

**RESOLUTION 16-15**

**A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF WHITE HOUSE, TENNESSEE, APPROVING CERTAIN AMENDMENTS AND REVISIONS TO THE PURCHASING PROCEDURES MANUAL.**

**WHEREAS**, the governing body of this City desires to amend the methods to comply with the purchasing laws of the State of Tennessee and to provide for a more formal process for the procurement of equipment, services, and materials for the operation of municipal government; and

**WHEREAS**, such action is required by the Municipal Purchasing Law of 1983, *Tennessee Code Annotated 6-56-301*, et seq.; and

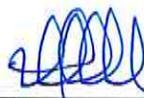
**WHEREAS**, it occasionally becomes necessary to amend policies within the laws provided to allow for more efficiency and smoother transition within current procedures; and

**WHEREAS**, this manual has had a few recommendations from department heads to revise the procedures;

**NOW, THEREFORE**, the Board of Mayor and Aldermen of the City of White House do hereby resolve that the Purchasing Procedures Manual is hereby amended by changing and updating the City of White House Purchasing Procedures Manual as detailed in the attachment.

This resolution shall be effective upon passage.

Adopted this 20<sup>th</sup> day of October 2016.



\_\_\_\_\_  
Michael Arnold, Mayor

ATTEST:



\_\_\_\_\_  
Kerry Harville, City Recorder

# City of White House



## Purchasing Manual

Manual Revised October ~~15~~20, 201~~6~~5

**CITY OF WHITE HOUSE  
MUNICIPAL CODE**

**CHAPTER 5  
PURCHASING**

**SECTION**

5-501. City administrator or his designee is purchasing agent.

5-502. General powers and duties of purchasing agent.

5-503. Purchasing procedures.

5-504--5-510. [Deleted.]

**5-501. City administrator or his designee is purchasing agent.** As provided in Tennessee Code Annotated, § 6-56-301, et seq., the office of the purchasing agent is hereby created and the city administrator shall faithfully discharge the duties of said office or appoint an individual to make purchases for the City of White House. Purchases shall be made in accordance with the Municipal Purchasing Law of 1983 and amendments thereto, this chapter and purchasing procedures approved by the governing body. (1979 Code, § 6-501, as replaced by Ord. #00-24, Sept. 2000, and Ord. #07-19, July 2007)

**5-502. General powers and duties of purchasing agent.** The purchasing agent or designated representative, as provided therein, shall purchase materials, supplies, services and equipment, provide for leases and lease-purchases and dispose of surplus property in accordance with purchasing procedures approved by the governing body by resolution and filed with the city recorder. (1979 Code, § 6-502, as replaced by Ord. #00-24, Sept. 2000, and Ord. #07-19, July 2007)

**5-503. Purchasing procedures.** After initial approval by resolution of the governing body of this City of White House, changes or revisions to the purchasing procedures shall be made only by resolution by the governing body. (1979 Code, § 6-503, as amended by Ord. #95-16, Sept. 1995; and Ord. 99-22, Sept. 1999; as replaced by Ord. #00-24, Sept. 2000, and Ord. #07-19, July 2007)

**5-504--5-510. [Deleted.]** (as deleted by Ord. #07-19, July 2007)

**RESOLUTION 15-11**

**A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF WHITE HOUSE,  
TENNESSEE, APPROVING CERTAIN AMENDMENTS AND REVISIONS TO THE PURCHASING  
PROCEDURES MANUAL.**

**WHEREAS**, the governing body of this City desires to amend the methods to comply with the purchasing laws of the State of Tennessee and to provide for a more formal process for the procurement of equipment, services, and materials for the operation of municipal government; and

**WHEREAS**, such action is required by the Municipal Purchasing Law of 1983, *Tennessee Code Annotated 6-56-301*, et seq.; and

**WHEREAS**, it occasionally becomes necessary to amend policies within the laws provided to allow for more efficiency and smoother transition within current procedures;

**WHEREAS**, this manual has had a number of recommendations from department heads to revise the procedures;

**WHEREAS**, Resolution 10-01, pertaining to the Emergency Purchasing Procedures Manual, will be deleted in its entirety and incorporated into the Purchasing Procedures Manual;

**NOW, THEREFORE**, the Board of Mayor and Aldermen of the City of White House do hereby resolve that the Purchasing Procedures Manual is hereby amended by changing and updating the City of White House Purchasing Procedures Manual as detailed in the attachment.

This resolution shall be effective upon passage.

Adopted this 15<sup>th</sup> day of October 2015.

\_\_\_\_\_  
Michael Arnold, Mayor

ATTEST:

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Kerry Harville, City Recorder

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**Foreword**

With the help of this manual, our City can learn how to create the most efficient purchasing operation possible. By clarifying the procedures, the using department will benefit from time saved obtaining materials, equipment, and services.

The main function of the Purchasing Agent is to aid all departments within the City by securing the best materials, supplies, equipment, and service at the lowest possible cost, while keeping high standards of quality. One purpose of this manual is to explain the City's buying policies and to serve as a general framework and guide for purchasing decisions. To have a good purchasing program, all City employees directly or indirectly associated with buying must work as a team to promote the City's best interests in getting the maximum value for each dollar spent.

As revisions or additions to this manual become necessary, new pages will be sent to all recipients, who are expected to keep the guide up-to-date.

If there are any questions, please contact the Purchasing Agent at City Hall. Requests for additional copies should be addressed to the same office.

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MAYOR  
CITY OF WHITE HOUSE

## **PURCHASING PROCEDURES**

### **CITY OF WHITE HOUSE, TENNESSEE**

As designated in Ordinance No.07-19, the City Administrator shall act as Purchasing Agent for the City, with power, except as set out in these procedures, to purchase materials, supplies, equipment; secure leases and lease-purchases; and dispose of and transfer surplus property for the proper conduct of the City's business. All contracts, leases, and lease-purchase agreements extending beyond the end of any fiscal year must have prior approval of the governing body.

The Purchasing Agent shall have the authority to make purchases, leases, and lease purchases of more than ten-thousand dollars (\$10,000) and less than twenty-five thousand dollars (\$25,000) singly or in the aggregate during any fiscal year and, except as otherwise provided herein, shall require three (3) competitive bids or quotations, either verbal with email confirmation or written, whenever possible prior to each purchase. Competitive bids or quotations for the purchase of items which cost less than ten-thousand dollars (\$10,000) are desirable but not mandatory. All competitive bids or quotations received shall be recorded and maintained in the office of the Purchasing Agent for a minimum of seven (7) years after contract expires. When requisitions are required, the competitive bids or quotations received shall be listed upon that document prior to the issuance of the purchase order. Awards shall be made to the lowest and best bid.

A description of all projects or purchases, except as herein provided, which require the expenditure of City funds of twenty-five thousand dollars (\$25,000) or more shall be prepared by the Purchasing Agent and submitted to the governing body for approval after the solicitation of bids or proposals. After the determination that adequate funds are budgeted and available for a purchase, the governing body may authorize bids or proposals. The award of purchases, leases, or lease-purchases of twenty-five thousand dollars (\$25,000) or more shall be made by the governing body to the lowest and best bid.

Purchases amounting to twenty-five thousand dollars (\$25,000) or more, which do not require public advertising and sealed bids or proposals, may be allowed only under the following circumstances and, except as otherwise provided herein, when such purchases are approved by the governing body:

- Sole source of supply or proprietary products as determined after complete search by using department and the Purchasing Agent, with governing body approval
- Emergency expenditures with subsequent approval of the governing body
- Purchases from instrumentalities created by two (2) or more cooperating governments
- Purchases from non-profit corporations whose purpose or one of whose purposes is to provide goods or services specifically to municipalities
- Purchases, leases, or lease-purchases of real property
- Purchases, leases, or lease-purchases, from any federal, state, or local governmental unit or agency, of second-hand articles or equipment or other materials, supplies, commodities, and equipment
- Purchases through other units of governments as authorized by the Municipal Purchasing Law of 1983
- Purchases directed through or in conjunction with the state Department of General Services
- Purchases from Tennessee state industries
- Professional service contracts as provided in *Tennessee Code Annotated* 12-4-106
- Tort Liability Insurance as provided in *T.C.A.* 29-20-407

- Purchases of fuels, fuel products, or perishable commodities
- Purchases for resale of natural gas and propane gas

The Purchasing Agent shall be responsible for following these procedures and the Municipal Purchasing Law of 1983, as amended, including keeping and filing required records and reports, as if they were set out herein and made a part hereof and within definitions of words and phrases from the law as herein defined.

