

# TOWN OF ATOKA

## *Purchasing Policy*

### **Purpose**

In accordance with Title 5, Chapter 1 of the Atoka Municipal Code of Ordinances, this policy has been designed to ensure that the purchasing guidelines established by the Board of Mayor and Aldermen are followed consistently across Town operations. It is the expressed goal of the Town to receive maximum value for each public dollar spent in purchasing products or services in the service to the Town. This policy further defines the existing ordinance and does not supersede any provision of the Chapter.

### **Basic Goals**

The basic goals of the Town's purchasing policy are:

- To receive maximum value for every public dollar spent.
- To comply with the legal requirements of public purchasing.
- To ensure that impartial and equal treatment is afforded to all vendors who wish to do business with the Town.
- To provide Town departments with the required goods and services at the time and place needed in the proper quantity and quality.
- To justify the decision-making process related to purchasing.
- To operate within the Board-approved budget limits.

### **General Guidelines**

These general guidelines are administrative rules and regulations and are to be adhered to by all departments in the procurement of goods and services. The Town Administrator shall be responsible for overseeing the application and adherence to this policy and will issue clarifications as needed.

### **Local Purchasing Preference**

It is the desire of the Town to purchase from local vendors whenever possible. This can be accomplished by ensuring that local vendors are included in the competitive bidding process and by affording local vendors an opportunity to provide goods or services to the Town. Town departments shall identify local vendors who offer the particular goods or services being sought and shall actively seek to solicit quotes or bids from local vendors.

While local purchasing is preferred, the Town of Atoka has a responsibility to its citizens to ensure that the maximum value is obtained for each public dollar spent.

### **Planning**

Planning for purchases shall be done on both a short-term and a long-term basis. Effective planning will minimize the number of trips required to obtain materials and minimize the administrative time spent on documenting purchases.

### **Sales Tax**

The Town of Atoka is exempt from paying all local sales tax. The Town Recorder shall provide the necessary exemption documents to any vendor upon request.

## **Personal Purchasing**

Employees and officials are strictly prohibited from using their position or the Town's name to purchase items for their own personal use.

## **Purchasing Guidelines**

This policy outlines the degree of formality to be followed in the purchase of goods and services. As the cost of the good or service increases, the formality of the process also increases. The splitting of purchases into smaller orders or projects to avoid more formal purchasing requirements is strictly prohibited.

Whenever possible, a department should anticipate multiple purchases of the same item or similar services during the course of a fiscal year and follow the appropriate process based on the anticipated costs incurred. For example, spending \$1,000 every month on a service from the same vendor would result in a fiscal year cost of \$12,000 and would be considered a formal purchase.

Appropriate documentation, as required in this policy, ensures that all vendors are treated fairly.

### **Small Purchases - \$1,500 or less**

Department Heads are authorized to make purchases of goods and services for any purchase in the amount of \$1,500 or less. Receipts and/or invoices for goods or services shall be provided to the Town Recorder for processing and payment.

### **Informal Purchases - \$1,501 - \$9,999**

Department Heads must obtain three (3) or more quotations for the goods or services required. Quotes can be received in person or by telephone, mail, fax or e-mail. A website print-out, including model number, item price and shipping cost, shall also be considered a valid quote. Informal written bids shall not require formal advertising or notice of a bid opening. For purchases \$3,000 or greater, the Department Head will submit the purchase request to the Town Administrator for approval prior to awarding the purchase.

### **Formal Purchases - \$10,000 or more**

Department Heads anticipating the purchase of goods or services exceeding \$10,000 in value shall prepare specifications based on the standards appropriate to meet the Town's needs. Bids must be submitted according to the instructions provided in the bid packet. Any bid failing to follow the bidding instructions or not meeting the minimum requirements of the bidding specifications shall be rejected by the Town.

#### ***Process for Formal Purchases***

With the Town Administrator's approval, the department will prepare and mail to qualified vendors the bid package consisting of an invitation to bid, bid specifications and a bid form. To streamline purchasing, if there is prior knowledge of more than one (1) item to be purchased in a certain period of time, departments are encourage to compile these items into one (1) public notice.

