



ORDINANCE NO. O01262026-1

**AN ORDINANCE ESTABLISHING A MAXIMUM AMOUNT
FOR PURCHASES WITHOUT PUBLIC ADVERTISEMENT AND
COMPETITIVE BIDDING**

WHEREAS, the Town of Mason, Tennessee is subject to the provisions of the "Municipal Purchasing Law of 1983", and

WHEREAS, the *Tennessee Code Annotated* §6-56-306 permits municipalities to increase the dollar amount of purchases requiring public advertisement and competitive bidding, and,

WHEREAS, the Board of Mayor and Aldermen has determined that it is in the best interest of the Town of _____ to increase said amount, now therefore

BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN, that:

Section 1. Public advertisement and competitive bidding shall be required for the purchase of all goods and services exceeding an amount of Twenty-Five thousand dollars (\$25,000.00) except for those purchases specifically exempted from advertisement and bidding by the Municipal Purchasing Act of 1983; and

Section 2. For Purchases of five thousand dollars (\$5,000), verbal or written are preferred but not required. For purchases exceeding \$10,000 to \$15,000 three written quotes are required.

All purchases exceeding fifteen thousand dollars (\$15,000) and up require sealed bids.

Section 3. This ordinance shall take effect from and after its final passage.

Passed 1st Reading: _____

Passed 2nd Reading: _____

Mayor

Town Recorder



RESOLUTION NO. R12152025-4

**A RESOLUTION ADOPTING PURCHASING PROCEDURES
FOR THE TOWN OF MASON, TENNESSEE**

WHEREAS, the governing body of the Town of Mason desires to establish methods to comply with the Municipal Purchasing Law of 1983, as amended, and to provide for a more formal process for the procurement of equipment, services, and materials for the operation of municipal government,

WHEREAS, such action is required by said law, as found in *Tennessee Code Annotated* 6-56-301, et seq.,

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF
THE TOWN OF MASON, TENNESSEE, AS FOLLOWS:**

Section 1. The purchasing procedures attached hereto and made a part hereof are hereby adopted.

Section 2. The purchasing agent, as previously designated by Resolution R12152025-3 shall be responsible for the enforcement of the procedures hereby adopted.

Section 3. Changes or revisions to the procedures hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the Town of Mason.

Adopted this _____ day of _____, 2025.

Mayor

Attest: _____
Town Recorder



Purchasing Procedures

TOWN OF MASON, TENNESSEE

Section 1. General Provisions

No officer or employee of the Town may make any expenditure or incur any obligation except in accordance with an appropriation in the adopted budget ordinance. No purchase may be made in excess of available funds appropriated for such purposes in the adopted annual budget. Any obligation or expenditure made in violation of this policy is unlawful and the official or employee responsible for such purchase or obligation is liable for the amount unlawfully incurred, expended or obligated. The Board of Mayor and Aldermen may not ratify or legalize any such obligation or expenditure and must make reasonable and appropriate actions to recover any funds unlawfully expended. The Purchasing Agent or any officer or employee of the Town must report violations of this policy to the Board of Mayor and Aldermen and when appropriate, to the Comptroller of the Treasury.

As designated in Resolution No. R12152025-3, the Finance Director, shall act as purchasing agent for the town, 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 town'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.

Within the appropriation limits established in the town budget, the purchasing agent shall have the authority to make purchases, leases, and lease purchases up to \$5,000 singly or in the aggregate during any fiscal year, except as otherwise provided herein. Three (3) competitive quotations, either verbal or written, is preferred but not required whenever possible prior to each purchase. For all purchases greater than \$5,000 and less than \$25,000 a minimum of three written quotes is required. All purchases or obligations exceeding \$5,000 must be approved in advance by the BMA. For all purchases or obligations exceeding \$25,000 competitive bids shall be required. All competitive bids or quotations received shall be recorded and maintained in the office of the purchasing agent for a minimum of two (2) years after audit. 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 responsible bidder.