## **RELATIONS OF OTHER DEPARTMENTS WITH THE PURCHASING AGENT**

The Purchasing Agent is a service agent for all other departments of the City. The purchasing function is a service, and for the mutual benefits gained to go toward the good of the City, all departments must work in harmony. This manual is a guide to help the departments know their buying responsibilities.

### **Purchasing Agent's Responsibility**

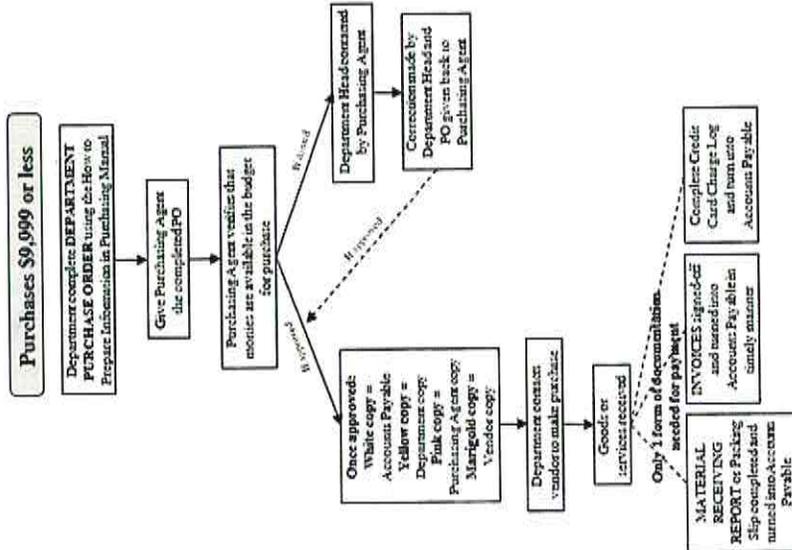
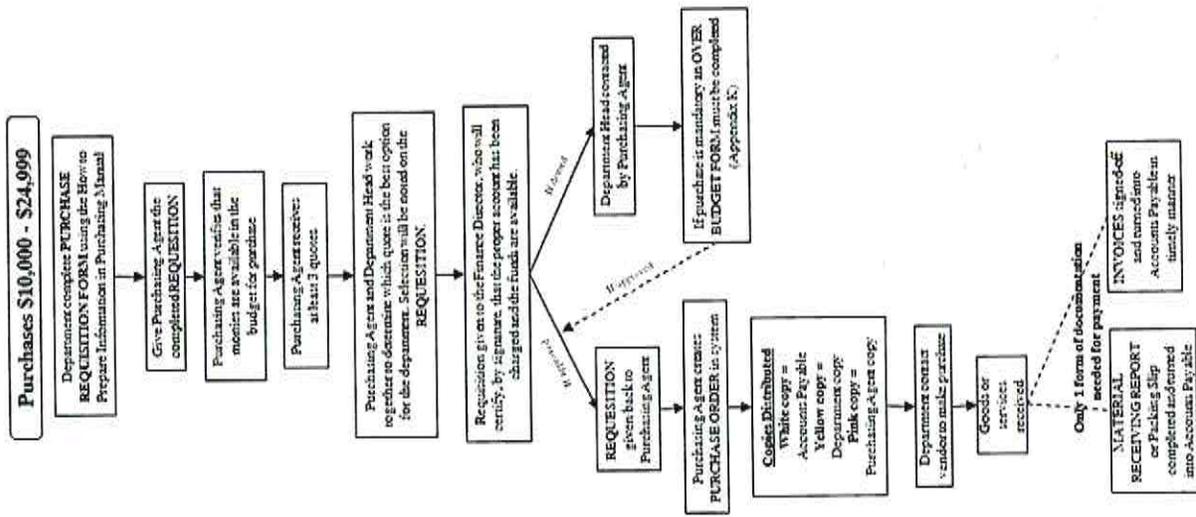
- To aid and cooperate with all departments in meeting their needs for operating supplies, equipment, and services
- To process all requisitions with the least possible delay
- To procure a product that will meet the department's requirements at the least cost to the City
- To know the source and availability of needed products and services and maintain current vendor files
- To obtain prices on comparable materials after receipt of departmental requisition
- To select vendors, prepare purchase orders, and process and maintain order and requisition files
- To search for new, improved sources of supplies and services
- To assist in preparation of specifications and to maintain specification and historical performance files
- To prepare and advertise requests for bids and maintain bid files
- To keep items in store in sufficient quantities to meet normal requirements of the City for a reasonable length of time within space availability
- To investigate and document complaints about merchandise and services for future reference
- To transfer or dispose of surplus property
- To maintain a filing system for all purchase orders, requisitions, and petty cash

### **Using Department's Responsibility**

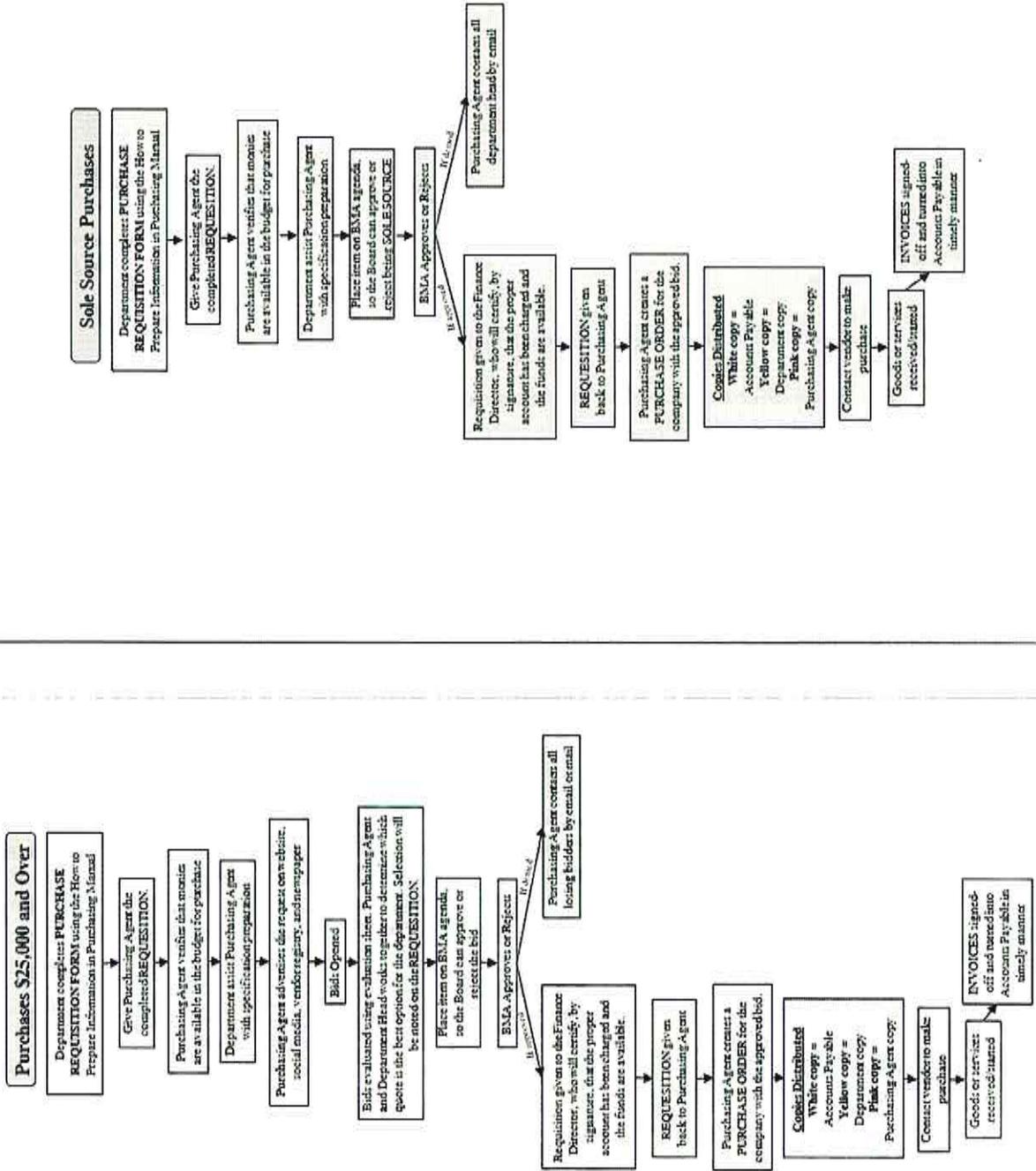
- To allow ample lead time for the Purchasing Agent to process the requisition and issue the purchase order, while permitting the supplier time to deliver the needed items
- To prepare a complete and accurate description of materials to be purchased
- To help the Purchasing Agent by suggesting sources of supply
- To plan purchases in order to eliminate avoidable emergencies
- To initiate specification preparation on items to be bid
- To inspect merchandise upon receipt, and complete a receiving report noting any discrepancies in types, numbers, condition, or quality of goods
- To advise the Purchasing Agent of defective merchandise or dissatisfaction with vendor performance
- To advise the Purchasing Agent of surplus property



# PURCHASING PROCESS



# PURCHASING PROCESS



## PURCHASING FORMS

### Purchase Requisition Form

#### **Purpose**

A purchase requisition, for purchases over-\$10,000 and over, lets the Purchasing Agent know, in detail, what the using department needs. A purchase requisition is required for purchases, requesting price information, and initiating a bid request. To view a sample purchase requisition see Appendix A.

