

ORDINANCE 13-184
AN ORDINANCE OF THE CITY OF LAKELAND TO ESTABLISH A MUNICIPAL
PURCHASING POLICY FOR THE CITY OF LAKELAND
AND AMEND PURCHASING LIMITS

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NOW THEREFORE, BE IT ORDAINED BY THE LAKELAND BOARD OF COMMISSIONERS, as follows:

Section 1. In accordance with T.C.A. § 6-19-104 the purchase of all material, supplies, equipment and services purchased under the authority of this ordinance shall, unless otherwise provided by law, be purchased in accordance with the following regulations set forth in the Lakeland Purchasing Policy, and that include the purchasing limits set forth herein.

Section 2. Purchasing Limits Amended. The purchasing limits set forth in the Lakeland Municipal Code §§ 5-402 - 403 shall be amended to the following:

- (a) Purchases less than \$2,500. Competitive bids or quotations for the purchase of items which cost less than twenty-five hundred dollars (\$2,500) are desirable but not mandatory. All purchases must be authorized by Purchase Order approved by the City Manager unless otherwise specifically exempt.
- (b) Purchases of \$2,500 and above, but less than \$10,000. Purchases, leases, and lease purchases of twenty-five hundred dollars (\$2,500) and above, and less than ten thousand dollars (\$10,000) singly or in the aggregate during any fiscal year and, except as otherwise provided, shall require three (3) competitive bids or quotations, either verbal or written, whenever possible prior to each purchase.
- (c) Purchases of \$10,000 and above. A description of all projects or purchases, except as otherwise provided, which require the expenditure of City funds of ten thousand dollars (\$10,000) or more shall be prepared and submitted to the City Manager for authorization to call for bids or proposals. After the determination that adequate funds are budgeted and available for a purchase, the City Manager or designee may approve a Purchase Order and may authorize to advertise for bids or proposals and to accept only sealed bids.

Section 3. Exceptions. Exceptions to the City's purchasing limits set forth in the Lakeland Municipal Code § 5-404 shall be amended to the following:

- a) Sole source of supply or proprietary products as determined after complete search by the City Manager or designee, after which the City Manager shall provide notification to the Board.

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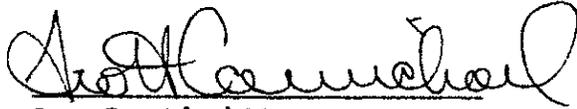
- b) Emergency expenditures with subsequent approval of the City Manager or designee in accordance with the provisions herein.
- c) Purchases from instrumentalities created by two or more cooperating governments.
- d) Purchases from non-profit corporations whose purpose or one of whose purposes is to provide goods or services specifically to municipalities.
- e) Purchases, leases, or lease-purchases of real property.
- f) 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.
- g) Purchases through other units of governments as authorized by T.C.A. 6-56-301 et seq.
- h) Purchases directed through or in conjunction with the State Department of General Services.
- i) Purchases from Tennessee State industries.
- j) Professional service contracts as provided in T.C.A. 29-20-407.
- k) Tort Liability Insurance as provided in T.C.A. 12-4-407.
- l) Purchases of perishable commodities.
- m) Professional services as provided in Consultant Selection Policy for Projects funded in Whole or in Part with Funds Provided by the Federal Highway Administration or the Tennessee Department of Transportation (Local Government Guidelines Form 1-2)

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed and this ordinance shall be effective upon date of adoption.

First Reading: December 03, 2012
Public Hearing: December 18, 2012
Final Reading: January 03, 2013

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Scott Carmichael, Mayor

ATTEST:


Sontida L. Thomas, CMC
City Recorder

City of Lakeland Purchasing Policy

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The City of Lakeland, Tennessee intends to purchase goods and services of high quality consistent with the expected use at the most reasonable cost.

The purpose of the City of Lakeland Purchasing Policy is to provide guidance for all department and purchasing personnel involved in the procurement process.

This policy applies to all City personnel involved in the procurement process and to all City purchases, including the General Fund and Sewer Fund, and any additional funds subsequently established following passage by ordinance.

Competitive Procurement.

Purchases less than \$2,500. Competitive bids or quotations for the purchase of items which cost less than twenty-five hundred dollars (\$2,500) are desirable but not mandatory. All purchases must be authorized by Purchase Order approved by the City Manager unless otherwise specifically exempt.

