained from the Purchasing Department **before** making the purchase. The purchase shall be reported to the Finance and Administration Committee at their next regularly scheduled meeting.

## **SURPLUS PROPERTY**

The using departments shall identify in writing surplus, scrap, or obsolete property and report same to purchasing. Centralized Purchasing shall have the authority to dispose of surplus, scrap, excess or obsolete property and regulate its disposal in a manner deemed to be in the City's best interest. Equipment acquired by a department through federal or state grant funding which no longer serves the needs for which originally acquired shall be disposed of in accordance with the property management regulations of the funding agency.

T.C.A. 6-54-125 provides the following relating to purchase of city property by officials and employees:

- a) It is unlawful for any municipal official or employee to purchase from the municipality any property declared to be surplus by the municipality, **except by bid at public auction** during the tenure of such person's office or employment, or for six (6) months thereafter.
- b) A purchaser who violates this section commits a Class A misdemeanor.

Public auction includes on-line auctions open to the public.

Additionally no person involved in the seizure of property may purchase such property, including at public auction. Employees and officials purchasing or bidding on seized property shall attest in writing to the Purchasing Agent that they have not been involved in any way with the seizure of said property.

## **PURCHASE OF USED OR SECOND-HAND ITEMS**

Effective May 2007, T.C.A 12-3-1003 was amended to authorize any municipality to purchase used or second- hand articles, goods, equipment, materials, supplies or commodities from private individuals and entities without public advertisement and competitive bidding. Further stipulations now provide that the purchased item must be valued through a nationally recognized publication or by a licensed appraiser, AND the price is not more than 5% higher than the highest value of the documented price. (Updated October 25, 2010)

## **CONFLICT OF INTEREST**

No employee shall have any financial interest in the profits of any contract, service or other work performed for the City. He/she shall not personally profit directly or indirectly from any contract, purchase, sale or service between the City and any person or company. Any employee violating provisions of this rule shall be subject to appropriate disciplinary action including dismissal.

“Direct Interest,” means any contract with the employee himself or with any business in which the employee is the sole proprietor, a partner, or the person having at least 5% ownership interest in the business.

“Indirect Interest” means any contract in which the employee has no direct interest however a spouse or relative has an interest in the contract. A conflict of interest exists if the spouse or relative commingle their assets.

## **DEBT OWED TO THE CITY**

The City will not do business with anyone who owes a debt to the City of Clarksville or is a defaulter on surety to the City.

## **ANTITRUST LAWS**

All purchases shall be made according to applicable prevailing state and federal antitrust laws. Non-competitive practices will not be encouraged or approved. All methods of purchase shall be designed to promote open and fair competition.

## **GIFTS AND REBATES**

Centralized Purchasing Staff are expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any purchase order or contract is, or might be, awarded, any rebate, gift, special consideration, money or anything of value whatsoever, except as it may be given for the use and benefit of the City.

## **CIVIL RIGHTS**

Nondiscrimination – In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. 12132, and Federal transit law at 49 U.S.C. 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, natural origin, sex, age or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA/FHWA/DOT may issue.

## **ILLEGAL ALIENS**

Clarksville Ordinance 30-2006-07 provides as follows:

If any person who contracts to supply goods or services to the city or other city entities, or who submits a bid to contract to supply goods or services to the city or other city entities, is discovered to have knowingly utilized the services of illegal aliens in the performance of such a contract to supply goods or services to the city or other city entities, the purchasing agents shall declare that person to be prohibited from contracting for or submitting a bid for any contract to supply goods or services to the city or other city entities for a period of one (1) year from the date of discovery of the usage of illegal alien services in the performance of a contract to supply goods or services to the city or other city entities.

The foregoing provisions are a condition of the contract which is the subject of this solicitation for bids/proposals.

# **PURCHASING PROCEDURES**

Last Revision July 5, 2007

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## **FOREWARD**

This manual has been developed to outline and describe the procurement process of the City of Clarkville. By clarification of the procedures to be used, both the using department and the purchasing department should benefit by decreasing time to obtain materials, equipment and services required to carry on departmental operations.

The primary function of the Purchasing Department is to provide assistance to all departments within the City by securing the best materials, supplies, equipment and service at the lowest possible costs consistent with the quality needed for the proper operation of each department. One purpose of this manual is to explain City of Clarkville policies in respect to purchasing, serving as a general framework within which decisions can be made and as a guide to a consistent purchasing operation. To have a good purchasing program, all City employees directly or indirectly associated with the purchasing function must work as a team to promote the City's best interest in obtaining the maximum value for each dollar of expenditure,

As revisions or additions to this manual become necessary, new pages will be sent to all recipients of the manual, who are requested to maintain it in an up-to-date fashion.

If there are any questions regarding this manual, please contact the City Purchasing Agent at One Public Square, Clarksville, Tennessee, or call 931-553-2477.

Requests for additional copies of the manual should be addressed to the same office.

## PURCHASING PROCEDURES FOR MUNIS

### A. PURCHASES OF UNDER \$1000

1. Purchases under \$1000 are considered a **request for payment** and may be initiated up to date of invoice.
2. Use of the City Purchasing Card program is strongly encouraged. If this is not possible, the Department Buyer shall create requisition.
3. Department Buyer will enter requisition and review for correctness.
4. Department Buyer will release requisition to Department Head or designate for his/her approval.
5. Department Head or designate will approve/reject requisition online.
6. If rejected, Department Buyer will make corrections and resubmit to Department Head or designate.
7. Following final approval by Department Head or designate, the Department Buyer will convert the requisition to a Request for Payment.
8. City Purchasing Agent or his designee will output/post the request to the general ledger. Department Buyer can then print the request for payment.
9. Department Buyer or his/her designee will receipt goods/services upon arrival.  
Department Buyer forwards receiving ticket to Accounts Payable for match up with vendor invoice.

### B. PURCHASES OVER \$1000 AND LESS THAN \$5000

1. Must start with a requisition.
2. Department Buyer will enter requisition and review for correctness.
3. For any requisition over \$1,000 and less than \$5,000, at least three (3) quotes are required whenever possible. Information regarding those quotes is to be placed in the "Post-It Notes" located on the Status tab in Requisition Entry.  
**Failure to provide this information will result in rejection of the requisition by the Purchasing Department.**
4. Department Buyer will release requisition to Department Head or designate for his/her approval.
5. Department Head will approve/reject requisition online.
6. City Purchasing Agent or his designee will approve/reject requisition on line.
7. City Purchasing Agent or his designee will convert the requisition to a purchase order.
8. City Purchasing Agent or his designee will output/post the purchase order to the general ledger. **NOTE: If creating an emergency requisition, output/post will not occur until the purchase order has been updated with the correct amount. Once the purchase order has been output/posted, it cannot be changed.**
9. Department Buyer can then print the purchase order.
10. Department Head or Department Buyer will place order with the vendor.
11. Department Buyer or his/her designee will receipt goods/services upon arrival.
12. Hard copies of quotes, receiving tickets, and any other supporting documents are sent to Accounts Payable for match up with vendor invoice. Purchase order number must appear on all documents. If not, include a hard copy of the purchase order with all documents.

### C. PURCHASES OVER \$5000 AND LESS THAN \$10,000

1. Must start with a requisition.
2. Assistant Purchasing Agent will enter requisition and review for correctness.
3. For any requisition over \$5,000 and less than \$10,000, at least three (3) quotes are required whenever possible. Departments may obtain the quotes and forward the information to Purchasing for approval and possible addition of other quotes as desired. Information regarding those quotes is to be placed in the "Post-It Notes" located on the Status tab in Requisition Entry.
4. Assistant Purchasing Agent will release requisition to Department Head or designate for his/her approval.
5. Department Head will approve/reject requisition online.
6. City Purchasing Agent or his designee will approve/reject requisition on line.
7. City Purchasing Agent or his designee will convert the requisition to a purchase order.
8. City Purchasing Agent or his designee will output/post the purchase order to the general ledger. **NOTE: If creating an**

**emergency requisition, output/post will not occur until the purchase order has been updated with the correct amount. Once the purchase order has been output/posted, it cannot be changed.**

9. Department Buyer can then print the purchase order.
10. Department Head or Department Buyer will place order with the vendor.
11. Department Buyer or his/her designate will receipt goods/services upon arrival.
12. Hard copies of quotes, receiving tickets, and any other supporting documents are sent to Accounts Payable for match up with vendor invoice. Purchase order number must appear on all documents. If not, include a hard copy of the purchase order with all documents.

#### D. PURCHASES OVER \$10,000 - BIDS

1. After being requested by the Department Head, these items will be bid and handled by the Purchasing Department. Bid documents will be approved by the City Purchasing Agent or his designate.
2. Following bid opening, Department Head will sign a "Bid Summary/Recommendation" form and return it to the Purchasing Department for signature of City Purchasing Agent or his designate and the Commissioner of Finance or his designate.
3. Assistant Purchasing Agent will create a requisition and send online to the Department Head for his/her approval.
4. City Purchasing Agent or his designee will approve/reject requisition on-line and convert requisition to a purchase order, then output/post to the general ledger.
5. Assistant Purchasing Agent will print and send completed purchase order to the Department Head.
6. Department Head or Department Buyer will place the order with the vendor.
7. Department Buyer or designate will receipt goods/services upon arrival.
8. Department Buyer sends packing ticket and any other pertinent documents to Accounts Payable for match up with invoice.

#### E. EMERGENCY PURCHASES

1. Department Head or designate will send a letter or email to the City Purchasing Agent or his designate detailing the emergency, who is to be paid for the repair/purchase, approximate cost and account to be charged if known.
2. City Purchasing Agent or his designate will approve the Department Head's letter or email.
3. Department Buyer will create a requisition using the guidelines above.
4. All emergency purchases are reported to the Finance and Administration Committee.