#### **When Prepared**

Purchase requisitions shall be sent to the Purchasing Agent using the below guidelines:

- **\$10,000-1-\$24,999:** 30 days in advance of desired delivery or project start date
- **\$25,000+:** 90 days in advance of desired delivery or project start date

#### **Who Prepares the Requisition**

Purchase requisitions shall originate in the using department and must be signed by the requisitioner and the department head.

#### **How to Prepare**

A properly processed purchase requisition must contain the following information:

- **Date issued:** The date the purchase requisition is prepared
- **Date wanted:** State a definite delivery date. "AT ONCE, ASAP, and RUSH" are vague instructions and don't give the Purchasing Department sufficient information. Prepare far enough in advance to avoid emergencies
- **Requisition number:** Place the sequential number in this area if your department keeps a numerical requisition file
- **Department:** The complete name of using department
- **Requisitioner:** Signature of the person initiating the purchase request
- **Department head:** Signature of the department head
- **Suggested vendors:** If there are more than three (3) suggested vendors, the department head should list on a separate sheet
- **To be delivered to:** Be specific. If vague or indefinite, confusion may result in costly delays
- **Item no.:** Numerical order of items listed
- **Quantity:** The number required
- **Unit:** Dozen, lineal feet, gallons, etc.
- **Description:** Give a clear description of the items including size, color, type, etc. If the purchase is of a technical nature, specifications should be attached to the requisition. If the item can't be described without a great amount of detail, a brief description should be given, followed by a trade name and model number of an acceptable item "or approved equal." Purchase requisitions must not give specifications that will favor one supplier to the exclusion of any others
- **Account to be charged (Appendix B):** Complete budgetary code
- **Unit price:** Price for each individual item
- **Amount:** A total of quantity times unit price

*NOTE: Incomplete information will result in the purchase requisition being returned to the using department for clarification.*

## **Purchase Orders**

### **Purpose**

A purchase order authorizes the seller to ship and invoice the materials and services as specified. Purchase orders shall be written in a clear, concise, and complete manner. This will prevent confusion and unnecessary correspondence with suppliers. To view a sample purchase order see Appendix C.

### **When Prepared**

Purchase orders are issued only after a purchase requisition has been submitted and approved by the Purchasing Agent and the Finance Director. No purchase order will be issued until the Finance Director has certified adequate funds and cash balances to make the purchase, except as otherwise mentioned.

### **Who Issues the Purchase Orders**

The Purchasing Agent issues purchase orders, except as otherwise provided herein. The using departments will not enter into negotiations with suppliers for the purchase of equipment, supplies, materials, services, or other items, except under the emergency purchase procedures and as otherwise provided herein.

### **How Purchase Orders are Handled**

The purchase order is made from the approved requisition and is prepared in three (3) copies.

- Original purchase order is given to the Accounts Payable Department to be held until invoice is signed and paid
- One copy is sent to the department head making the request, to be held until the goods or services are received and then filed for the department's record keeping
- One copy is filed in numerical order by the Purchasing Agent

### **Cancellations**

The Purchasing Agent must initiate all cancellations and will issue a purchase order to the next best vendor or renew the purchasing process.

## Departmental Purchase Orders

### Purpose

Departmental purchase orders allow the using department to handle small purchases without having to process a requisition through the Purchasing Agent. To view a sample department purchase order see Appendix D.

### When Used

Departmental purchase orders are to be used for buying items which cost ten-thousand dollars (\$10,000) or less. If the purchase is over the dollar limit, under no circumstances may multiple forms be used in an effort to avoid filling out a purchase requisition.

### Who Prepares the Departmental Orders

Any employee may fill out a departmental purchase order; only a Department Head (or designated person assigned in absence of the Department Head) is authorized to sign it. The department head is responsible for keeping expenses within budgetary appropriations and should try to secure at least three (3) quotes for those items which cost \$10,000 or less. It's the responsibility of the department head, considering price and quality, to determine the best source of supply. The Purchasing Agent will assist in vendor selection upon request.

### How to Prepare

A completed departmental purchase order will contain the following information:

- **Date:** The date the order was prepared
- **Dept.:** Ordering department
- **To:** Firm or person from whom purchase is being made and address of vendor
- **Ship To:** Department to which the goods or services will be delivered
- **Requisitioned By:** Employee that is making the request
- **Account to be Charged:** Complete budgetary code of using department
- **Quantity Ordered:** The amount ordered of each item described
- **Item No.:** Item number/part number of item purchasing
- **Description:** Brief description of item(s) to be bought
- **Unit Price:** Price of individual unit
- **Total:** Amount of quantity times unit price
- **Authorized By:** Signature of Purchasing Agent and Department Head indicating adequate budget and availability of cash for purchase

### Routing

A departmental purchase order is a four-part form containing the following:

- **White copy:** The Purchasing Agent will give white copy to Accounts Payable to match the invoice after Department Head documented and indicated receipt
- **Yellow copy:** Acknowledgment copy; will be sent back to department after approval by Purchasing Agent
- **Pink copy:** Kept by Purchasing Agent for filing
- **Marigold copy:** If requested, mailed/scanned to the vendor by the department after approval by the Purchasing Agent

## Material Receiving Report

### Purpose

The material receiving report form is designed to let the Purchasing Agent and Accounts Payable know an item(s) of a particular order has been received. To view a sample material receiving report see Appendix E.

### When Prepared

For all materials, supplies, or services that are received either a packing label or a material receiving report must immediately be turned in to Accounts Payable. If a packing slip is being turned in instead of the material receiving report, the purchase order number must be written clearly on the label with the receiving person's signature. If a packing label is not available the material receiving report must be completed immediately.

If a partial order is received a material receiving report must be completed and turned into Accounts Payable. If the other portion of your delivery will come in the next couple of days the material receiving report can be held so that all of the receiving documents for one purchase order are turned in to Accounts Payable together. Under no circumstances should a material receiving report be held for more than a week.

### Who Prepares

Only persons designated by the department head and trained to receive items for each department and building location. This person(s) is responsible for completing the form.

### How to Prepare

A proper material receiving report must contain the following information:

- **Purchase order number:** The number from the purchase order on which the items were ordered
- **From:** Name of vendor
- **Material received by:** Person receiving the item
- **Date received:** Date the goods are received
- **Quantity:** Number of items received
- **Description:** Brief statement describing item(s)
- **Price:** Unit price from the purchase order
- **Per:** Unit measure (foot, lb., etc.)
- **Amount:** Amount equal to quantity times unit cost
- **Freight Charge:** Amount (if any) charged for delivery

When any item(s) isn't in satisfactory condition, a statement about the condition of the item(s) must be made in the description column. There is no need to write anything in this column if the item is undamaged.

~~SEALED BIDS OR PROPOSALS~~ ~~Sealed bids or Proposals~~ **SEALED BIDS OR PROPOSALS**

Sealed bids are required on purchases of \$25,000 or more. Bids must be advertised in a local newspaper of general circulation not less than five (5) days before bid opening date.