The department will prepare the Bid Notice for submittal to the Town Recorder. The Bid Notice will be published in at least a local newspaper, the Town's website and public posting locations in the community.

All Bid Notices shall explicitly state that the Town reserves the right to accept or reject any bid, in whole or in part, when such action would be in the best interest of the Town.

All bids shall be sealed and filed with the Town Recorder at or prior to the date indicated in the Bid Notice. Formal bids will only be accepted in a sealed envelope or package.

Bids shall be opened at the time specified in the Bid Notice by the Town Recorder or his/her designee. Any bids arriving after the designated opening day and time will be noted but will remain unopened.

The Department Head will prepare a written tabulation of all bids and will submit a written recommendation to the Town Administrator's office for the award of bid. The Board of Mayor and Aldermen shall consider awarding the bid at its next meeting.

### **Evaluation Criteria**

Evaluation of quotes or bids received shall be conducted by the Department Head who then furnishes a recommendation to the Town Administrator. The evaluation shall consider:

- The acceptability of the quote or bid received. Examine the ability, capacity and skill of the bidder to provide the good or service required.
- Quality of performance of previous goods or services provided by the bidder.
- Verify bid bond and references, if required.
- The ability of the bidder to provide future maintenance and service for the good or service required.

The Department Head, in making a recommendation, shall select the quote or bid that is in the best interest of the Town. In most cases, the lowest price will be in the best interest of the Town and the low quote or bid shall be awarded. However, past performance, delivery time, references or other factors may occasionally lead the Town to select a higher quote or bid.

No bid award on purchases over \$10,000 is final until formally approved by the Board of Mayor and Aldermen.

### **Additional Guidelines**

#### **Sole Source Vendor**

A sole source situation occurs when there is only one vendor or individual that is capable of providing the goods or services required. Whenever a Department Head determines that they must purchase goods or services from a sole source vendor, the Department Head shall document why only one vendor or individual is capable of providing the required goods or services. The Town Administrator shall approve all sole source purchases.

#### **Emergency Purchases**

The bid procedures outlined in this policy may be waived under emergency conditions when Town operations would be severely harmed or health and safety of Town citizens would be negatively and irrevocably impacted. In such instances, the Town Administrator may approve purchases not to exceed \$10,000 in accordance with Title 5, Chapter 1, Section 5-103(1). Any emergency purchases exceeding that amount will require the verbal consent of the Mayor.

When the need for an emergency purchase occurs, the Department Head will contact the Town Administrator for verbal approval of the transaction. The Town Administrator may also provide advice as to the best source of the item(s) needed. The Department Head will write "EMERGENCY" on any receipts or invoices related to the purchase.

### **Cooperative Procurement Programs**

Departments are encouraged to use cooperative purchasing programs available through the State of Tennessee. These programs, frequently referred to as State bid or State surplus, can prove advantageous to the Town by taking advantage of large quantity purchases made by State government or by acquiring equipment no longer needed by a State agency. Purchases made through these programs are considered to have met the requirements of the competitive bidding process. Capital purchases approved in the budget and made through a cooperative procurement program require the approval of the Department Head and the Town Administrator.

### **Professional Services**

Normal competitive procedures cannot be utilized in securing professional services such as legal, engineering, audit/certified public accounting, planning and other professional services where, in keeping with the standards of their profession, will not enter into a competitive bidding process.

A Request for Proposals (RFP) or a Request for Qualifications (RFQ) can be prepared similar to the specifications included in the formal bid process. The RFP or RFQ shall include requirements and minimum standards for the services to be provided and shall be approved by the Town Administrator prior to distribution. When approved, the RFP or RFQ for professional services will be distributed to a limited number of qualified professionals known to the Town, inviting them to submit a proposal setting forth their interest, reviewing their qualifications and addressing how they can meet the Town's objectives.

In securing professional services, it is the primary goal of the Town to obtain the services of a professional who has a proven record of providing, in a professional setting, the services desired by the Town. Following a review of the submissions, a contract for services will be negotiated with the professional deemed to best meet the Town's needs.