A description of all projects or purchases, except as herein provided, which require the expenditure of town funds of twenty-five thousand dollars (\$25,000) or more shall be prepared by the purchasing agent and submitted to the governing body for authorization to call for bids or proposals. After the determination that adequate funds are budgeted and available for a purchase, the governing body may authorize the purchasing agent to advertise for bids or proposals. The award of leases, or lease-purchases or any obligation exceeding five thousand dollars (\$5,000) singly or in the yearly aggregate shall be subject to the same purchasing guidelines and thresholds and shall be approved by the BMA in the same manner as other purchases.

At the end of each month, or in accordance with any directive adopted by the Board of Mayor and Alderman, the Finance Director shall submit a report listing each purchase order received and each payment made during the previous month, including the Town account the purchase was assigned to.

Purchases amounting to twenty-five thousand dollars (\$25,000) or more, which by law 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 Central Procurement Office.
- Purchases from Tennessee state industries.
- Professional service contracts as provided in *Tennessee Code Annotated* 29-20-407.
- Tort Liability Insurance as provided in *TCA* 12-4-407.
- Purchases of fuels, fuel products, or perishable commodities.

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.

Section 2.

Purchasing Agent and User Department Responsibilities

The purchasing function is a service provided to all other departments of the town to insure the town receives the best possible price when purchasing materials and services. The mutual benefits gained from this process are only achieved if all departments work together in following these purchasing procedures.

The Purchasing Agent is specifically responsible for the following:

- 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 town.
- 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 stores in sufficient quantities to meet normal requirements of the town 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.

In accordance with proper purchasing procedures, user departments are responsible for the following:

- 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 Purchasing Agent of defective merchandise or dissatisfaction with vendor performance.
- To advise Purchasing Agent of surplus property.

Section 3.

Purchasing Forms and Methods

A. Purchase Requisition

Purpose

A purchase requisition lets the Purchasing Agent know, in detail, what the using department needs. A requisition is required for purchases, requesting price information, initiating a bid request, and for requesting governing body approval on major expenditures.

When Prepared

Requisitions shall be prepared far enough in advance so the Purchasing Agent can obtain competitive prices and the vendor has enough time to make the delivery.

Who Prepares the Requisition

Requisitions shall originate in the using department and must be signed by the requisitioner and the department head. The department head shall file with the Purchasing Agent a certified memorandum listing those who are authorized to sign a requisition.

How to Prepare

A properly processed purchase requisition must contain the following information:



- Date issued: The date the requisition is prepared.
 - Date wanted: State a definite delivery date. "AT ONCE, ASAP, and RUSH" are vague instructions and don't give the Purchasing agent 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." Requisitions must not give specifications that will favor one supplier to the exclusion of any others.
- NOTE: Incomplete information in this area will result in the requisition being returned to the using department for clarification.*
- Account to be charged: Complete Budgetary Code
 - Unit price: Price for each individual item
 - Amount: A total of quantity times unit price

The requisitioner shall not split orders to avoid any provision of the municipal code or charter, this manual, or any policy established by the city/town, nor shall requisitions be submitted for the sole purpose of using up budgetary balances.

Routing of Requisitions

Prepare three copies of the purchase requisition. Send the original and one copy to the Purchasing Agent and keep the third copy in departmental files. After the Purchasing Agent has received at least three quotations or bids and has determined total cost of the merchandise, the cost will be listed on the original and one copy of the requisition. These copies shall then be forwarded to the finance officer. The finance officer shall certify, by signature, that the proper account has been charged and the availability of budgetary and cash funds. The original requisition must then be returned to the Purchasing Agent and the copy filed in the office of the finance officer.



General Information

A requisition must be completed before a purchase is made, except when mentioned otherwise.

The Purchasing Agent will get prices for any needed item after receipt of a departmental requisition. **All requests for prices will be processed in this manner.**

Suggested vendors will be of great assistance to the Purchasing Agent and will be given full consideration. This information will allow the department to process the requisition quickly.

Approximate cost of items will help buyers know if bids are required.

If a requisition is incomplete or improperly prepared, the Purchasing Agent shall return it to the using department for completion. An incomplete requisition can cause unnecessary delays.