**Purchasing Agent's Responsibility**

- Prepare bid requests
- Establish date and time for bid opening
- Select possible sources of supply
- Prepare specifications (unless of a technical nature, such as architectural, engineering, etc.) using department's input and assistance. To view a sample request for quotes form see Appendix F.
- Mail bid requests and advertise as appropriate. If delivered by hand, a receipt of the bid request should be signed by the vendor
- Receive and open bids. To view a sample summary of bids form see Appendix G.
- Evaluate bids using department's assistance
- Prepare bids and make a recommendation on award to governing body for approval
- Process purchase order after governing body approval
- Maintain all specification and bid data files

**Using Department's Responsibility**

- Prepare requisition to begin bid process. This should contain specific information about items needed. For example, quantity, size, brand preferred, performance requirements, etc.
- Submit requisition to begin bid request to the Purchasing Agent at least 90 days prior to the anticipated delivery or project start date
- Assist in specification preparation if needed
- Assist in evaluation of bid results

## General Information about Sealed Bids or Proposals

The following policies shall apply to sealed bids:

1. **Bid or Proposal Opening:** Bids will be opened at the time and date specified on the bid request. All bids are opened publicly and read aloud, with a tabulation provided to all vendors participating. Proposals for extensive systems, complicated equipment, or construction projects, with prior approval of the governing body, may be opened privately in cases where the disclosure of the contents of the proposal could not be readily evaluated and would have a negative impact on both the vendor and the City.
2. **Electronic Bids:** The Invitation for Bids shall be electronically distributed, and shall be considered whenever they are received in hand at the designated office by the time and date set for receipt of bids. Such electronic bids or proposals shall contain specific reference to the Invitation for Bids; the items, quantities, and prices for which the bid is submitted; the time and place of delivery; and a statement that the bidder agrees to all the terms, conditions, and provisions of the Invitation for Bids.
3. **Late Bids:** No bids received after closing time will be accepted. All late bids will be returned unopened to the vendor. Bids postmarked on the bid opening date but received after the specified time will be considered late and will be returned unopened.
4. **Bid Opening Schedule:** The Purchasing Agent is responsible for setting bid opening dates and times.
5. **Telephone Bids:** The Purchasing Agent won't accept any bid by telephone.
6. **Bid Form:** The Purchasing Agent sends duplicate copies of bid request forms to each bidder, thereby enabling the bidder to return one and maintain a file copy. Bids won't be accepted on any vendor letterhead, vendor bid form, or other substitutions unless special permission is given by the Purchasing Agent.
7. **Unsigned Bids:** Failure of a vendor representative to sign a bid proposal removes that bid from consideration. A typed official's name won't be acceptable without that person's written signature.
8. **Acceptance of Bids:** The City reserves the right to reject any or all bids, to waive any irregularities in a bid, to make awards to more than one bidder, to accept any part or all of a bid, or to accept that bid (or bids) which in the judgment of the governing body is in the best interest of the City.
9. **Shipping Charges:** Bids are to include all shipping charges to the point of delivery. Bids will only be considered on the basis of delivered price, except as otherwise authorized by the governing body.
10. **Sample Product Policy:** The Purchasing Agent may request a sample product as part of a bid. If this is stated on the bid proposal form, the vendor is required to comply with this request or have the bid removed from consideration.
11. **Approved Equal Policy:** Specifications in the request for bid are intended to establish a desired quality or performance level or other minimum requirements which will provide the City with the best product available at the lowest possible price. Brands and/or models other than those designated as "equal to" products shall receive equal consideration.

When a brand name and/or model is designated, it signifies the minimum quality acceptable. If an alternate is offered, the bidder must include the brand name or model to be furnished, along with complete specifications and descriptive literature and, if requested, a sample for testing.

12. **Alternate Bids:** Should it be found, after bids have been opened, that a product has been offered with an alternative specification and that this product would be better for the City to use, all bids for that item may be rejected and specifications re-drawn to allow all bidders an equal opportunity to submit bids on the alternate item.
13. **Vendor Identification:** Potential suppliers are selected from existing vendor files, using department's suggestions, and any and all sources available to locate vendors related to a specific product or service. New suppliers are added to the bid list as they are found.
14. **Debarment List:** Federal and State agencies keep lists of debarred vendors/contractors that are not allowed to bid/quote on any government project. The City should also keep an updated list of vendors/contractors that have done poor work with the City. This list should contain the name of the company, owner's name, address, and reason why the company is on the debarred list. Any bids from these vendors/contractors should not be accepted on any circumstance.
15. **Cancellation of Invitation for Bid or Request for Proposal:** An invitation to bid, a request for proposal, or other solicitations may be canceled, or any or all bids or proposals may be rejected in part as may be specified in the solicitation when it is in the best interest of the City. The reasons shall be made a part of the bid or proposal file.

16. **Tie Bids:** A tie bid is one in which two or more vendors bid identical items at the same unit cost. Tie bids may be determined by one of the following factors:
  - (a) Discount allowed
  - (b) Delivery schedule
  - (c) Previous vendor performance
  - (d) Vendor location
  - (e) Trade-in value offered
17. **Public Advertisement:** In addition to publication in a newspaper of general circulation as required by law, the Purchasing Agent may make any other efforts to let all prospective bidders know about the invitation to bid. This may be accomplished by delivery, verbally, mail, or by posting the invitation to bid in a public place. It is not required that specifications be included in the invitation to bid. However, this notice should state clearly the purchase to be made.
18. **Mistakes in Bids:** Mistakes in bids detected prior to bid opening may be corrected by the bidder withdrawing the original bid and submitting a revised bid prior to the bid opening date and time. Bidder mistakes detected by the bidder after the bids have been opened based on miscalculation may be withdrawn only with the approval of the Purchasing Agent. The Purchasing Agent shall determine if all or a portion of any bid bond shall be surrendered to the City as liquidated damages for any costs associated with the bid withdrawal.
19. **Bid Bond:** The Purchasing Agent may require that bidders submit a bid bond or other acceptable guarantee equal to 5% of the bid to ensure that the lowest responsible bidder selected by the Board enters into a contract with the City. All or a portion of the bid bond shall be surrendered to the City as liquidated damages should the successful bidder fail to enter into a contract awarded by the Board. If a bidder does not comply with the bid specifications, the bid bond could be pulled by contacting the bid bond surety.
20. **Performance Bond:** The Purchasing Agent may require and then include in the bid documents a requirement for the successful bidder to post a performance bond or other guarantee satisfactory to the City Attorney which shall ensure the faithful performance of all of the terms and conditions of the purchase contract.
21. **Sealed Bids and Sealed Proposals:** The Board of Mayor and Aldermen must approve the Competitive Sealed Proposals method of purchasing before each proposal request is sent out. The following is taken from *The Model Procurement Code for State and Local Governments*, American Bar Association, February, 1979. Pages 21-22.
  - (a) "Competitive sealed bidding as defined in this Code, is the preferred method of procurement. Although the formal sealed bid process should remain a standard in public purchasing, there is a place for competitive negotiation' (State and Local Government Purchasing. The Council of State Governments (1975) at 2.2). The competitive sealed proposal method (similar to competitive negotiation) is available for use when competitive sealed bidding is either not practicable or not advantageous.
  - (b) Both methods assure price and product competition. The use of functional or performance specifications is allowed under both methods to facilitate consideration of alternative means of meeting [state] needs (with evaluation and where appropriate) on the basis of total or life cycle costs. The criteria to be used in the evaluation process under either method must be fully disclosed in the solicitation. Only criteria disclosed in the solicitation may be used to evaluate the items bid or proposed.
  - (c) These two methods of source selection differ in the following ways:
    - Under competitive sealed bidding, judgmental factors may be used only to determine if the supply, service, or construction item bid meets the purchase description. Under competitive sealed proposals, judgmental factors may be used to determine not only if the items being offered meet the purchase description, but may also be used to evaluate competing proposals. The effect of this different use of judgmental evaluation is that under competitive sealed bidding, once the judgmental evaluation is completed, award is made on a purely objective basis to the lowest responsive and responsible bidder. Under competitive sealed proposals, the quality of competing products or services may be compared and trade-offs made between price and quality of the products or services offered (all as set forth in the solicitation). Award under competitive sealed proposals is then made to the responsible offer or whose proposal is most advantageous to the City.

- Competitive sealed bidding and competitive sealed proposals also differ in that, under competitive sealed bidding, no change in bids is allowed once they have been opened, except for correction of errors in limited circumstances. The competitive sealed proposal method on the other hand, permits discussions after proposals have been opened to allow clarification and changes in proposals provided that adequate precautions are taken to treat each bidder fairly and to ensure that information gleaned from competing proposals is not disclosed to other bidders.

#### **Other Aspects to Consider in Bid Awards**

In addition to price, the following points should be considered when awarding a bid:

- The ability of the bidder to perform the contract or provide the material or service required
- Whether the bidder can perform the contract or provide the material or service promptly or within the time specified, without delay or interference
- The character, integrity, reputation, experience, and efficiency of the bidder
- The previous and existing compliance, by the bidder, with laws and ordinances relating to the contract or service
- The ability of the bidder to provide future maintenance and service for the use of the subject contract
- Terms and conditions stated in bid
- Compliance with specifications or request for proposal

#### **Non-Performance Policy**

Failure of a bidder to complete a contract, bid, or purchase order in the specified time agreed on, or failure to provide the service, materials, or supplies required by such contract, bid, or purchase order, or failure to honor a quoted price on services, materials, or supplies on a contract, bid, or purchase order may result in one or more of the following actions:

- Removal of a vendor from bid list for a period to be determined by the governing body
- Allowing the vendor to find the needed item for the City from another supplier at no additional cost to the City
- Allowing the City to purchase the needed services, materials, or supplies from another source and charge the vendor for any difference in cost resulting from this purchase
- Allowing monetary settlement

#### **Delinquent Delivery**

Once the Purchasing Agent has issued a purchase order, no follow-up work should be done unless the using department says the items have not been received. If this happens, the Purchasing Agent will initiate action, either written or verbal as time allows, to investigate the delay. The using department will be advised of any further problems or a revised delivery date.