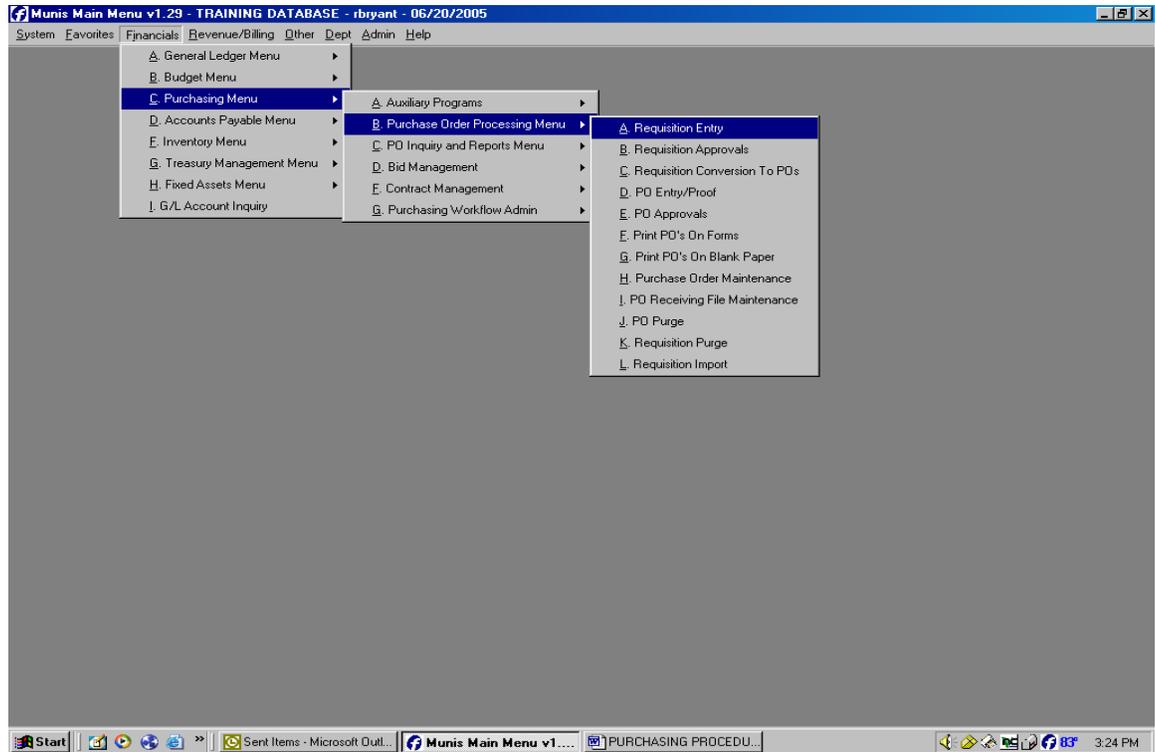
#### F. BLANKET PURCHASES/SOLE SOURCES

1. All Blanket/Liquidating Purchases will be generated by the Purchasing Department.
2. Sole Source and Emergency Purchases will follow the above dollar limit amounts.
3. Some blanket purchases are the result of a bid. If the bid has an option to renew for an additional period of time, a letter is sent to the vendor asking if they will honor their bid for another 12 months at the same prices and conditions of the original bid.
4. If the vendor is favorable, the purchase order is manually updated with the new time frame (usually one year).
5. A copy of the updated purchase order is sent to the requestor, Department Head (others if necessary), and the bid file.
6. If the vendor refuses to renew the bid, the item(s) must be sent out for bid again.
7. Other blanket purchase orders originate from contracts, agreements, and sole sources for items such as copiers, pagers, cell phones, chemicals, etc. A new purchase order is normally reissued at the beginning of each fiscal year. The Department Head must write a new sole source letter each year for the approval of the City Purchasing Agent or his designate.
8. A copy of the approved sole source letter will be sent to the Department Manager.
9. All sole sources are reported to the Finance and Administration Committee.
10. A requisition will be created by the Assistant Purchasing Agent for all blankets/liquidated purchases.
11. Assistant Purchasing Agent will send requisition online to Department Manager for his/her approval.
12. Assistant Purchasing Agent will convert requisition to a purchase order, then output and post to the general ledger.
13. Purchasing Department Assistant Purchasing Agent will print and send completed purchase order to Department Head.

14. Department Head or Department Buyer will place order.
15. Department Buyer or designate will receipt goods/services upon arrival.
16. Department Buyer or designate sends receiving ticket and other pertinent documents to Accounts Payable for match up with invoice.

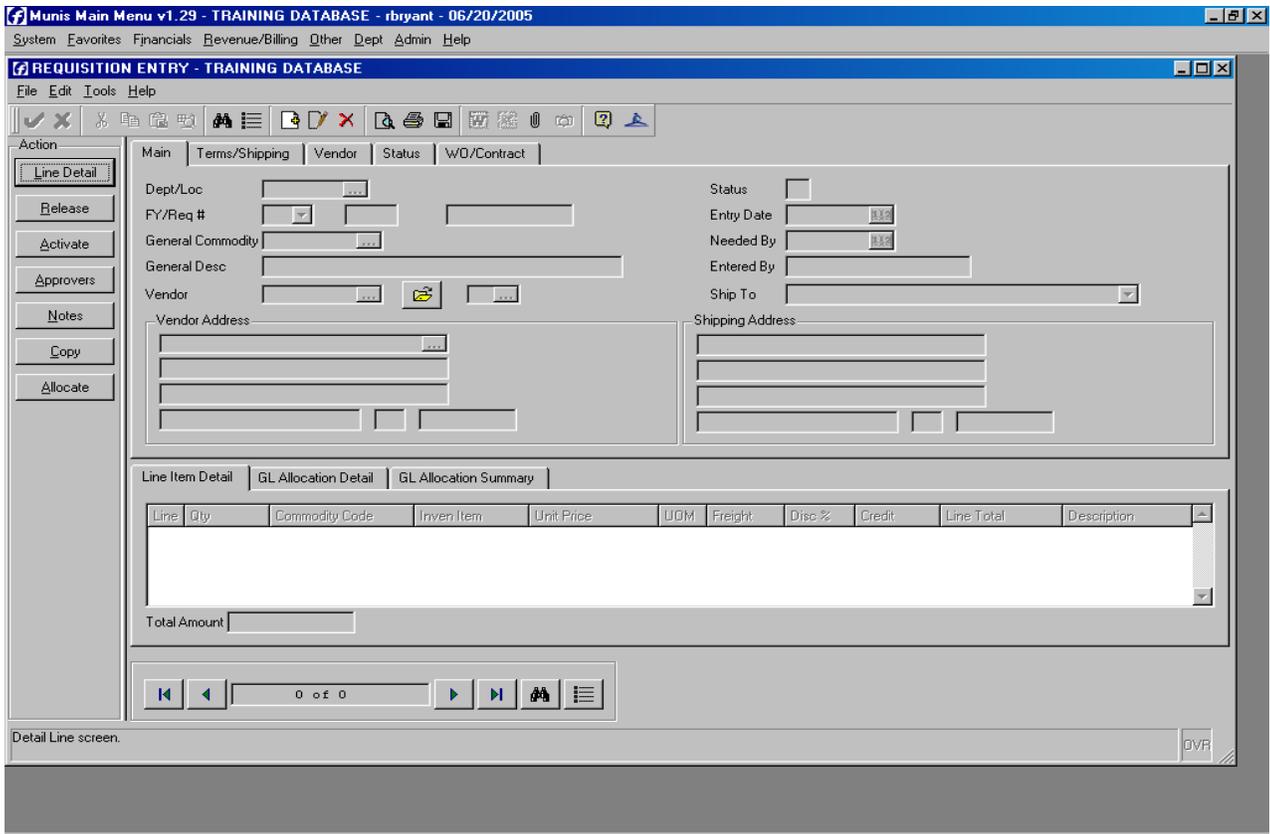
Revised July 15, 2008

## CREATING REQUISITIONS

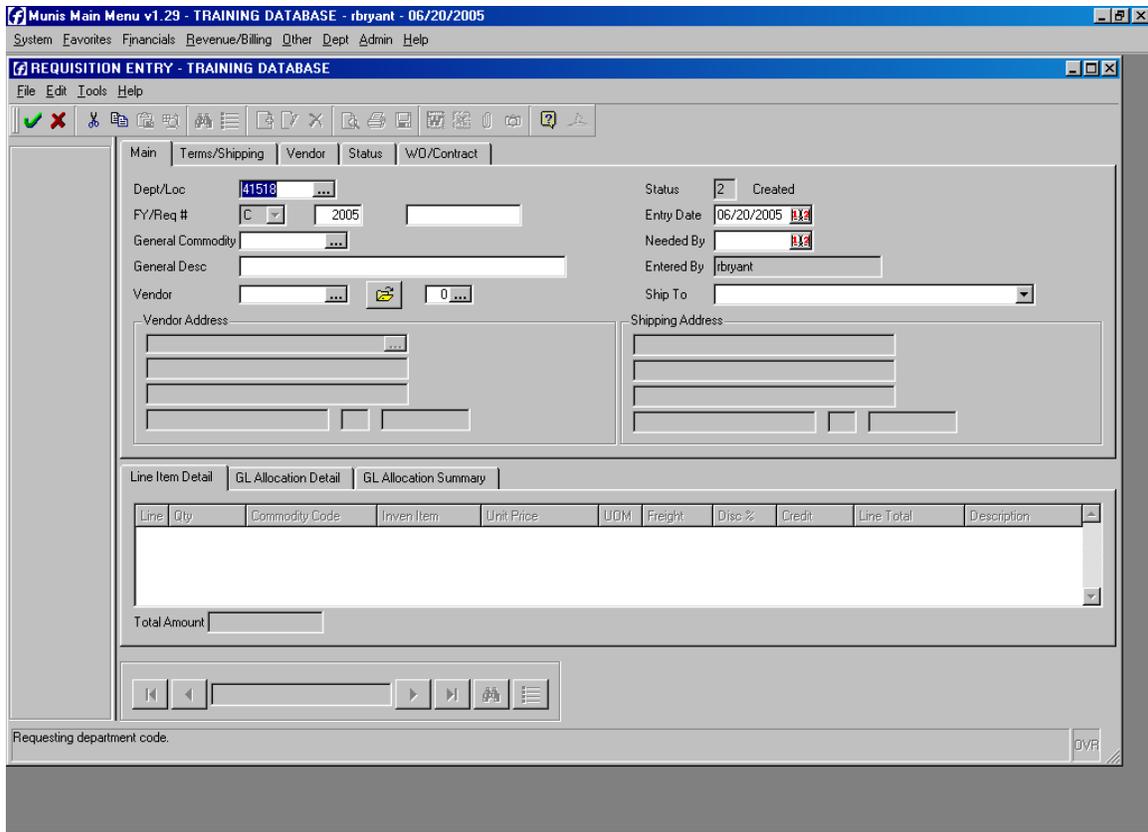


**YOU MAY NOT PURCHASE ANY ITEM UNTIL THE REQUISITION HAS BEEN APPROVED AND CONVERTED INTO A PURCHASE ORDER.**

Go to Financials or Purchasing menu (depending on your computer setup), then Purchase Order Processing Menu and click on Requisition Entry. (Computers are configured differently. You may need to go through the Department Menu to get to the proper screen).