THE REQUISITIONER SHALL NOT SPLIT ORDERS TO AVOID ANY PROVISION OF THE TOWN CODE OR CHARTER, THIS MANUAL, OR ANY POLICY ESTABLISHED BY THE TOWN, NOR SHALL REQUISITIONS BE SUBMITTED FOR THE SOLE PURPOSE OF USING UP BUDGETARY BALANCES.

Expediting Orders

If a company is waiting for a purchase order to process a rush job, write EXPEDITE IMMEDIATELY in the body of the requisition. The Purchasing Agent will then contact the vendor and supply a purchase order number. This process will be the exception rather than the rule.

Insufficient Funds

If the Finance Director/Purchasing Agent determines there is not adequate funds in the budget account, the requisition will be returned to the Department Head immediately.

B. Purchase Order

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.

When Prepared

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

Who Issues the Purchase Order

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 multiple copies.

- A copy is mailed to the vendor to be used as authority to furnish the town the materials or services indicated.
- A copy is sent to the finance officer and the account which handles the amount of the purchase order.
- A copy is sent to the department head making the request, to be held until the goods or services are received. Upon completion of the order or contract, this copy will be signed and invoices and material receiving report attached. This copy is sent to the purchasing agent for discounting and processing for payment.
- A copy is kept by the purchasing agent and filed as record of outstanding orders. When paid, this copy will be marked properly and put in a completed file in numerical order.
- A copy should be kept in each department's file for reference.

Cancellations

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

C. Material Receiving Report

Purpose

The material receiving report form is designed to let the purchasing agent and the finance officer know an item(s) of a particular order has been received.

When Prepared

This form is completed immediately on receipt of materials, supplies, or services.

Who Prepares

The person receiving the merchandise.

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's no need to write anything in this column if the item is undamaged.

D. Request for Bid

The request for bid form shall be used when the purchasing agent decides it's necessary. The bid number (#) shall be the number assigned to the firm or individual to which the request for bid is forwarded.

E. Summary of Bids

The summary of bids form shall be used by the Purchasing agent to record quotations. This form must contain the bids for each purchase and be attached to the pink copy of the purchase order when filed.

Section 4. 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, or where property, equipment, or life are endangered through unexpected circumstances and materials, services, etc., and are needed immediately.

Who Makes Them?

Emergency purchases, either verbal 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 Mayor may authorize an emergency purchase.

How to Make

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

- Notify the Mayor of the need and nature of the emergency. The Mayor will give verbal approval and the purchasing agent will issue a purchase order number. This number will be put on the requisition referred to in part a. below.
- 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.
- 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.
- As soon as the buy is complete, on the same or following business day, the using department must:
 - a. 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.

- b. The sales ticket, delivery slips, invoices, and material receiving report confirming the purchase must be attached to the emergency requisition form.
- c. The Purchasing agent will issue the vendor a purchase order marked "Confirmation."

If an emergency should occur during a time when the Mayor or Vice-Mayor are unavailable, 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.

As soon as possible, the person authorizing the emergency purchase must prepare a report to the governing body specifying the amount paid, the item(s) purchased, from whom the purchase(s) was made, and the nature of the emergency.

General Information

Emergency purchases are costly and should be kept to a minimum. Avoiding emergency orders will save the town money.

Section 5. Petty Cash Fund

To buy items that cost less than fifty dollars (\$50) from businesses that don't issue invoices or have charge accounts, a petty cash fund shall be set up by the Finance Director. The Finance Director is solely responsible for any withdrawals from this account. Any receipts or requests for monies from this fund must be signed by the Finance Director and the Department Head requesting withdrawals.

This fund should be used only if other purchasing methods are not applicable.

The following guidelines will govern the use of the petty cash fund:

1. The maximum amount in the petty cash fund shall be \$200.00
2. No single transaction shall exceed \$50.00
3. The Finance Director shall keep a ledger of all transactions involving the petty cash fund.
4. All expenditures from the petty cash fund shall be accounted for by a receipt, whenever possible.
5. The petty cash fund shall be replenished when the cash balance falls below \$100.00, by check drawn upon the general fund, in an amount sufficient to bring the fund balance back up to \$200.00.