## SOLE SOURCE PURCHASES

### Purpose

Sole Source purchases are to be made only when no other vendor can supply the services needed. The department needs to provide proof that the sole source vendor is in fact classified as a single source.

### Who Makes Them

Sole Source purchases may be made by the using department without competitive bids, provided sufficient due diligence was done to identify the vendor as a sole source vendor. Department will determine if funds are available and the Board of Mayor and Aldermen approvals have been secured.

### Who Authorizes

Board of Mayor and Aldermen may authorize a Sole Source purchase.

### How to Prepare

After the due diligence in determining a true Sole Source purchase exists, the following procedure should be used:

1. The using department will notify the Purchasing Agent of the need and nature of the Sole Source purchase with a Requisition Form.
2. Once the Requisition Form is submitted, the Purchasing Agent will make sure there are funds available for the Sole Source purchase.
3. The department head will submit a memo to the Board of Mayor and Aldermen requesting the purchase be deemed as Sole Source.
4. After the Board of Mayor and Aldermen approves the Sole Source purchase, the Purchasing Agent follows the proper purchasing procedures to approve the Requisition Form and make a purchase order.
5. Once a purchase order has been made, the using department will contact the Sole Source vendor in ordering the goods or services needed.
6. Suppliers shall furnish sales tickets, delivery slips, invoices, etc., for the supplies or services rendered. Terms of the transactions, indicating price and other data, shall be shown.
7. As soon as the buy is complete, on the same or following business day, the using department must submit to Accounts Payable the sales ticket, delivery slips, invoices, and material receiving report confirming the purchase.

## EMERGENCY PURCHASES

### **Purpose**

Emergency purchases are to be made by departments only when normal functions and operations of the department would be hampered by submitting a requisition in the regular manner, and when property, equipment, or life are endangered through unexpected circumstances and materials, services, etc., and are needed immediately.

### **Who Makes Them**

Emergency purchases, either verbal with email confirmation or written, may be made directly by the using department without competitive bids, provided sufficient funds are available and necessary approvals have been secured.

### **Who Authorizes**

The Finance Director or Purchasing Agent may authorize an emergency purchase.

### **How to Prepare**

After determining a true emergency exists, the following procedure should be used:

1. Notify the Purchasing Agent of the need and nature of the emergency. The department will give verbal approval and issue a purchase order number. On purchases of more than \$10,000, this number will be put on the requisition referred to in number four below.
2. Using department must use sound judgment about prices when making emergency purchases of materials and supplies and for labor on equipment. Orders should be placed with vendors who have a good track record with the department.
3. Suppliers shall furnish sales tickets, delivery slips, invoices, etc., for the supplies or services rendered. Terms of the transactions, indicating price and other data, shall be shown.
4. As soon as the buy is complete, on the same or following business day, the using department must:
  - Give the Purchasing Agent a complete requisition with a description of the emergency and approval by the department head
  - "Confirming Emergency Purchase" must be marked plainly on the requisition along with the purchase order number
  - The sales ticket, delivery slips, invoices, and material receiving report confirming the purchase must be attached to the emergency requisition form
  - The Purchasing Agent will issue the vendor a purchase order marked "Confirmation"
5. If an emergency should occur outside normal City hall business hours, the using department will follow the above procedure with the exception of the first step. The evidence of purchase, such as sales slip, counter receipt, delivery slip, invoice, etc., which the supplier normally furnishes, shall be attached to the completed and approved requisition form and be forwarded to the Purchasing Agent, along with a material receiving report.
6. On purchases more than \$25,000, the Finance Director will include a report in the next agenda packet to the Board of Mayor and Aldermen specifying the amount paid, from whom purchase was made, and nature of emergency for all emergency purchases occurring during the month.
7. The Purchasing Agent should keep a file for all emergency expenditures. A sample of the Emergency Expenditure Listing form can be found in Appendix H.

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## DISPOSAL OF SURPLUS PROPERTY

### Purpose

The following policy and procedures concerning the disposal of surplus property shall be followed by all departments within the City of White House. Surplus property means property which has been determined to be obsolete, outmoded, unusable or no longer usable by the City, or property for which future needs do not justify the cost of maintenance and/or storage.

### Policy

#### I. General Rules

- A. Surplus property is either usable property, which shall be transferred or sold, or unusable property, which may be destroyed, as hereinafter provided:
  1. Surplus property which is perishable food may be destroyed without delay or notification.
  2. Surplus property which is determined to not be usable by the City, has little or no salvage or other economic value, and is not on the City asset list, as recorded in the Finance Department, may be destroyed or disposed of by the department head by an appropriate method.
  3. Surplus property which is determined to not be usable by the City, has little or no salvage or other economic value, and is on the City asset list may only be disposed by the department upon approval of the Purchasing Agent in writing. The Purchasing Agent will notify the Finance Department to remove such property from the asset list and notify the department head to destroy or dispose of such unusable surplus property.
- B. Usable surplus property may only be disposed of as described in Section II of this policy.
- C. Surplus property in which the Federal or State Government or other entity has a legal interest should be transferred to such entity when no longer needed.
- D. Possession of surplus property sold to the general public under any method prescribed under Section II shall not pass until payment is made by cash, personal check, cashier's check or certified check, or money order.
- E. Possession shall pass to other governmental agencies or non-profit organizations upon receipt of responsibility a purchase voucher (order) from that governmental agency or non-profit organization.

#### II. General Disposal Procedures

- A. When a department has usable property that is deemed surplus the department head shall notify the Purchasing Agent in writing:
  1. A brief description of the item proposed for sale, including manufacturer, model number, serial number, age, legal description, and condition
  2. The department to which the property is assigned
  3. An explanation of why the property is no longer needed by the department
  4. An approximate value for each item listed
- B. The Purchasing Agent will be the responsible authority for the disposal of surplus property and the communications and procedures concerning the disposal of surplus property.
- C. The Purchasing Agent shall request approval by the governing body on any surplus property with a value of more than \$25,000.
- E. No article of usable property may be disposed of as surplus except by one of the following methods:
  1. Trade-in, when due to the nature of the property or equipment;
  2. Transfer to other department within the City
  3. Transfer to other governmental agency or non-profit
  4. Public auction, publicly advertised and held
  5. Sale under sealed bids, publicly advertised, opened and recorded
  6. Sale by Internet Auction such as GovDeals
- F. The Purchasing Agent shall maintain written documentation for the selection of method of disposal.
- G. The Purchasing Agent, upon disposal of surplus property or transfer of surplus property to another department, shall notify the Finance Department, in writing, to remove the surplus property from the City's asset list or to transfer it to another department.

### III. Trade-In on Replacement

- A. Items that must be replaced such as weapons, equipment, vehicles, etc. may, subject to the requirements of this section, be traded in on replacement property.
- B. Weapons may only be traded-in to licensed firearms dealers for additional weapons or ammunition.
- C. The Purchasing Agent shall perform the following functions in connection with the trade-in method of disposal:
  - 1. Issue invitations to bid asking for bids with trade-in and without trade-in and receive and review bids
  - 2. Make an evaluation of the condition and fair market value of the property to be disposed of; through comparisons of bids and the evaluation prepared, make a determination whether it is in the best interests of the City to dispose of the property by trade-in or by one of the other methods of disposal

### IV. Transfer to other Department within the City

- A. The Purchasing Agent shall notify department heads by email the availability of usable surplus property with the following information:
  - 1. The name of the individual in the department to contact for additional information
  - 2. The location of the property for inspection
  - 3. The condition of the property
  - 4. A photograph of the property
  - 5. The original cost and fair market value of the property
- B. The first department which makes a written request to the Purchasing Agent for the surplus property shall be entitled to receive such property.
- C. In the event that no department requests transfer of available surplus property within ten (10) business days of the date of the initial notice, the property may be disposed by means of another appropriate method of disposal.

### V. Transfer to another Governmental Agency or Non-Profit Organizations

- A. The department head shall notify the Purchasing Agent by email the availability of usable surplus property with the following information:
  - 1. The name of the individual in the department to contact for additional information
  - 2. The location of the property for inspection
  - 3. The condition of the property
  - 4. A photograph of the property
  - 5. The original cost and fair market value of the property
- B. The department may suggest a governmental agency, or non-profit, to donate the surplus asset to.
- C. The property may be donated and transferred once receipt of responsibility from the governmental agency, or non-profit organization, is received.