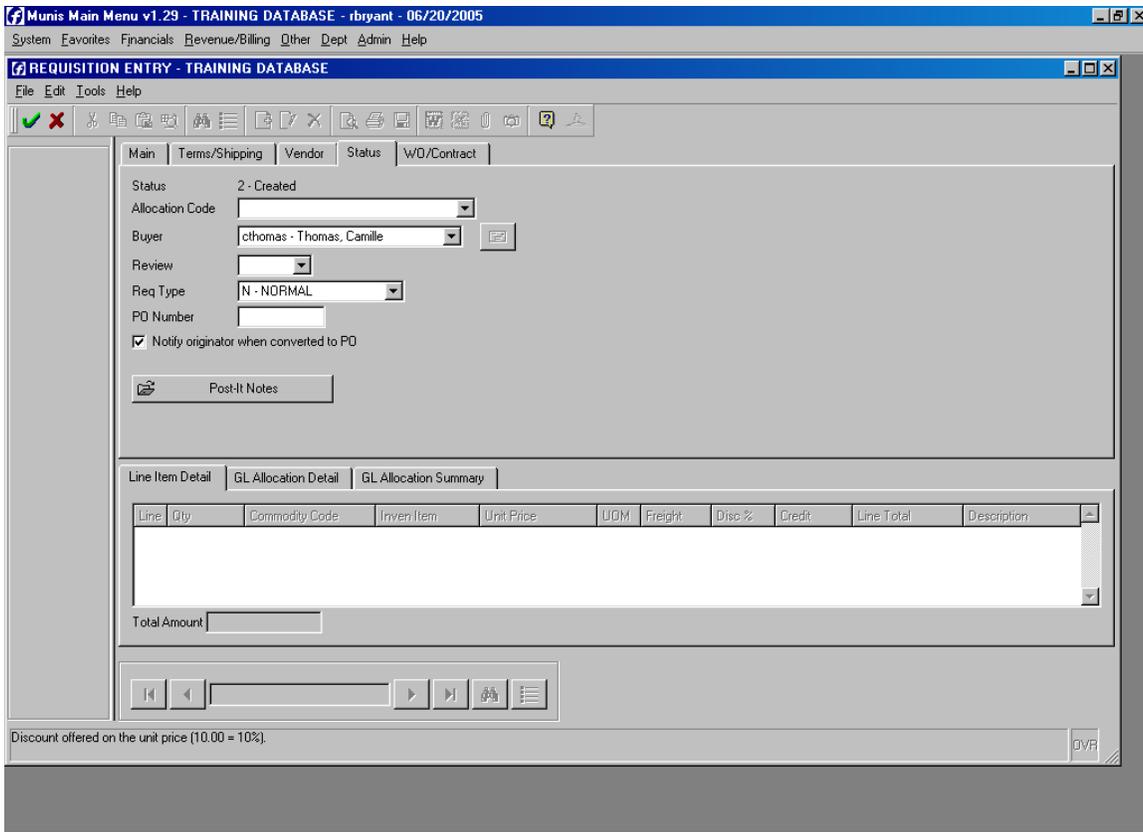
Click on the “add” or Ctrl + A to add a new requisition. The “add” symbol on the tool bar looks like a paper with a plus sign.



Once you click on the “add” button your Dept/Loc will default in. Make sure that the Year is for the current fiscal year. The requisition number will default in for you and you do not need to put anything in the general commodity field since you are not using commodity codes. A General Description is needed and you can key in whatever your requisition is for. Tab to the Vendor field and click on the (...) symbol. If you don’t know the vendor alpha, just hit the green check to bring up a list of all vendors to choose the one you need. Just double click on a vendor and it puts it into the requisition. It also brings in the vendor address for you.

Once your vendor address comes in, hit the tab button to get to your Entry Date. It will default in with the date that you are entering the requisition. The Needed By date is the date that you actually need the item by. You may or may not wish to use this field. This completes all the information needed on the Main tab.

Tab on through to get to the Terms/Shipping screen on the requisition. Most of the information here is not required, so you may choose to simply skip this tab and move on to the Status screen.



The first thing to look at on this screen is the Status Code and you can come back to tell what stage in the process the requisition is at based on the status code. Status Codes are:

0-Converted to a PO

1-Rejected by an approver

2-Created

4-Allocated

6-Released

8-Approved

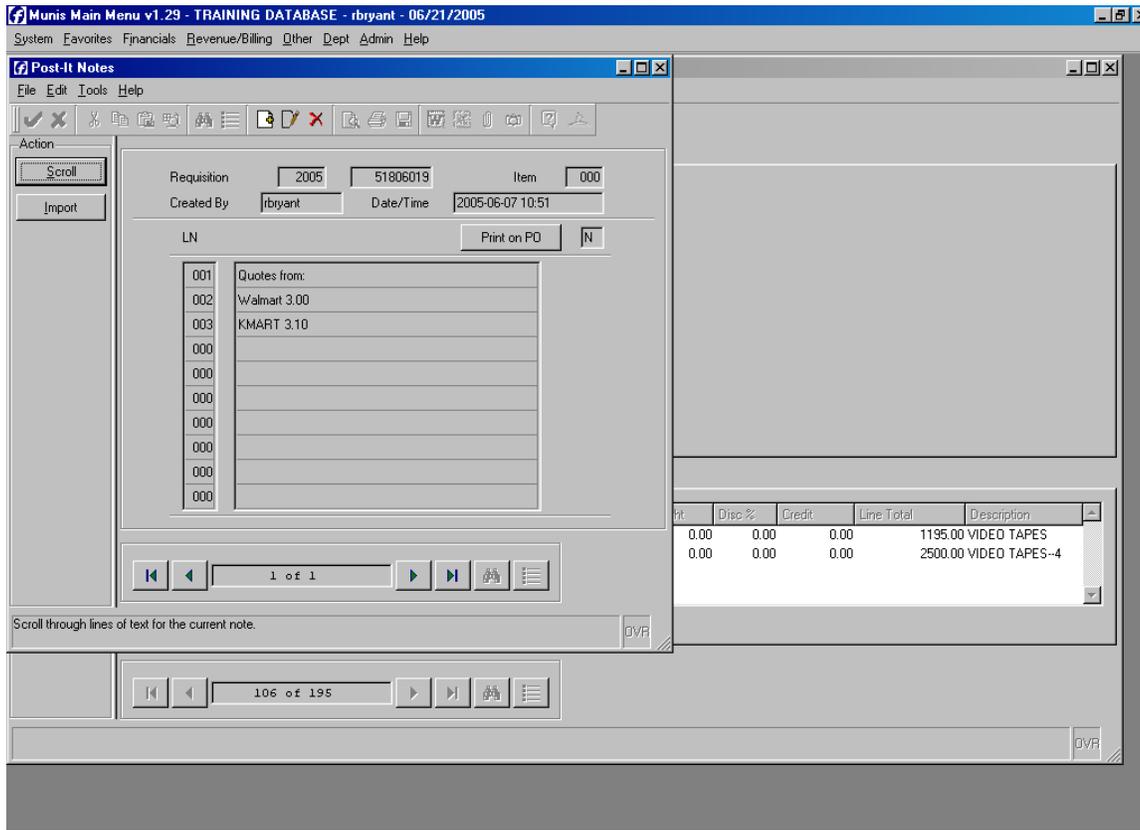
You will not have an allocation code and your buyer defaults in for you. Leave Review blank.

Select the type of requisition you want, either Normal or Blanket

Clicking on the “Post-It Notes” or “General Notes” button will allow you to add a note that will be seen by the approver. It is here you will need to put notes regarding required quotes.

Other information required in these notes shall include:

- Sole source purchase and date of approval
- Emergency purchase
- State Contract number

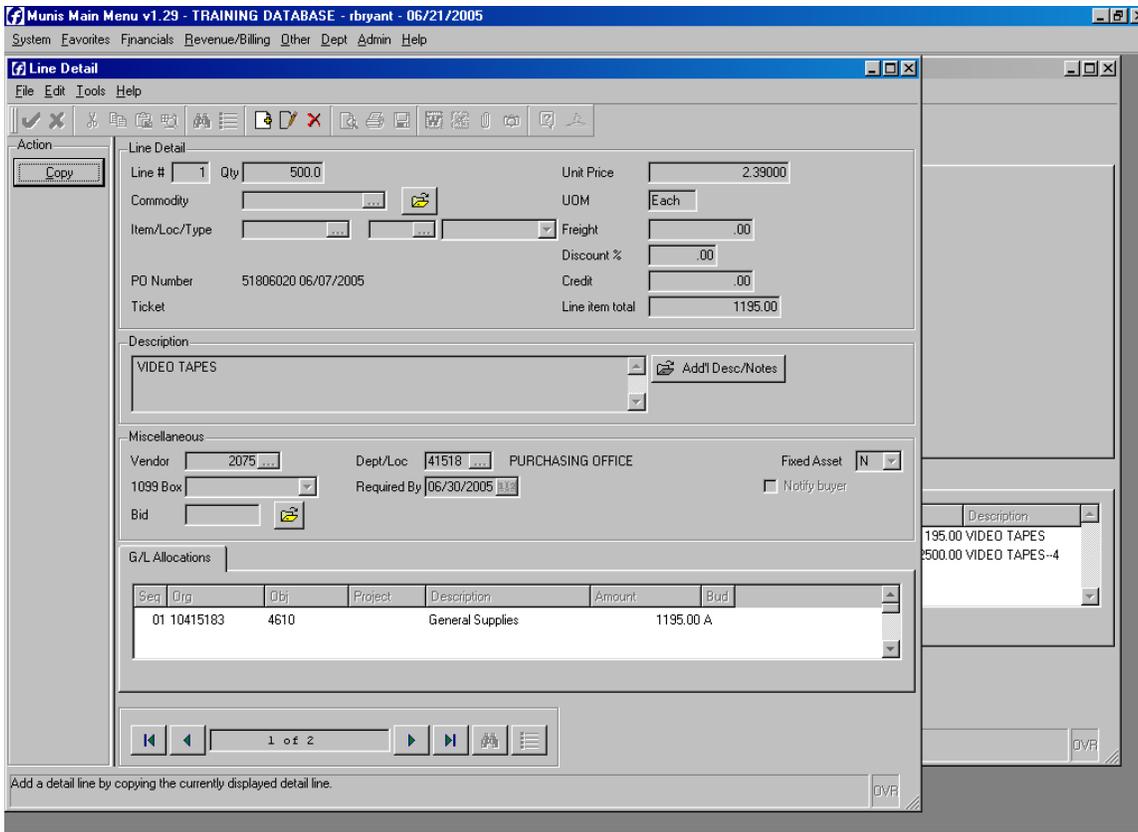


Once done hit enter or click the green check to save the note.

File and exit will get you out of this screen and back to the requisition.

The final Tab screen is the work order tab. As of July 1, 2005, we are not using the work order module from Munis. At a later date we will use work orders and this tab will be explained at that time.

Tab through the work order screen until the screen below appears.



You will start by putting in the quantity and tab on to the unit price. Key in the price and UOM can be overridden for whatever is appropriate (box, case, each, gal, etc).

Please DO NOT enter freight on this screen. Accounts Payable has determined that freight needs to be added as a separate line item with the accompanying G/L allocation as the item getting the freight.