The Finance Director shall report all Petty Cash Transactions to the BMA prior to the end of the business day on Friday of each week.

Section 6. Sealed Bids or Proposals

General

Sealed bids are required on purchases of \$25,000 or more. The BMA must review and authorize competitive bids for all projects expecting to cost in excess of \$25,000. Bids must be advertised in a local newspaper of general circulation a minimum of one time not less than five (5) **work days, excluding Federal holidays**, before bid opening date. When reviewing a bid proposal, the BMA may establish specific guidelines for the advertisement, length of time before bid opening, and other considerations which may improve the quality of bids received.

In determining when to publish the public bid notice, the purchasing agent, or BMA should consider the complexity of the purchase or project to insure that all prospective bidders will have sufficient time to obtain the bid documents and prepare completed bids.

Purchasing Agent Responsibilities

1. Prepare bid requests.
2. Establish date and time for bid opening.
3. Select possible sources of supply.
4. Prepare specifications (unless of a technical nature, such as architectural, engineering, etc.).
5. Mail bid requests and advertise as appropriate. If delivered by hand, a receipt of the bid request should be signed by the vendor.
6. Receive and open bids.
7. Evaluate bids.
8. Prepare bids and make a recommendation on award to governing body for approval.
9. Process purchase order after governing body approval.
10. Maintain all specification and bid data files.

Using Department Responsibilities

1. Prepare requisition to begin process. This should contain specific information about items needed. For example, quantity, size, brand preferred, performance requirements, etc.
2. Submit requisition to begin bid request to the purchasing agent.
3. Assist in specification preparation, if necessary.
4. Assist in evaluation of bid results.

Competitive Bidding Policies

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. **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.
3. **Bid Opening Schedule:** Unless specified by the BMA, the purchasing agent is responsible for setting bid opening dates and times.
4. **Telephone Bids:** The purchasing agent shall not accept any bid by telephone.
5. **Bid Form:** The purchasing agent shall send 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.
6. **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.
7. **Acceptance of Bids:** The town 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.
8. **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.

9. **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.
10. **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.

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.

Brands and/or models other than those designated as "equal to" products shall receive equal consideration.

11. **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.
12. **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.
13. **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
14. **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.
15. **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, email, advertisement on the city website or other registry or by posting the invitation to bid in a public place. It's not required that specifications be included in the invitation to bid. However, this notice should state clearly the purchase to be made.
16. **Purchasing Through Competitive Sealed Proposals**
(TCA §12-3-1207)
 Municipalities may make purchases using competitive sealed proposals rather than competitive sealed bids when the governing body determines that competitive sealed bidding is either not practicable or not advantageous to the municipality. This act places these restrictions and requirements on purchasing through competitive sealed proposals:
 - The governing body must adopt a procurement code by ordinance before purchases may be made through competitive sealed proposals. MTAS, in conjunction with the comptroller's office, will develop a code that municipalities may adopt.
 - The governing body must follow the procurement code; this code must contain criteria and procedures for making purchases.
 - Purchases using competitive sealed proposals may be made only in instances when qualifications, experience, and competence are more important than price.
 - These purchases may be made only when there is either:

- More than one solution to a purchasing issue and the competitive sealed proposals will assist in choosing the best solution, *or*
 - No readily identifiable solution to a purchasing issue and competitive sealed proposals will assist in identifying one or more solutions.
- Adequate public notice must be given for the request for proposals in the same manner as for requests for competitive sealed bids.
- The request for proposals must state the relative importance of price and other factors. Among other things, the request shall include the desired specifications (which may be expressed in the context of the result sought to be obtained); the qualifications of each proposer; warranties, time frame for performance, the contract; and, if applicable, the bond or other security that the successful proposer will be required to furnish.
- All competitive sealed proposals shall be submitted in sealed envelopes to the office of the City Recorder and shall remain sealed until the date and time specified in the City's solicitation. All competitive sealed proposals shall be opened at the date and time specified in the solicitation and the amount of the bid shall be announced and otherwise made available to all interested parties. The City shall not begin or attempt negotiations with any contractor until all proposals have been opened and evaluated.
- The request for competitive sealed proposals shall provide that after receipt by the city of a proposal discussions may be conducted for clarification to assure full understanding of, and responsiveness to, the solicitation requirements with responsible proposers who submit proposals determined by the purchasing agent to be reasonably susceptible of being selected. These proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and for revision of proposals, both as to the particular goods or services to be furnished and the price thereof. In order to permit the city to obtain the best offers of proposers, revisions may be permitted after submission and before the intent to award to a particular proposer is announced. In conducting discussions, the purchasing agent and other municipal personnel may make no disclosure to any proposer of any information derived from proposals submitted by competing proposers. Nothing contained herein shall preclude the city from conducting conferences or otherwise communicating with all parties who may be interested in responding to a proposal prior to the time that proposals are to be received.
- If discussions are conducted, the purchasing agent shall issue a written request for best and final offers. The request shall set forth the date, time, and place for submission of best and final offers. Best and final offers shall be requested only once, unless the purchasing agent makes a written determination that it is advantageous to the city to conduct further discussion or change the city's requirements. The request for best and final offers shall inform proposers that, if they do not submit a notice of withdrawal or a best and final offer, their immediate previous offer will be construed as their best and final offer. Nothing contained herein shall preclude the board from rejecting all proposals and thereafter requesting new proposals.
- The award must be made to the responsible respondent whose proposal the governing body determines is most advantageous to the municipality. The purchasing agent must place in the file a statement containing the basis on which the award was made.
- In the event that any proposer to a request for competitive sealed proposers is aggrieved by the decision of the city, such aggrieved proposer may protest the intended award to another proposer if the protest is filed within seven days after the intended award is announced. The protest must be filed with the board in care of the city administrator of the city and shall be promptly decided by the board.
- Nothing contained herein is intended to change the authority of the city with respect to contracting for professional services in accordance with applicable laws of the State of Tennessee.

Other Bid Award Considerations

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

1. The ability of the bidder to perform the contract or provide the material or service required.
2. Whether the bidder can perform the contract or provide the material or service promptly or within the time specified, without delay or interference.

3. The character, integrity, reputation, experience, and efficiency of the bidder.
4. The previous and existing compliance, by the bidder, with laws and ordinances relating to the contract or service.
5. The ability of the bidder to provide future maintenance and service for the use of the subject contract.
6. Terms and conditions stated in bid.
7. Compliance with specifications or request for proposal.

Section 7. 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:

1. Removal of a vendor from bid list for a period to be determined by the governing body.
2. Allowing the vendor 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 services, materials, or supplies from another source and charge the vendor for any difference in cost resulting from this purchase.
4. Allowing monetary settlement.

Section 8. 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 haven't 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.

Section 9. 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. This procedure shall be used in cases where the amount of the purchase of said materials, supplies, or services will be \$25,000 or more within the fiscal year. For amounts below \$25,000, the award will be made in accordance with procedures described in Section I.

Section 10.

Items Covered by Warranty or Guarantee

The town may buy 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.

Section 11. Signatures

Contracts, applications for title, tax exemption certificates, agreements, and contracts for utilities shall not be signed by any town employee unless authorized in writing by the purchasing agent, by action of the governing body, or by town charter.

Section 12. Sale of Surplus Property

When a department head decides there is excess equipment or material in the department, he or she shall notify the purchasing agent in writing. The purchasing agent will figure out the best way to dispose of those items with an estimated value of less than \$100 and let the department head know. Items with an estimated value of more than \$100 shall be advertised for bidding, which will begin after the purchasing agent has received approval from the governing body. Such equipment or materials will be sold to the highest bidder.

However, the purchasing agent may transfer surplus equipment or material from one department to another. He or she must be sure the finance officer knows about the transfer or sales. With approval of the governing body, equipment or material may also be sold at public auction.

Section 13. 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.

Section 14. General Information

Preference to Local Dealers: When buying supplies, materials, equipment, and services for the city's requirements, preference may be given dealers who have stores or warehouses within the city; price, quality, delivery, and service being equal.