### VI. Public Auctions and Sales Under Sealed Bids

- A. Public auctions and sales under sealed bids, as provided in this policy, shall be publicly advertised and publicly held.
  - 1. Notice of intended disposal by auction or sale under sealed bid shall be entered by the Purchasing Agent in at least one (1) newspaper of general circulation in the City describing the property and specifying the date, time, place, manner, and conditions of the disposal.
  - 2. The advertisement shall be entered in the public notice or equivalent section of the newspaper and shall run not less than three (3) days in the case of a daily paper and not less than twice in the case of a weekly.
  - 3. The disposal shall not be held sooner than ten (10) business days after the last publication nor later than fifteen (15) business days after the last day of publication of the required notice.
  - 4. Prominent notice shall also be conspicuously posted for ten (10) business days prior to the date of disposal.
- B. The Purchasing Agent should attempt to include as many items in each sale as is practical and feasible.
- C. All notices of sales of such property shall provide that the property is to be sold "as is" with transportation costs assumed by the purchaser.
- D. All sales by bid or auction shall be with reserve, and when bids received are unreasonably below the

fair market value as determined by the Purchasing Agent, all bids shall be rejected and the property shall be thereafter disposed of pursuant to other acceptable methods of disposal.

**VII. Disposal of Waste Products**

- A. Marketable waste products such as paper and paper products, used lumber, bottles and glass, rags, and similar materials of nominal value classified as scrap may be sold directly to dealers at the going market rate without soliciting bids. Each department shall keep a record of the volume and unit price of such materials sold on the scrap market.
- B. Waste products which are subject to storage and are normally accumulated until such quantities are available to make a sale economically feasible shall be sold under sealed bids as follows:
  - 1. Invitations to bid shall be mailed to known buyers of the particular item
  - 2. Three firm bids shall be secured when possible
  - 3. Sealed bids shall be publicly opened and recorded ten (10) business days, after the invitations to bid are mailed
  - 4. The highest bidder shall be awarded the contract and shall be notified of the date for removal of the property and the method of payment which will be acceptable
  - 5. A file shall be maintained for each disposal for the purpose documenting the sale and should include all documents and information pertinent to the disposal

**VIII. Sale by Internet**

- A. Notice of intended disposal by internet auction shall be posted by the Purchasing Agent. Such notice shall specify and reasonably describe the property to be disposed of, the date, time, manner and conditions of disposal. The highest bidder shall be awarded the surplus property.
- B. All sales by internet auction shall be with reserve, and when bids received are unreasonably below the fair market value as determined by the Purchasing Agent, all bids shall be rejected and the property shall be thereafter disposed of pursuant to other acceptable methods of disposal.

**VIIIX. Sale of Dangerous Property**

- A. It shall be the policy of the City to avoid the sale of surplus property that might reasonably be dangerous or hazardous. Dangerous or hazardous items include, but are not limited to, the following:
  - 1. Surplus firearms and other weapons. Such items may only be offered for sale to licensed firearms dealers or to a public law enforcement agency
  - 2. Explosives
  - 3. Volatile or highly toxic chemicals

**~~IX~~X. Unauthorized Sales**

- A. Any City employee found to have sold, or offered for sale, any City owned property in violation of this policy shall be subject to disciplinary action up to and including termination and, if applicable, criminal prosecution.

**XI. Unauthorized Purchases or Bidding**

- A. City employees are prohibited from purchasing or bidding on City property that is deemed surplus and is being sold by the City. Employees violating this section of this policy shall be subject to disciplinary action up to and including termination of employment.

## OTHER PURCHASING AGENT RELATED RESPONSIBILITIES

### Cardholder Responsibility and Purchasing Guidelines

It is important to remember that when using a credit card, you are expending taxpayer funds and that all credit card purchases must comply with the Personnel and Purchasing Policies. Your expenditures are held to the highest degree of trust and accountability. Credit card usage should be limited, and purchase orders should be used whenever possible.

The Credit Card User Agreement (Appendix I) is in all new hire packets, and should be signed by every employee. The original signed copy is to be kept in the employee's personnel file, and a copy should be given to the Purchasing Agent.

Cardholder privileges and procedures are contingent upon the following:

**If a credit card charge is justified, all receipts must be obtained and preserved.** Turn in all receipts to Accounts Payable, so that it may be compared with the credit card statement. Failure to produce legible receipts will be subject to strict scrutiny by the finance department and auditors. ***In the event a receipt is lost, you must submit a "Missing Receipt Affidavit" (Appendix J) in lieu of the receipt.*** Failure to provide receipts may result in disciplinary action.

All credit card charges should be reported on the "Credit Card Charge Log" (Appendix K) and submitted to Accounts Payable with the receipt(s).

### Purchasing Card (P-Card) Policy and Procedures

Purchasing Cards (P-Cards) are used just like normal credit cards, but with more financial controls and security. All the same rules and regulations from the Cardholder Responsibility and Purchasing Guidelines are applied to the P-Card Program.

Each department will be issued as many P-Cards as the department sees fit for their needs with department head approval. The credit limits for each P-Card could be issued in amounts from \$0-\$10,000.

The Citywide P-Card Program Administrators will be the Purchasing Agent and Finance Director. The Administrators have the authority to oversee administration of the P-Card program including, but not limited to, issuing, closing, and increasing/decreasing limits for each P-Card in State Agency Name. Accounts Payable has access to view all cards for monthly invoice payment purposes only.

Purchase orders are still required to be approved by the Purchasing Agent before each purchase on a P-Card is to be made.

These State Agency Purchasing Card Procedures ("State Agency Procedures") govern aspects of the State Agency's P-Card program that are not addressed by the Statewide Policy.

Each department will have access to their card(s) transactions via an individualized online web portal. It is the responsibility of each department to file and track their department's P-Cards and the receipts from the purchases. Each month, departments are required to reconcile their receipts with their department's individual P-Card statement. ALL receipts must be obtained and preserved. If a receipt is missing, a Missing Receipt Affidavit is required to be filled out. Once the receipts total match the monthly statement total, the department head is required to sign the statement and send to the Finance department to process for payment.

The P-Card Administrators may audit any department's P-Card transaction at any given time for any reason. The Administrators may temporarily, or permanently, close a department's P-Card access if records are not kept properly.

### **Petty Cash**

Petty cash disbursements are only allowable for legitimate purposes, are not for personal use and must be properly documented. An invoice/receipt, accompanied by a written petty cash voucher (Appendix L), showing the items purchased and signed by the person receiving the cash, is required in each transaction at the time the petty cash is withdrawn. The amount on hand and the petty cash vouchers and related invoices/receipts written must total to the original authorized amount. **The Purchasing Coordinator shall be responsible for monitoring the petty cash account and shall "audit" the petty cash account for any discrepancies at least once every other week. This employee shall not make any withdrawals from petty cash.** The petty cash account may be used only for withdrawals of less than \$50.00 and the total account balance shall not exceed \$250.00.

Legitimate purposes for petty cash include, but not limited to, vehicle registration, tags, emission testing, parking, and shipping/postage. This fund should be used only if other purchasing methods are not applicable.

### **Credit Application/Account Set-ups**

For most vendors, credit applications are required to set up accounts to allow City employees to procure items off purchase orders. Since these applications are opening a new line of credit, the forms may only be signed by the Purchasing Agent.

### **Contractual Purchases**

Such materials, supplies, or services which are constantly needed for City operations will be taken on a formal bid and will be awarded by the governing body for a contract period determined to be in the best interest of the City. Contracts will not be renewed if the total contract price is ten percent (10%) more than the original contract.

### **Items Covered by Warranty or Guarantee**

The City buys many items which have a warranty or guarantee for a certain length of time, such as tires, batteries, water heaters, roofs, and equipment. Before these items are repaired or replaced, the Purchasing Agent should be consulted to see if the item is covered by such warranty or guarantee.

The Purchasing Agent shall maintain an active current file with complete information on such warranties or guarantees. All warranties must be remitted to the Purchasing Agent with the invoice indicating date of receipt.

### **Signatures**

Contracts, applications for title, tax exemption certificates, agreements, and contracts for utilities shall only be signed by the Mayor or City Administrator.

### **Inspection and Testing**

When necessary, the Purchasing Agent may have all deliveries of supplies, materials, equipment, or contractual services inspected to be sure their performance is meeting specifications made in an order or contract. The Purchasing Agent may also require chemical and physical tests of materials submitted with bids and delivery samples, or after products have been delivered. These tests may be necessary to be sure the quality of materials is up to the desired standards. When performing such tests, the Purchasing Agent may use lab facilities of any outside lab.