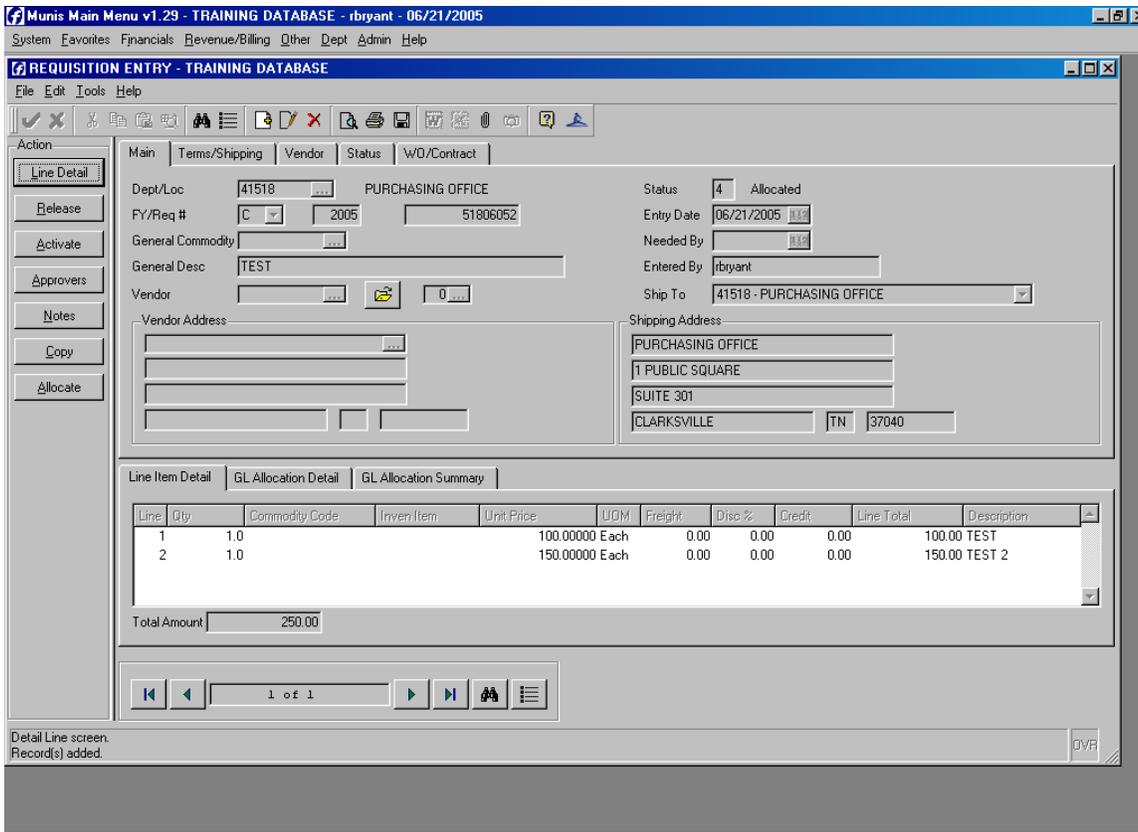
Tab to the Description box where you will put in detailed information for the line item. This is the description that will appear on your purchase order. If additional space is needed, you can click on add'l desc/notes.

If the requisition is for a bid item, place the bid number in the “bid” field. If the requisition is for a proposal or re-bid, enter a separate line item with the number in the description field.

Tab to get to the G/L allocation to put in the org and object. Clicking on the (...) symbol will bring up the different codes to choose from. **Note: If this is a Capital Outlay, change the last digit on the org code to a “4”.**

When you are finished with this information, click the green check. To add additional line items, click on the “add” button and repeat the process. Add as many lines as you wish for your requisition.

Once complete hit the “File” and “Exit” to get back to the main screen. You will see the screen below.



There are several buttons on the left side of the screen. “Line Detail” allows you to go back into the line item to make changes or update any information that needs to be modified.

The “Activate” button allows you to reopen a requisition if the approver has rejected it.

The “Approvers” button shows you the individuals who will be approving the requisition.

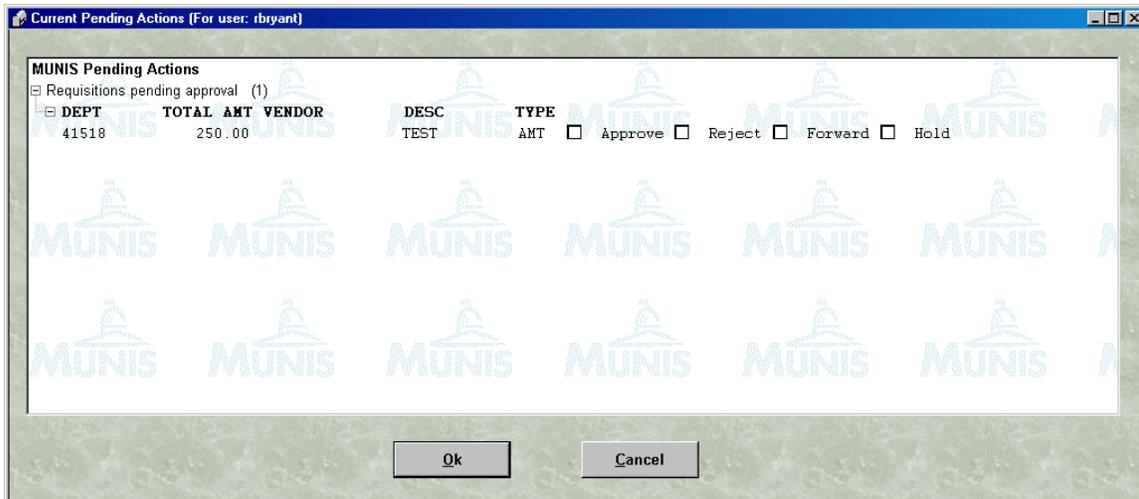
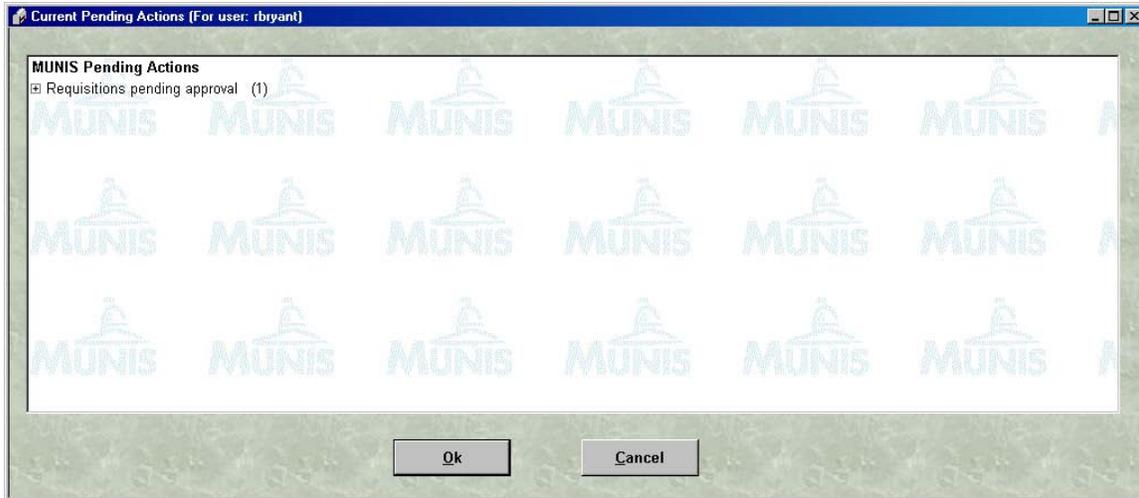
The “Notes” button just brings up all notes/additional descriptions on the requisition.

The “Copy” button will copy the whole requisition to a new requisition but be careful of this because you will have to update almost everything. It is not recommended to use this function.

**The most important and final step in this process will be to “Release” the requisition, which should be done once the requisition is complete and has been double-checked. This will notify the approver that it needs to be approved. The status will change to a 6 for released.**

After the requisition has been approved the status will change to an 8 for approved.

## REQUISITION APPROVAL



Approvers will have a Munis Mailbox icon in the lower right hand corner of their computer. If there are requisitions for approval, the mailbox will have a yellow letter in it. Clicking on the icon will give you a message to view current available requisitions. The top screen will appear. Clicking on the “+” will open the second screen which will list all the requisitions ready for your approval.

Double click on any requisition and it will bring up the Requisition for you to view. Click on Line Detail to see specifics. The Approvers button shows those with permission to approve. All departments have a primary and at least one back-up approver. The first one to grab the requisition and approve takes care of the process. Only one person needs to approve. You can also look at any notes attached to the requisition, such as quotes for example.

Once you have viewed the requisition, click on the Munis Mailbox icon again and it will bring back the approval screen.

You are now ready to approve or reject the requisition. Simply click on the box corresponding to your choice. If you click on “Approve” the requisition will be sent on to the Purchasing Department for review and approval/rejection if the requisition is for over \$1000.

If you choose to reject the requisition, click the box beside rejection and a notepad will come up. Put a note explaining why you are rejecting the requisition. This will send a note to the person who created the requisition for them to make the needed corrections and start the process over.

Once you have clicked on the box either approving or rejecting the requisition, be sure to click “OK” at the bottom of the screen.

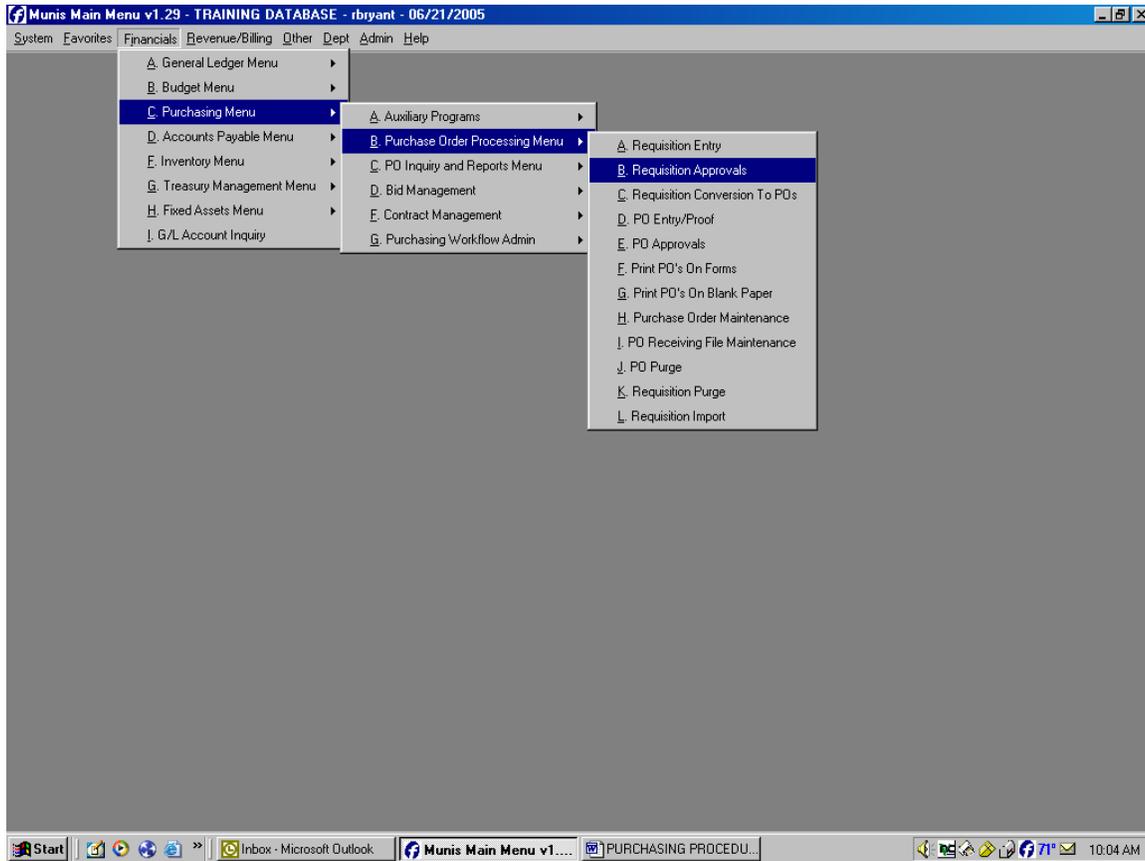
Once you have done this, the status of the requisition will change to either “1” if you rejected it or “8” if you approved it. It will also update the Approver information showing who approved the requisition and the day and time it was approved.