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.

Inspection of Deliveries: No invoices for supplies, materials, or equipment shall be accepted for payment until such supplies, materials, etc., have been received and inspected by the department head.

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 the purchasing agent.

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. A list of all purchase orders issued, regardless of amount, shall be reported to the Board of Mayor and Aldermen at least monthly.

Designee: When a position of department head is mentioned in this policy, their assistants or designees are acceptable substitutes only when they have written permission to do so. In the absence of the Purchasing Agent/Finance Director, the BMA shall designate a person to serve in his or her absence.

Section 15. Definitions

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 \$2,500).

Like Items: Items that are similar and may be bought at the lowest common denominator, such as size, color, etc.

Lot: A single grouping of like items to be purchased at one time.

Single Source of Supply: When only one vendor is available for a product or service within a reasonable marketable distance of the city.

Proprietary Product: A brand-name product made and marketed by one having the exclusive right to manufacture and sell.

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, intra governmental service funds, and nonexpendable trust funds.

Performance and Bid Bonds: Performance and bid bonds as may be determined by the purchasing agent or the governing body.

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 TCA 62-2-107 and any amendments thereto.

(EXAMPLE ONLY)

TOWN OF MASON, TENNESSEE
Requisition For Supplies

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: Approved:

Finance Officer

_____ Purchasing Agent

(EXAMPLE ONLY)

Purchase Order
TOWN OF _____, TENNESSEE

To: _____ Telephone _____
_____ Purchase Order No. _____

Ship To: _____ Date _____

Via: _____ Department _____

Mail invoice to town finance officer

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

Terms and Conditions:

Unless stated otherwise, all prices are freight on board (F.O.B.) _____, Tennessee. Town is exempt from federal, state, and local taxes. Exemption certificates will be furnished if necessary. Mark all shipments and invoices with purchase order number.

Purchasing agent

I certify that the above materials or services have been received as ordered and in good condition, except as follows: _____

Date Received / Department Head

(EXAMPLE ONLY)

Material
Receiving Report

TOWN OF MASON

Purchase Order No: _____

FROM :

Quantity	Description	Price	Per	Amount

Freight Charge _____ Totals _____

MATERIAL RECEIVED

BY: _____ DATE: _____

(EXAMPLE ONLY)**Request for Bid****TOWN OF MASON, TENNESSEE****IMPORTANT: THIS IS NOT AN ORDER**

BID # _____

Date _____

Purchasing Agent _____

Terms _____

Delivery _____

Sealed bids for the following materials will be accepted until _____ m. on _____
 20____ in the office of the purchasing agent and will be opened the same day at _____ m.

NO BIDS RECEIVED AFTER TIME SPECIFIED ABOVE WILL BE ACCEPTED.

Quotations are requested for furnishing the items described below in accordance with the terms set forth herein. Failure of a bidder to execute a purchase order or contract awarded as a result of this bid or to comply with any terms or conditions therein may disqualify the person for receiving future orders. Bidders are cautioned to verify their bids before submission. No bid may be withdrawn or changed after it has been opened. If you do not quote, return this sheet and explain the reason, otherwise your name may be removed from our mailing list.

ALL QUOTATIONS MUST BE FREIGHT ON BOARD (F.O.B.)
 _____, TENNESSEE

Item Number	Quantity	Unit	Description	Unit Price	Amount

In submitting the above, the vendor agrees that acceptance of any or all quotations by the purchasing office within a reasonable period constitutes a contract.

BID SUBMITTED BY:

Above Items to Be Delivered To:

Name of Firm_____
By

**BIDS MUST BE RETURNED
IN A SEALED ENVELOPE**

Address

Phone

(EXAMPLE ONLY)

Summary of Bids

TOWN OF , MASON TENNESSEE

Requisition No. _____

Date _____

Items	Quantity	Unit	NAME OF BIDDERS				
			Unit Price	Unit Price	Unit Price	Unit Price	Unit Price
TERMS							

Reverse side must contain full explanation of awards not given to the lowest bidder.