### **Other Information**

**Federal Excise Tax:** The City is exempt from the payment of excise taxes imposed by the federal government, and suppliers should be requested to deduct the amount of such taxes from their bids, quotations, and invoices.

**Standardization Requirements:** Standardizing supplies and materials that can be bought in large quantities can save a great deal of money. Thus, department heads should adopt as standards the minimum number of quantities, sizes, and varieties of commodities consistent with successful operation. Where practical, materials and supplies should be bought on the basis of requirements for a six-month period.

**Correspondence with Suppliers:** Copies of any correspondence with suppliers concerning prices, adjustments, and defective merchandise shall be forwarded to the Purchasing Agent. All invoices, bills of lading, delivery tickets, and other papers relating to purchases shall be sent to Accounts Payable.

**Claims:** The Purchasing Agent shall prosecute all claims for shortages, breakages, or other complaints against either shipper or carrier in connection with shipments.

**Public Inspection of Records:** The Purchasing Agent shall keep a complete record of all quotations, bids, and purchase orders. Such records shall be open to public inspection.

## **DEFINITIONS**

1. **Accept:** To receive with approval or satisfaction.
2. **Acknowledgment:** Written confirmation from the vendor to the purchaser of an order implying obligation or incurring responsibility.
3. **Agreement:** A coming together in opinion or determination; understanding and agreement between two or more parties.
4. **All or none:** In procurement, the City reserves the right to award each item individually or to award all items on an "all or none" basis.
5. **Annual:** Recurring, done, or performed every year.
6. **Appropriations:** Public funds set aside for a specific purpose or purposes.
7. **Approved:** To be satisfied with; admit the propriety or excellence of; to be pleased with; to confirm or ratify.

8. **Approved equal:** Alike; uniform; on the same plane or level with respect to efficiency, worth, value, amount or rights.
9. **Architect or engineer required:** Plans, specifications and estimates for any public works project exceeding \$25,000 must be prepared by a registered architect or engineer as required by T.C.A. 62-2-107.
10. **Attest:** To certify to the verity of a public document formally by signature; to affirm to be true or genuine.
11. **Award:** The presentation of a contract to a vendor; to grant; to enter into with all required legal formalities.
12. **Awarded bidder:** Any individual, company, firm, corporation, partnership or other organization to whom an award is made by the City.
13. **Back order:** The portion of a customer's order undelivered due to temporary unavailability of a particular product or material.
14. **Bid/quote:** A vendor's response to an Invitation for Bids or Request for Proposal; the information concerning the price or cost of materials or services offered by a vendor.
15. **Bidder:** Any individual, company, firm, corporation, partnership or other organization or entity bidding on solicitations issued by the City and offering to enter into contracts with the City.
16. **Bid Bond:** An insurance agreement in which a third party agrees to be liable to pay a certain amount of money should a specific vendor's bid be accepted and the vendor fails to sign the contract as bid. Bid bonds may be determined by the purchasing agent or the governing body.
17. **Bid file:** A folder containing all of the documentation concerning a particular bid. This documentation includes the names of all vendors to whom the invitation to bid was mailed, the responses of the vendors, the bid tabulation forms and any other information as may be necessary.
18. **Bid opening:** The opening and reading of the bids, conducted at the time and place specified in the invitation for bids and in the presence of anyone who wishes to attend.
19. **Bid solicitation:** Invitations for bids.
20. **Blanket bid order:** A type of bid used by buyers to purchase repetitive products. The City establishes its need for a product for a specified period of time. The vendor is then informed of the City's expected usage during the duration of the proposed contract. The City may then order small quantities of these items from the vendor, at the bid price, over the term of the contract.
21. **Business:** Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or legal entity through which business is conducted.
22. **Cancel:** To revoke a contract or bid.
23. **Capital items:** Equipment which has a life expectancy of one year longer and a value in excess of \$5,000. Additionally, real estate shall be considered a capital item.
24. **Cash discount:** A discount from the purchase price allowed to the purchaser if payment is made within a specified period of time.
25. **Caveat emptor:** Let the buyer beware; used in proposals or contracts to caution a buyer to avoid misrepresentation.
26. **Certify:** To testify in writing; to make known or establish as a fact.
27. **City:** The City of White House, Tennessee.
28. **Competitive Bidding:** Bidding on the same undertaking or material items by more than one vendor.
29. **Conspicuously:** To be prominent or obvious; located, positioned, or designed to be noticed.
30. **Construction:** The building, alteration, demolition, or repair of public buildings, structures, highways and other improvements or additions to real property.
31. **Contract:** An agreement, grant, or order for the procurement, use, or disposal of supplies, services, construction, insurance, real property or any other item.
32. **Customarily Purchased:** Items that are regularly purchased under specific circumstances considered reasonable and appropriate. (Example: After two consecutive years; then, not required after two consecutive years of not attaining the total amount of \$10,000).
33. **Date:** Recorded information, regardless of form or characteristic.
34. **Delivery schedule:** The required or agreed upon rate of delivery of goods or services.
35. **Designee:** When a position such as Purchasing Agent, Finance Director, or department head is mentioned, their assistants or designees are acceptable substitutes if they have written permission.
36. **Discount for prompt payment:** A predetermined discount offered by a vendor for prompt payment.
37. **Encumber:** To reserve funds against a budgeted line item; to charge against an account.
38. **Evaluation of bid:** The process of examining a bid to determine a bidder's responsibility, responsiveness to requirements, qualifications, or other characteristics of the bid that determine the eventual selection of a winning bid.

39. **Fiscal year:** An accounting period of 12 months, July 1 through June 30.
40. **F.O.B. destination:** An abbreviation for “free on board” that refers to the point of delivery of goods. The seller absorbs the transportation charges and retains title to and responsibility for the goods until the City of White House, Tennessee has received and signed for the goods.
41. **Goods:** All materials, equipment, supplies, and printing.
42. **Invitation for bid:** All documents utilized for soliciting bids.
43. **Invoice:** A written account of merchandise and process, delivered to the purchaser; a bill.
44. **Lead time:** The period of time from the date of ordering to the date of delivery which the buyer must reasonably allow the vendor to prepare goods for shipment.
45. **Life cycle costing:** A procurement technique that considers the total cost of purchasing, maintaining, operating, and disposal of a piece of equipment when determining the low bid.
46. **Like Items:** Items that are similar and may be bought at the lowest common denominator, such as size, color, etc.
47. **Local bidder:** A bidder who has and maintains a business office located within the City limits of White House, Tennessee.
48. **Lot:** A single grouping of like items to be purchased at one time.
49. **Material receiving report:** A form used by the department head or supervisor to inform others of the receipt of good purchased.
50. **Performance bond:** A bond given to the purchaser by a vendor or contractor guaranteeing the performance of certain services or delivery of goods within a specified period of time. The purpose is to protect the purchaser against a cash loss which might result if the vendor did not deliver as promised. Performance bonds may be determined by the purchasing agent or the governing body.
51. **Pre-bid conference:** A meeting held with potential vendors a few days after an invitation for bids has been issued to promote uniform interpretation of work statements and specifications by all prospective contractors.
52. **Procurement or purchasing:** Buying, renting, leasing, or otherwise obtaining supplies, services, construction, insurance or any other item. It also includes functions that pertain to the acquisition of such supplies, services, construction, insurance and other items, including descriptions of requirements, selection and solicitation of sources, preparation and award of contracts, contract administration, and all phases of warehousing and disposal.
53. **Proprietary product:** A brand-name product made and marketed by one having the exclusive right to manufacture and sell.
54. **Public:** Open to all.
55. **Public purchasing unit:** Means the State of Tennessee, any county, city, town, governmental entity and other subdivision of the State of Tennessee, or any public agency, or any other public authority.
- 55-56. **Purchasing Card (P-Card):** A credit/debit card that is assigned to an entire department or individual employee to make purchases without creating vendor accounts and prolonging a single purchase or travel.
- 56-57. **Purchase order:** A legal document used to authorize a purchase from a vendor. A purchase order, when given to a vendor, should contain statements about the quantity, description, and price of goods or services ordered, agreed terms of payment, discounts, date of performance, transportation terms, and all other agreements pertinent to the purchase and its execution by the vendor.
- 57-58. **Reject:** Refuse to accept, recognize, or make use of; repudiate, to refuse to consider or grant.
- 58-59. **Responsive bidder:** One who has submitted a bid which conforms in all materials respects to the invitation for bids.
- 59-60. **Sealed:** Secured in any manner so as to be closed against the inspection of contents.
- 60-61. **Single source of supply:** When only one vendor is available for a product or service within a reasonable marketable distance of the city.
- 61-62. **Sole source procurement:** An award for a commodity which can only be purchased from one supplier, usually because of its technological, specialized, or unique character.
- 62-63. **Specifications:** Any description of the physical or functional characteristics of a supply, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.
- 63-64. **Standardization:** The making, causing, or adapting of items to conform to recognized qualifications.
- 64-65. **Surplus property:** Property which has been determined to be obsolete, outmoded, unusable or no longer usable by the City, or property for which future needs do not justify the cost of maintenance and/or storage.