The requisition is now ready for conversion to a purchase order.

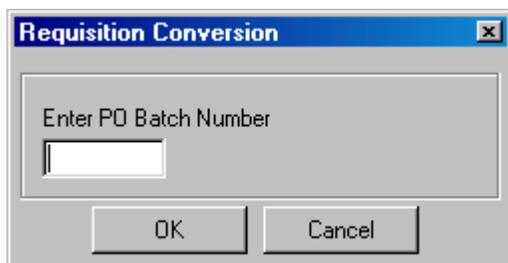
Revised July 15, 2008

## CONVERTING A REQUISITION TO A PURCHASE ORDER

Departments will only convert requisitions for purchases under \$1000. Anything over that amount will be converted by the Purchasing Department.

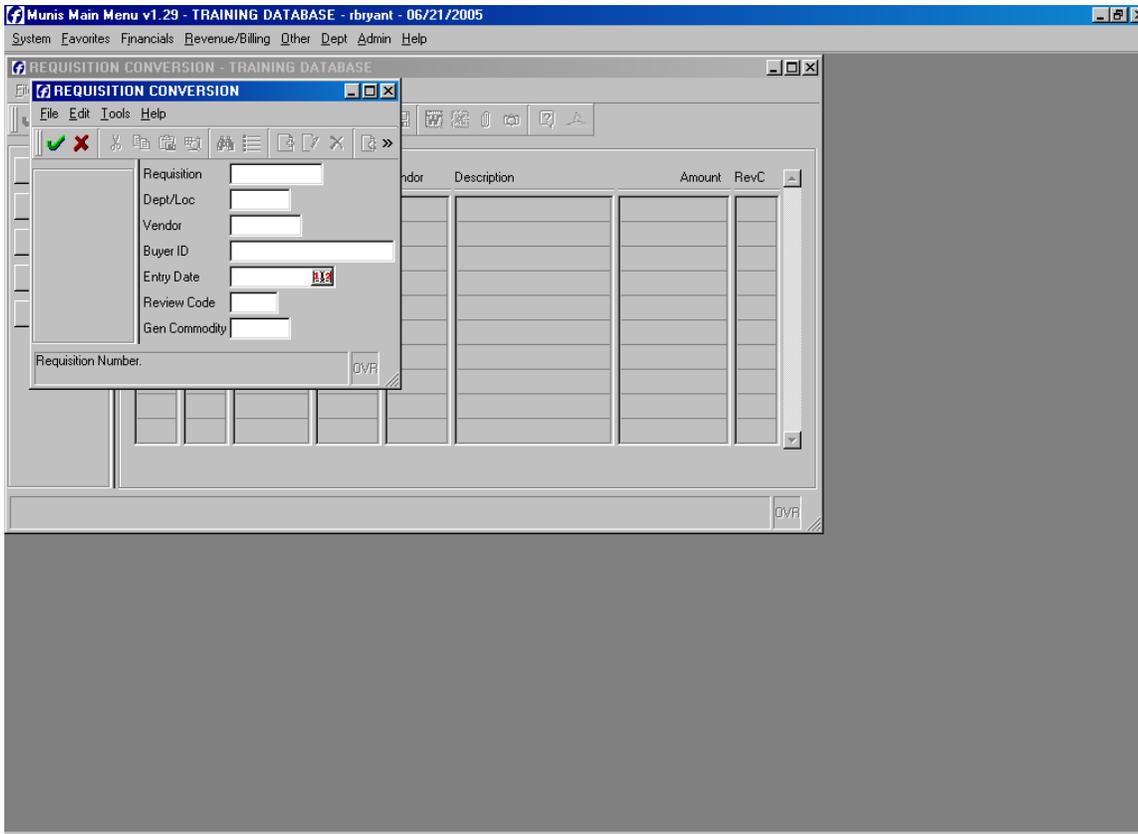


Go to Financials, Purchasing Menu, Purchase Order Processing, and click on Requisition Conversion to Po's. (Some computers are set up to go through Department for this information).

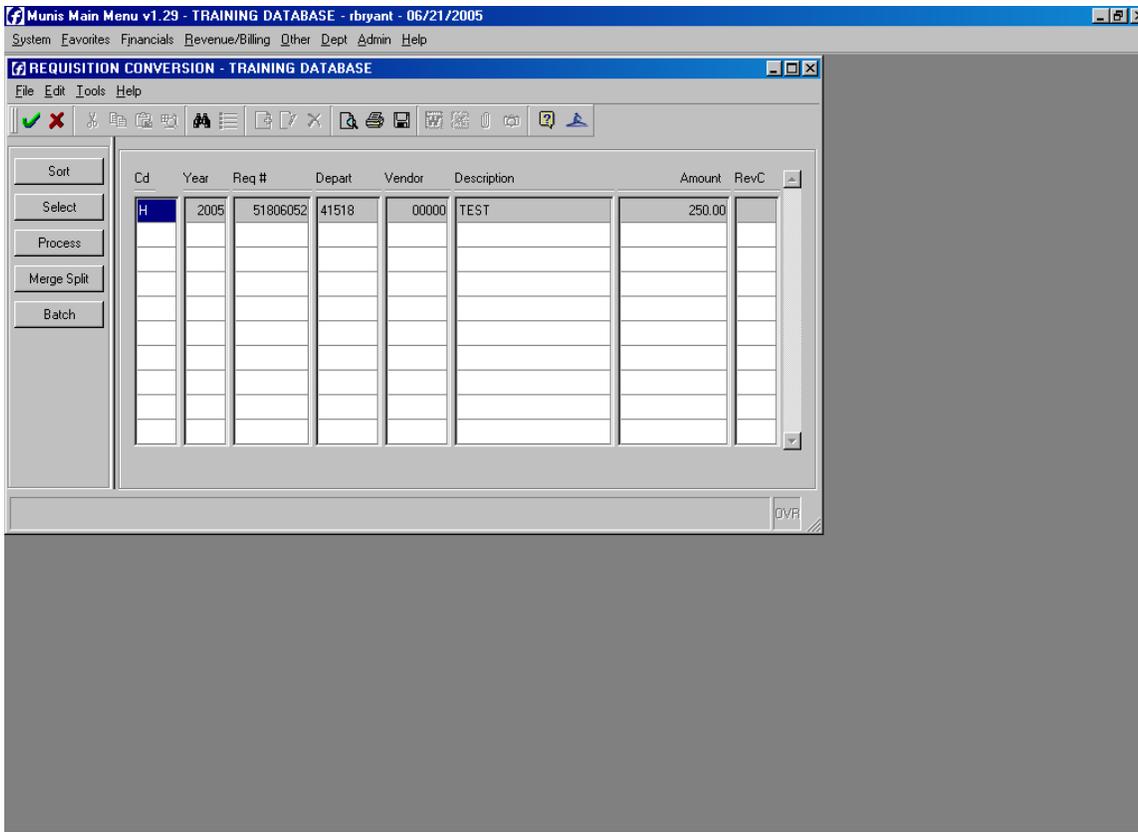


Enter in a Batch Number for the conversion. This is a six-digit field and each batch must have a unique number.

Once the batch number is added, click the green check and the “find” (binoculars) icon. It will bring up the screen below.



In the Dept/Loc field, type in your Department number and it will bring in all the requisitions ready for conversion. Click the green check.



“Select” will open up the code to allow you to put in “A” to Approve or “R” to Reject. By clicking on the yellow folder beside the code you can review the requisition.

If you reject to convert the requisition, you will get a screen notifying you that the requisition will be closed. Clicking “Yes” will open up a screen to enter in a reason for the reject and the reason should be as specific as possible. Then you will hit the green check and it will automatically close and take you back to the approval conversion screen.

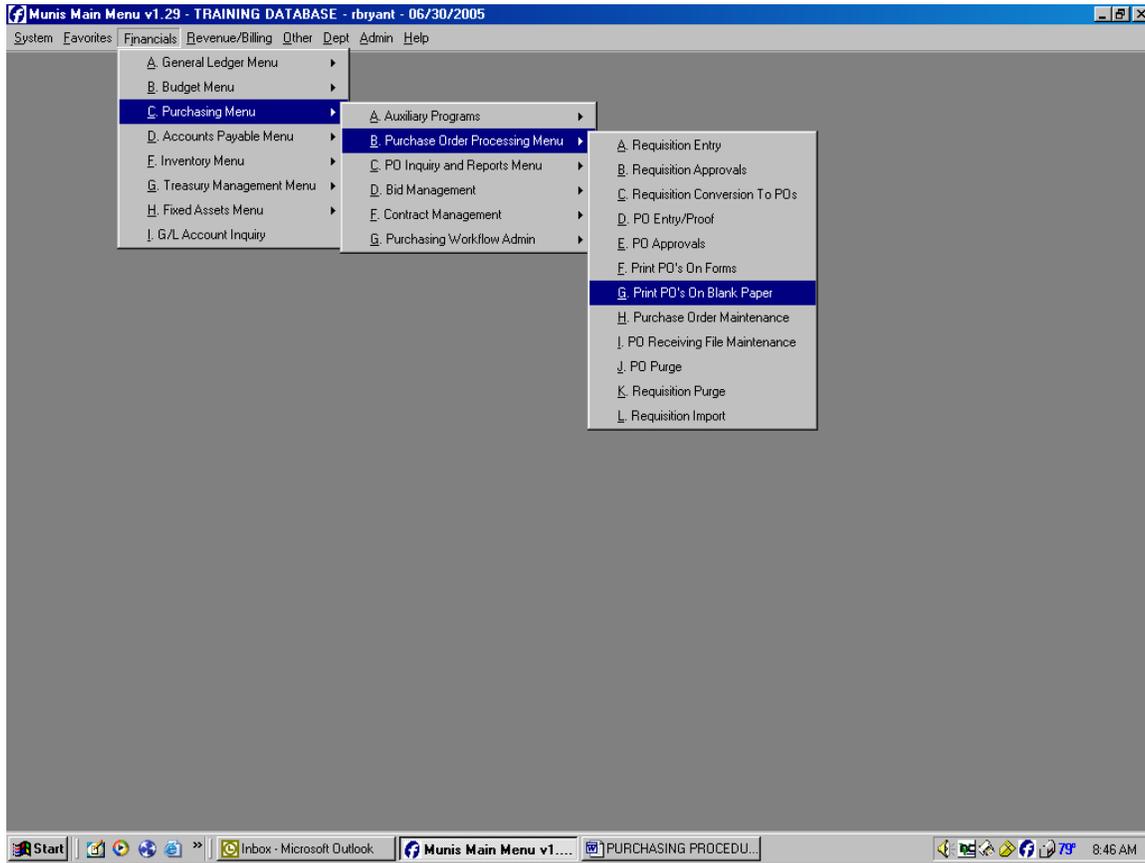
Finally, click on the “Process” button to push the requisition on through the conversion process.

An email will be sent to the person who created the requisition advising them that the requisition has been converted to a purchase order. The email will read “ Requisition xxxxxxxx has been converted to PO(s) in batch yyyyyy.”

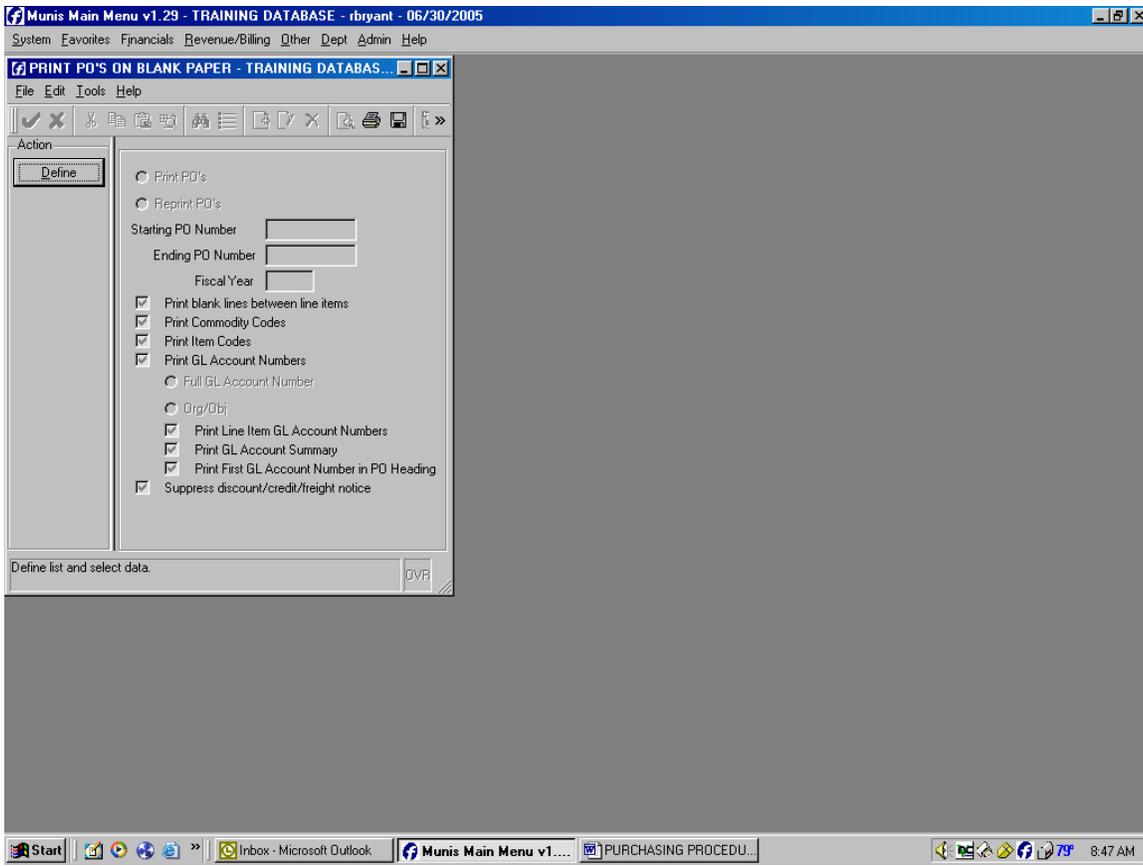
At this point a purchase order number has been created. No further action is needed by Department buyers and approvers at this point.

**The Purchasing Department will Output/Post ALL purchase orders.**

## PRINTING PURCHASE ORDERS



If you need a hard copy of your purchase order you may print one. Go to Financials, Purchase Order Processing Menu, and click on **Print PO's On Blank Paper**. (Some computers are set up to go through Department for this screen.)



Click on the “Define” button. The first time a purchase order is printed, you will need to click on the “print” selection. Should you wish to print the purchase order again, you will need to click on “reprint.” A common mistake occurs when you can’t get your purchase order to print, and it is often because you are actually printing a second or later copy and failed to click on reprint.

Tab down to Starting PO Number. In most cases both blocks will be the same number as you usually only print one purchase order at a time. Be very careful trying to use ranges, as this can result in getting purchase orders you don’t want or getting someone else’s.

Tab to Fiscal Year and be sure it is the current fiscal year.

Once you have done that hit the green check mark, go to File and hit Output. It will default to your printer (in some cases you will need to click on Local Printer) and print your purchase order.

Hit File and Exit.

(Helpful Hint: If you don’t know or can’t remember your PO number, go to the Requisition Entry screen and click on the Binoculars. Click the green check. Click on the browse icon (4 bullet lines next to the binoculars) and all requisitions will appear. Click on the word “Dept” to sort for your department. Find your requisition number, then under the tab “Purchase Order” you will find your number).

## **CHANGES TO PURCHASE ORDERS**

No purchase order will have the quantity, unit price, or vendor number changed. The Purchasing Department Purchasing Agent or his designee will cancel these purchase orders. A new requisition will then be created and converted into a new purchase order. The original purchase order number will be referenced on the newly created requisition and copies of both purchase orders will be sent to Accounts Payable. This applies to all purchase order types, including liquidating, non-liquidating, and those considered non-purchase (i.e. employee reimbursements, OJI, background checks, etc).

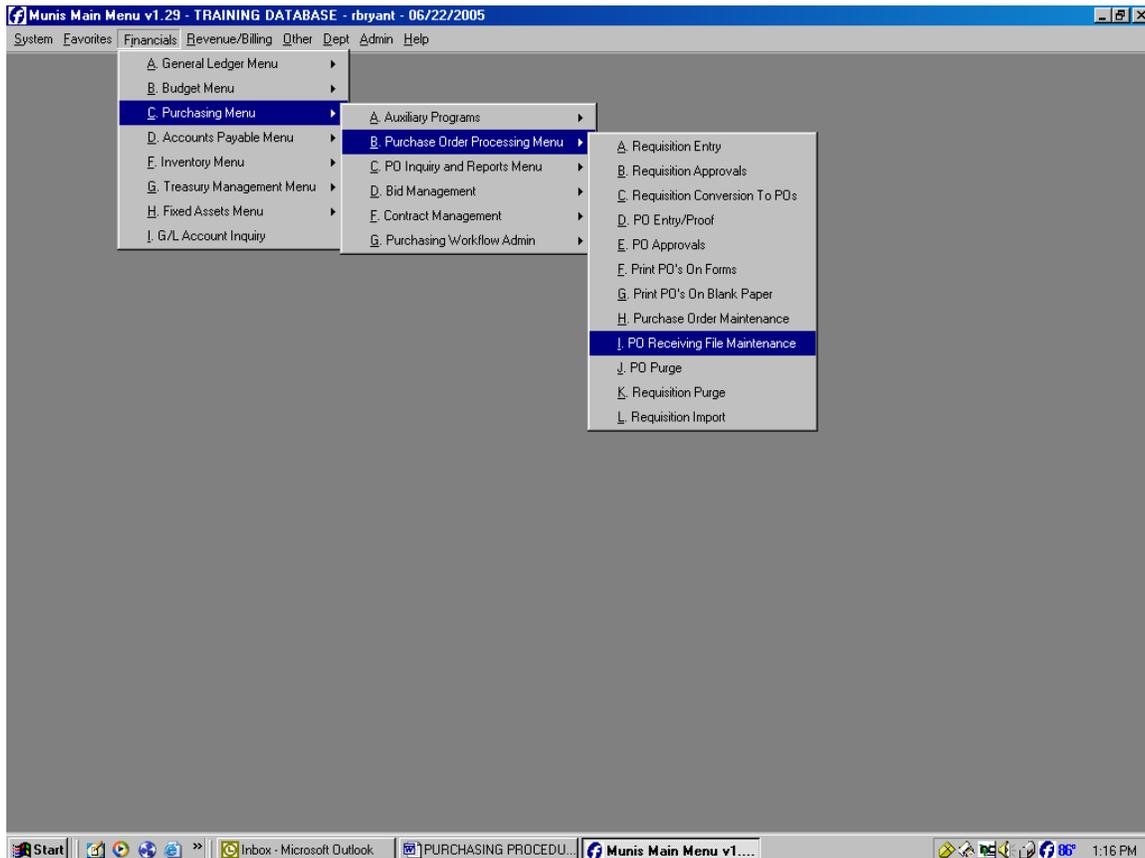
In the case of shipping, if your original purchase order does not have a shipping charge on it and your invoice comes in with shipping, the Purchasing Department Purchasing Agent or his designee will cancel these purchase orders. A new requisition will then be created and converted into a new purchase order. The original purchase order number will be referenced on the newly created requisition and copies of both purchase orders will be sent to Accounts Payable. This applies to all purchase order types, including liquidating, non-liquidating, and those considered non-purchase (i.e. employee reimbursements, OJI, background checks, etc).

This also applies to late fees.

In all cases involving shipping, you should try to get the best possible price when talking to the vendor, even if this means you create your requisition and not release it until you get that information.