- ~~65~~.66. **Telephone bids:** Contacting at least three vendors to obtain verbal quotes with email confirmation for items of a value of less than \$10,000.00.
- ~~66~~.67. **Using department:** The City Department seeking to purchase goods and services or which will be the ultimate user of the purchased goods and services.
- ~~67~~.68. **Vendor:** The person who transfers property, goods, or services by sale.
- ~~68~~.69. **Within the limits of the approved budget:** Purchases must stay within appropriation limits in funds requiring budgets either by law, regulation, or policy. Appropriation limits don't apply to nonexpendable funds not requiring budgets, such as enterprise funds, intergovernmental service funds, and nonexpendable trust fund.

**APPENDIX A**

**CITY OF WHITE HOUSE, TENNESSEE  
Requisition Form for Purchases Over \$10,000.00**

Date Issued \_\_\_\_\_ Req. No. \_\_\_\_\_

Date Wanted \_\_\_\_\_

Department \_\_\_\_\_

To be purchased from:  
\_\_\_\_\_

Requisitioner \_\_\_\_\_

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

**Suggested Vendors**

**To be delivered to:**

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

Item Number	Quantity	Unit	Description	Account To Be Charged	Unit Price	Amount

Competitive Prices: *(To be filled in by Purchasing)*

Approved:

1. \_\_\_\_\_

\_\_\_\_\_  
Finance

2. \_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_  
Purchasing Agent

7571-0013241 WHITE HOUSE PRINTING LLC

## APPENDIX B



### CITY OF WHITE HOUSE Budget Code Sheet

Fund	Function	Object	Name	Notes
		148	Employee Education and Training	Classes / Training
		200	Contractual Services	Copiers / ISTT / Drug Tests / Physicals / Background Checks / anything contractual that doesn't fit anywhere else
		211	Postage	Postage / Shipping / PO Box fees
		220	Printing, Duplicating, Typing, and Binding	Printing, Duplicating, etc.
		221	Printing, Stationery, Envelopes, Forms, Etc.	Stationery, Envelopes, Forms, etc.
		230	Publicity, Subscriptions, and Dues	Trade Publications
		231	Publication of Formal and Legal Notices	Advertising for public notices
		235	Memberships, Registration Fees, and Tuition	Membership dues, fees, etc. (NO training costs, see 148)
		252	Legal Services	Legal services
		254	Codes Maintenance	Codes violations repairs / maintenance
		260	Repair and Maintenance Services	Other Repairs (labor)
		261	Repair and Maintenance Motor Vehicles	Vehicle repairs (labor)
		262	Repair and Maintenance Other Machinery and Equip	Repair and Maintenance for Other Mach/Equip (parts and labor)
		265	Repair and Maintenance Grounds and Ground Imp	Repair and Maintenance for Grounds
		266	Repair and Maintenance Buildings	Repair and Maintenance for Buildings
		280	Travel	Travel (including parking other misc. travel exp)
		289	Other Travel	Senior Travel
		310	Office Supplies and Materials	Consumable office supplies
		312	Small Items of Equipment	Computers, furniture, small tools & equipment, etc.
		320	Operating Supplies	Consumable NON-office supplies
		324	Household and Janitorial Supplies	Consumable cleaning supplies and paper products
		326	Clothing and Uniforms	Clothing and Uniforms
		330	Repair and Maintenance Supplies	Repair and Maintenance Supplies for Buildings and Grounds
		332	Motor Vehicle Parts	Vehicle repairs (parts)
		344	Safety Supplies	Safety Supplies (for employees)
		691	Election Commission Fees	Election Commission Fees
110	41921	320	Special Events	City-organized special events
110	42151	200	Contractual Services	911 services







APPENDIX E



**Material Receiving Report**

*\*Every time you receive shipped materials either this form or the packing slip must be turned into Accounts Payable.\**

Purchase Order No: \_\_\_\_\_

From: \_\_\_\_\_

QUANTITY	DESCRIPTION	PRICE	PER	AMOUNT

Freight Charge \_\_\_\_\_

TOTALS \$ \_\_\_\_\_

Materials Received By: \_\_\_\_\_

Date Received: \_\_\_\_\_

**APPENDIX F**

**CITY OF WHITE HOUSE**

REQUEST FOR QUOTES

PROJECT NAME

PURCHASING DEPARTMENT

105 COLLEGE STREET

WHITE HOUSE, TN 37188

PHONE: 615-672-4350 Extension \_\_\_\_ FAX: 615-672-2939

**BID NUMBER**

DATE:

**QUOTES WILL BE RECEIVED UNTIL  
ON \_\_\_\_\_**

**TO BIDDER:**

PLEASE QUOTE YOUR LOWEST PRICE, BEST DELIVERY DATE, CASH DISCOUNT TERMS, AND F.O.B. POINT FOR THE FOLLOWING. THE CITY RESERVES THE RIGHT TO REJECT ANY OR ALL QUOTATIONS AND TO ACCEPT ANY OR ALL ITEMS AT THE PRICE QUOTED. UNLESS OTHERWISE STATED, ALL QUOTATIONS ARE CONSIDERED TO BE FIRM QUOTATIONS FOR A PERIOD OF 30 DAYS FROM DATE OF QUOTATION DUE DATE. PLEASE QUOTE ON THIS FORM AND RETURN IT MARKED "NO QUOTE" IF YOU CANNOT QUOTE IN ORDER TO REMAIN ON THE CITY'S VENDOR LIST.

FIRM'S NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_ FAX: \_\_\_\_\_ EMAIL: \_\_\_\_\_

NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

DATE \_\_\_\_\_ SIGNATURE \_\_\_\_\_

GRAND TOTAL OF QUOTE: \_\_\_\_\_

DELIVERY TIME/PROJECT DATE IF APPLICABLE: \_\_\_\_\_

**APPENDIX G**



City of White House  
 Bid#  
 Project Name  
 Bid Opening Date and Time

DESCRIPTION				
Company Name				
Address				
License Number				
License Expiration				
License Classification and Limit				
IF ALL ITEMS LISTED ABOVE ARE INCLUDED - OPEN BID				
SIGNED BID BOND				
ACKNOWLEDGES ALL ADDENDUMS				
SIGNED BID				
DEDUCTIVE ALTERNATE #1				
<b>BASE BID</b>				
<b>BASE BID with Deduct</b>	\$0.00	\$0.00	\$0.00	\$0.00



# APPENDIX I

## CITY OF WHITE HOUSE

### CREDIT CARD USER AGREEMENT

I, \_\_\_\_\_, agree to comply with the terms and of this agreement, including all of the City's policies and procedures included in the Credit Card Policy.

I understand that the City of White House is *liable for all charges*.

I agree that I will not use a credit card to make personal purchases for others or myself.

I understand that I will not request or receive cash back from suppliers as a result of exchanges, rebates, and refunds or for any other reason.

I have reviewed the City of White House Credit Card Policy. I understand the procedures and requirements for using the credit card and for providing the required documentation for each transaction made on this card.

I understand that any violation of the terms of this agreement may result in disciplinary action, up to and including termination of employment. I understand that where allowed by State and Federal law the City may deduct from my compensation the money amount equal to the total of any discrepancies of the total amount of any personal gain, and/or of any fees related to the collection of such money. I understand that the City of White House may elect to collect this money and also recover the reasonable costs of said collection, even if the City no longer employs me.

\_\_\_\_\_  
Employee Name (Print)

\_\_\_\_\_  
Department

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

**APPENDIX J**



**CITY OF WHITE HOUSE  
MISSING RECEIPT AFFIDAVIT**

I, \_\_\_\_\_ have either misplaced or not received a receipt for a card purchase.

This form is submitted in lieu of the original receipt.

Vendor Name: \_\_\_\_\_

Transaction Date: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Purchase Order No. \_\_\_\_\_

Items Purchased:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I certify that the goods shown above were purchased for the City of White House's operating purposes as outlined in the policies and procedures.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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



APPENDIX L

<b>PETTY CASH</b>	AMOUNT \$ _____	FOR _____
	NO. _____	_____
	DATE _____	_____
	ACCOUNT NO. _____	_____
	APPROVED BY _____	_____
	RECEIVED BY _____	_____
		12-12 A-1150 T-4100