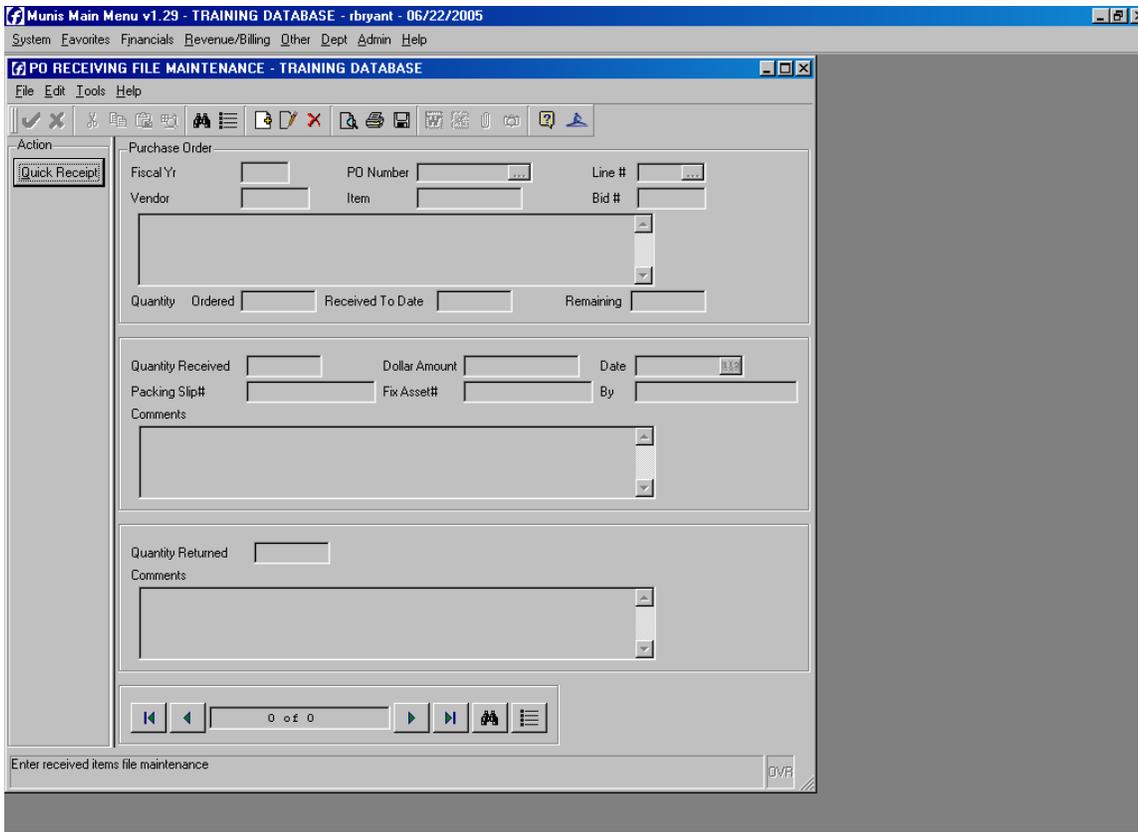
It is the responsibility of the department to verify unit costs and amounts on invoices prior to sending paperwork to Accounts Payable.

## RECEIPTING



Go to Financials or Purchasing menu, Purchase Order Processing Menu, and click on PO Receiving File Maintenance (Some computers are set up to go through Department to access this screen.)

There are two ways you can receive. Receipt the entire purchase order if everything arrives together, or receipt by line for partial receipts.



1. Receipt for the entire Purchase Order: You can quick receipt to receive everything at one time. Click on “quick receipt” on the left side bar. Click the Binoculars to find your purchase order. Enter the Fiscal Year. Tab and type in purchase order number. Click the green check mark. Click the “Receive All” button on the side bar. Click the green check mark, and then exit out.
  
2. Receipt by Line for partial receipts: Click Blank Paper with plus sign icon. Fiscal Year will default. Tab to PO Number and enter your purchase order number. Put in line number you are receipting. If you don’t know which line, hit the (...) symbol and find line item. Click to bring up. Tab down to quantity received. Input your packing slip number if you have it. Put in any comments you wish relating to backorders or shipping information for example. Also if you are not going to receive the balance of the order, please put that in the comments so that we know the PO needs to be closed out. Click the green check mark, and then exit out.

Revised February 9, 2006

## **SEALED BIDS/PROPOSALS**

Sealed Bids/Proposals are required on purchases of \$10,000 or more.

### **Responsibilities of Purchasing Department**

1. Prepare bid requests.
2. Establish date and time of opening.
3. Select possible sources of supply and develop bid list.
4. Review and revise specifications to insure open and fair competition.
5. Assign bid numbers.
6. Mail bid requests and advertise if required.
7. Receive and open bids
8. Evaluate bids with the using department's assistance.
9. Approve all non-controversial bids and report bid summary to the Finance and Administration Committee.
10. Process purchase order or contract after approval of governing body.
11. Maintain all specification and bid data files.

### **Responsibilities of Using Department**

1. Prepare specifications to initiate bid process. The specification should contain precise and detailed information about the items or services required. Specifications should be carefully developed so as not to be restrictive. Contact the Purchasing Department for needed help in developing specifications. Descriptive literature should be included if available.
2. Submit bid requests, specifications and all other related bid information to the Purchasing Department at least three (3) weeks prior to the date bids are to be opened.
3. Provide possible sources of supply.
4. Submit sufficient documentation to explain needs requirement of proprietary or single source item in addition to research that determined a sole source of supply.
5. Analyze and document performance ratings of samples or equipment demonstrations as required.

6. Assist in evaluation of bid results and recommendations for award.

### **General Information**

The following policies shall apply to the sealed bid process (Formal Bids):

**Bid Limit** – The sealed bid limit is \$10,000. Items purchased either singly or in the aggregate of this amount or more are obtained by sealed bid, multi-step bids or request for proposal.

**Bid Opening** – Bids will open at the time and date specified on the Invitation to Bid. All bids are publicly opened and read aloud with the tabulation provided upon request to all participating vendors.

**Late Bids** – No bids received after closing time will be accepted. The official time will be that of the date and time clock in the Purchasing Department. Bids postmarked on the bid opening date, but received after the specified time will be considered late. All late bids will be filed unopened with a note on the envelope of the time and date the bid was received.

**No Bid Responses** – Bidders who choose to not offer a response to a bid solicitation should return the bid package and/or the “Statement of No Bid” in the envelope provided. The vendor should state the reason for not offering a bid response.

**Bid Opening Schedule** – The Purchasing Department is responsible for setting the bid opening date and time.

**Telephone and Facsimile Bids** – No telephone or facsimile bids will be accepted or considered.

**Bid Proposal Form** – Only bids submitted on bid forms furnished by the City will be considered. Bids on company letterhead, company bid forms or other substitutions will be declared non-responsive. The bidder shall submit two (2) copies signed and sealed in the envelope provided by the City.

**Unsigned Bids** – Each bid must contain the full name and address of the business and be signed by a person authorized to bind that company to a contract. Unsigned bids will not be considered, read, or tabulated. Unsigned bids may not be signed after or during the bid opening, even if the company representative is present.

**Acceptance of Bids** – The City of Clarkville reserves the right to reject any or all bids, to waive any irregularities in a bid, or to accept that bid (or bids) which in the judgment of the proper authority is in the best interest of the City.

**Shipping Charges** – Bids are to include all shipping charges to the point of delivery. Bids will only be considered on the basis of delivered prices except as otherwise noted in the bid package.

**Sample Product Policy** – The Purchasing Department may request a sample product as part of a bid. Failure of a vendor to comply with this request may remove that bid from consideration. Samples will be provided free of charge to the City and will remain the property of the City if not picked up by the bidder within two weeks of the bid award. Samples of the successful bidder will be retained until delivery is received and accepted as being equal to the sample.

**Approved Equal Policy** – Specifications furnished in the Invitation to Bid establish a desired level of quality and performance. The intent is to set forth minimum requirements that will provide the City with the best product or service available at the lowest possible cost.

If bidder offers an alternate he must include the brand name and/or model and complete descriptive literature and specifications that clearly describe the article offered and how it differs from the referenced brand. The City alone will determine whether an alternate is equivalent and meets the standards of quality and suitability to the City's needs in performance, quality and purpose.

An alternate that is determined equal may be accepted by the City.

**Like Items** – Items having the same characteristics; similar. "Like items" are similar items purchased for the same or similar purpose, use or function. They are alike in construction, size, and made up of similar type and quality of materials. Example: an office conference/reception chair overall maximum height 30" (inches). Seat 20" (inches) wide by 20" (inches) deep. Back 24" (inches) wide by 15" (inches) height. Four exposed finished wooden legs with casters. Seat and back to be padded and covered with vinyl upholstery. These would be Basic specifications but could be purchased from any number of suppliers. If however we purchased folding chairs or stools, although the folding chairs and stools could be used for sitting, they are not the same as the conference/reception chair.

**Alternate Product Specification** – Should it be found, after bids have been opened, that a product different from the original specifications would better serve the City's needs, the City may reject all bids and produce another solicitation based on a revised set of requirements.

**Trade-In Equipment** – The City may request bids for new equipment that seeks pricing of old equipment as a trade-in. The City reserves the right to evaluate the bids and award a contract either with or without a trade-in offer.

**Acceptance Period** – The City shall have sixty (60) days after the bid opening date in which to review the bid submittals and enter into a contract.

**Bid Price Extensions** – The City reserves the right to purchase additional like items off any bid solicitation without re-bid provided the subsequent purchase is within a one year period from the original contract award date and the specifications, prices, terms and conditions have remained unchanged.

**Vendor Identification** – Potential suppliers are selected from existing vendor files, suggested by using departments, and any and all sources available to locate companies related to a specific

product or service. New suppliers are added to the bid list as they become identified and approved.

**Vendor Performance** – Failure of a vendor to perform in accordance with the contract specifications and delivery schedule, or failure to honor a quoted price on services, materials or supplies on a contract, bid or purchase may result in one or more of the following actions:

1. Removal of a vendor from the active bid list for a period to be determined by the Purchasing Agent.
2. Providing the vendor an opportunity to find the needed item for the City from another supplier at no additional cost to the City.
3. Allowing the City to purchase the needed service or item from another source and charge the vendor for the difference in cost resulting from this action.
4. Allowing a monetary settlement.

**Vendor Default** – In the case of contractor default, the City may, by written notice, cancel the contract and purchase from another source and recover the excess costs by (1) presentation of invoice; (2) deduction from an unpaid invoice due; (3) collection against the bid and/or performance bond; or (4) a combination of the aforementioned remedies or other remedies as provided by law. All costs associated with default will be borne by the contractor.

The City reserves the right to remove a company in default from the active bid file for a time period determined by the City Purchasing Agent or his designee.

**Classification of Bidders** – Bidders eligible for contract award must be both responsible and responsive. They are defined below.

Responsible Bidder - A vendor or contractor who has the capacity in all respects to perform fully the contract requirement, and the integrity and reliability that will assure good faith performance in a timely manner.

Responsive Bidder – A vendor or contractor who has submitted a bid that conforms in all material respects to all documents, whether attached or incorporated by reference, utilized for soliciting bids.

**Tie Bids** – A tie bid is one in which two or more competing companies bid identical items at the same unit cost. The bids may be determined by one of the following factors:

1. Payment terms and allowable discount.
2. Delivery schedule.
3. Previous company performance.

4. Vendor location.
5. Trade-in value offered.

Preference will be given to the local company in case of a tie bid.

**Cancellation of Invitation to Bid** – An Invitation to Bid may be canceled in whole or in part as may be specified in the solicitation when it is in the best interest of the City of Clarkville.

**Bid Award** – Contracts and purchases, if made, will be entered into with the lowest responsive and responsible bidder(s) meeting specifications both in quality and performance for materials or services as deemed in the best interest and advantage of the City of Clarkville except as otherwise noted in the Invitation to Bid. Should there be only one responsive bidder and adequate steps have been taken to assure competition, the City may enter into a contract with a single bidder providing the terms, conditions, and specifications of the bid have been met and the price is reasonable and within budgetary limits.

**Award to Other Than Low Bidder** – If the award is made to other than the low bidder, a complete statement of the reasons will accompany the recommendation and will be filed with the bid documents. The responsibility for justification rests with the using department. This also applies to quotes for purchases of \$1,000.00 or more for similar items.

**Cash Discounts** – Bidders are urged to compute cash discounts into their bid price with terms of payment to be Net 30. Payment discounts will **not** be a consideration for evaluating the bid.

**Modifying or Withdrawing Bids** – Bids may be withdrawn or modified before the bid opening date and time. Such requests shall be in writing and the person requesting such action must be an authorized representative of the company and present proof of same to purchasing personnel. Bids submitted may not be amended or withdrawn after the specified time of bid opening.

**Mistakes in Bids** – Any mistake in a bid may be corrected before bid opening. The correction must be done in ink and initialed by the person making the correction, who shall be an authorized representative of the company. After the bid opening but before an award is made, mistakes may be corrected only if minor in nature and the intent of the bid is apparent. Major mistakes, if detected at this stage in the bid process, may not be corrected but withdrawal could be allowed if the bidder provides a written request stating the reasons for the error. Mistakes detected after the award has been made do not relieve the contractor from performance according to the contract requirements. Failure to perform will result in default penalty.

**Delinquent Delivery** – The using department will check delivery dates as stated on the purchase order and contact the vendor if the scheduled delivery is not met. Any reasonable extension of delivery time will be reported to the Purchasing Department to determine if the order should be canceled or a penalty applied on the vendor.

**Public Disclosure of Bidders** – Bid lists and information regarding the names and numbers of bidders on any solicitation will not become a part of the bid file until after the bids are opened.

**Public Examination of Bids** – Bidders present at the bid opening may examine any bid and supporting documents submitted. Bid tabulations may be obtained at no charge after a recommendation for award is made.

**Insurance** – The City may require the bidder provide proof of liability and workman’s compensation insurance for any solicitation or purchase. The amount will be determined by the scope of work relative to the risk involved.

**Multi-year Award** – Certain materials, supplies, or services may best be awarded for a contract period of one year, renewable in one year increments not to exceed three years. These contracts are generally conditioned upon the prices, terms and conditions of the original bid remaining unchanged. Should it be determined at the end of any term that the bid is not renewable, the contract will be re-bid. All funding must be appropriated by the City Council annually.

**Contract Termination** – The City of Clarkville may choose to terminate any contract for cause following written notification of intent.

**Other Considerations in Bid Award** – In addition to price, the following areas may be considered in the award of a bid:

1. The ability of the bidder to perform the contract or provide the material or service required in a timely manner without delay or interference.
2. The character, integrity, reputation, experience and efficiency of the bidder.
3. Past performance of the bidder on contracts for supply of materials and services.
4. The ability of the bidder to provide future maintenance and service for the material purchased.
5. The quality and performance of the product or service as related to its intended use.
6. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
7. The quality, availability, and adaptability of the supplies, or services, to the particular use required.
8. Whether the bidder is in arrears to the City of Clarksville on a debt or contract or is a defaulter on surety to the City.
9. Consideration will be given to standardization, interchangeability and availability of parts.

10. Any other provision that has been identified in the bid solicitation and might effect the value received for the expenditure.

**Partial Payment** – Partial payment will be allowed only if addressed in the bid specifications.

**Oral Interpretations** – No oral interpretations or instructions given by any City employee or any person shall apply to any solicitation. Changes relative to any bid document will be in writing to all bidders and will originate from the Purchasing Department.

**Indemnification** – In submitting a bid, the bidder shall indemnify and defend the City against any and all claims or legal actions arising as a result of his performance of the contract, whether or not such claims relate to damages or alleged damages sustained by physical injury to contractor’s personnel, subcontractors, City employees or other persons, or against any lawsuits arising from alleged or actual patent infringements, and shall hold the City, its various departments, employees and any person or entities acting on its behalf harmless from the same.

## **INSPECTION AND TESTING**

All supplies, materials, equipment or contractual services may be inspected upon delivery to determine their performance and compliance with the specifications set forth in an order to contract.

The Purchasing Agent or his designee may require chemical and physical test of materials submitted with bids and delivery samples, or after products have been delivered, to determine their quality in conformance with specifications. In the performance of such tests outside laboratory facilities may be used.

## **DISPOSAL OF SURPLUS PROPERTY**

The City Purchasing Agent or his designee shall dispose of City-owned property that has been declared by the department head to be surplus, scrap or obsolete. The property will be released for sale and disposed of by a method determined by the City Purchasing Agent or his designee to be of the most value and in the City’s best financial interest.

The following disposal methods may be used:

1. Sealed bid.
2. Public auction (to include on-line auctions such as GovDeals)
3. Transfer from one department to another.
4. Transfer to another government.

The City Purchasing Agent has the authority to dispose of city-owned property that has no significant value, as determined by him, in a manner that best benefits the City financially.

Disposal of surplus property will be reported monthly to the Finance and Administration Committee.

The Finance Department will be furnished all pertinent information regarding the disposal or transfer of city-owned property such as complete description of the material, date of disposal, method, identification and location of purchaser, and value received, if applicable.

## **DISPOSAL OF REAL PROPERTY**

The City Purchasing Agent or his designee or a designee of the city council shall be authorized to dispose of and transfer all surplus real property and all improvements to the real property at public auction and as directed by the Clarksville City Council. Negotiated sales shall be approved by the affirmative vote of the Clarksville City Council.

## **PURCHASE OF USED EQUIPMENT**

Used equipment may be purchased without sealed bids if the following conditions exist:

1. There is a considerable savings over new equipment and the department has a justifiable need.
2. The source has been identified as reputable.
3. Other sources have been researched for availability of item(s).
4. The price is reasonable and within department budget limits.

Revised February 9, 2006

## **FORMAL PURCHASE CONTRACTS**

When an award is made by the City requiring a signed contract rather than a purchase order for construction or major projects, the original comes to the Purchasing Department for the Mayor's signature. An original of the executed contract and associated documents will be retained in the bid file. The bid file is located in the Purchasing Department.

A purchase order properly endorsed by the City Purchasing Agent or his designee and one accepted by the vendor, also forms a binding contract.

## **BID FILES**

It is the responsibility of the Purchasing Department to maintain all documentation relative to bids. Bid files shall be properly secured and available to the public. Requests for bid files will be made available as required and will include "sign out/sign in" requirements for those requesting the file.

## **FAILURE TO COMPLY**

Failure to comply with the policies and procedures in this document shall result in disciplinary action up to and including revocation of purchasing privileges. Any department failing to comply may be reported to the Mayor.

**BID SUMMARY/RECOMMENDATION**

Date: \_\_\_\_\_ Bid Number: \_\_\_\_\_

Requested Purchase (description): \_\_\_\_\_

It is this department's recommendation that the above goods/services/equipment should be purchased from \_\_\_\_\_

For the bid amount of \$ \_\_\_\_\_

I affirm that I have reviewed and approved the bid specifications and that unless otherwise noted on a separate attachment that the goods/services/equipment to be purchased from the vendor or service provider meet or exceed specifications. I believe the above vendor/service provider to be the lowest and best bidder. (If this was not the low bid, written documentation is attached detailing the selection of a non-low bid.) Additionally I have reviewed my budget and that there are sufficient funds in my department/or in the capital project's budget to pay for the purchase of the goods/services/equipment.

Account No. to Be Charged: \_\_\_\_\_ Budgeted Amount: \_\_\_\_\_

\_\_\_\_\_  
Department Head Date

***Purchasing Department***

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Approval for purchase will be evidenced by signed purchase order.

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***Finance Department***

Review of Account No. \_\_\_\_\_ on \_\_\_\_\_ indicated that there was sufficient available funds within budget line item or within capital project.

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Approval for payment will be evidenced by signing of check.

## **PROCUREMENT PROTEST PROCEDURES**

WHEN QUESTIONS OR PROTESTS REGARDING PROCUREMENTS ARE AT ISSUE, THE FOLLOWING PROCEDURES WILL BE ADHERED TO BY THE CITY OF CLARKSVILLE:

Any protest or objection to the Conditions and or Specifications in the Bid Documents or the Procurement Process must be submitted for resolution to the Purchasing Agent for the City of Clarksville. Each protest must be made in writing and supported by sufficient information to enable the protest to be considered. A protest or objection will not be considered by the City if it is insufficiently supported or if it is not received within the specified time limits. The City of Clarksville shall respond in detail to each substantive issue raised in protest.

A party wishing to protest must post a protest bond in the amount of \$500.00 at the time of filing a notice of protest with the City of Clarksville Purchasing Agent. Protest bonds must be in the form of a cashier's or certified check made payable to the City of Clarksville. If the Protest Review Board upholds the protest, the bond shall be returned to the filing party. If the protest is denied, the bond will be retained by the City of Clarksville to cover the costs associated with the protest.

If a pre-bid/proposal protest is not resolved to the protester's satisfaction, then the protest shall be referred to the Department Head who initiated the bid request for the City of Clarksville, or his designee, for resolution. If the protest is still unresolved, the protest shall be referred to the Protest Review Board for resolution. The decision of the Protest Review Board shall be final. The Protest Review Board will consist of the Department Head initiating the bid, the Purchasing Agent for the City, and the City Attorney.

Protest arising after the opening of bids or proposals and prior to award (pre-award) of the contract and based upon grounds that were known or should have been known will be submitted to the Purchasing Agent for the City within three (3) working days after notification of the apparent low responsive and responsible bidder. The Purchasing Agent will present the protest to the Protest Review Board for a decision and the decision of the Protest Review Board will be final.

The decision of the Protest Review Board shall be final for all pre-bid and pre-award protests and no further appeals will be considered by the City.

Protests after the award of a contract (post-award) must be filed with the Purchasing Agent within three (3) working days of the award of the contract. The protest will be brought before the Protest Review Board for resolution. The decision by the Protest Review Board will be final and no further appeals will be considered by the City.

In all protests-- pre-bid, pre-award, and post-award-- requests for reconsideration of final decisions will only be granted in the event that new information becomes available which was not previously known or there has been an error of law or regulation.