Purchases of \$2,500 and above, but less than \$10,000. Purchases, leases, and lease purchases of twenty-five hundred dollars (\$2,500) and above, and less than ten thousand dollars (\$10,000) singly or in the aggregate during any fiscal year and, except as otherwise provided, shall require three (3) competitive bids or quotations, either verbal or written, whenever possible prior to each purchase.

Purchases of \$10,000 and above. A description of all projects or purchases, except as otherwise provided, which require the expenditure of City funds of ten thousand dollars (\$10,000) or more shall be prepared and submitted to the City Manager for authorization to call for bids or proposals.

The award of purchases, leases, or lease-purchases of ten thousand dollars (\$10,000) or more shall be authorized by the Board of Commissioners, hereinafter "the Board" to the lowest and best responsible bidder.

The City Manager may approve the procurement of goods or services authorized in the fiscal year budget, or subsequent budget amendment, and purchases that are routine to City operations

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provided that the purchase, lease, or lease-purchase does not impose any substantial long-term consequences upon the City.

The transaction involving purchases, leases, or lease-purchases of ten thousand dollars (\$10,000) or greater shall be evidenced by written contract.

Exceptions. Upon the written recommendation of the City Manager that it is clearly to the advantage of the City not to contract with competitive bidding, the Board may authorize noncompetitive contracts by resolution adopted unanimously by members present.

Purchases amounting to ten-thousand dollars (\$10,000) or greater, 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 authorized by the governing body:

- Sole source of supply or proprietary products as determined after complete search by the City Manager or designee, after which the City Manager shall provide notification to the Board.
- Emergency expenditures with subsequent approval of the City Manager or designee in accordance with the provisions herein.
- Purchases from instrumentalities created by two 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 T.C.A. 6-56-301 et seq.
- Purchases directed through or in conjunction with the State Department of General

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Services.

- Purchases from Tennessee State industries.
- Professional service contracts as provided in T.C.A. 29-20-407.
- Tort Liability Insurance as provided in T.C.A. 12-4-407.
- Purchases of perishable commodities.
- Professional services as provided in Consultant Selection Policy for Projects funded in Whole or in Part with Funds Provided by the Federal Highway Administration or the Tennessee Department of Transportation (Local Government Guidelines Form 1-2)

Sealed bids or proposals. Sealed bids are required on purchases of \$10,000.00 or more. Bids must be advertised in a local newspaper of general circulation not less than five days before bid opening date.

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

Contracts shall be awarded only to responsible contractors/firms that possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.

Recording Bids. A summary of bids form should be used to record all bids. The form should be included in the information presented to the Board for consideration of award of the bid. All bids should be opened in public at a specified time. Late bids should not be accepted or opened.

Rejection of bids. The City Manager may reject any and all bids when in the City's best interest. The City shall have the authority to reject any and all bids, parts of all bids, or all bids for any one or more supplies or contractual services included in the proposed contract, when the public interest will be served thereby.

The City shall not accept the bid of a vendor or contractor who is in default on the payment of any taxes, licenses, fees, or other monies of whatever nature that may be due the City by said vendor or contractor.

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Electronic Bidding, Invitations to Bid, Requests for Proposals and other Solicitations. Any authorized agent purchasing on behalf of the City may satisfy any requirement for mailing by distributing invitations to bid, requests for proposals and other solicitations electronically.

The authorized agent may receive bids, proposals, and other offers electronically. Small businesses and minority-owned businesses shall not be required to receive or respond to invitations to bid, requests for proposals, or other solicitations electronically as provided in T.C.A. 12-3-704.

Competitive Sealed Proposals. The City may use competitive sealed proposals to purchase goods and services rather than competitive sealed bids when the City Manager or designee, acting under the restrictions and requirements of T.C.A. 12-3-10, determines that the use of competitive sealed bidding is either not practicable or not advantageous to the City as provided by the City's Purchasing Policy.

The following conditions for use apply to purchases where competitive sealed proposals may be used in place of competitive bidding.

- a) Competitive sealed proposals may be used only when qualifications, experience, or competence are more important than price in making the purchase; and
- b) When there is more than one solution to a purchasing issue and the competitive sealed proposals will assist in choosing the best solution; or
- c) When there is no readily identifiable solution to a purchasing issue and the competitive sealed proposals will assist in identifying one or more solutions.

Adequate public notice of the request for competitive sealed proposals shall be given in the same manner provided by applicable law for competitive sealed bids.

The award shall be made to the responsible proposer whose proposal the Board determines is the most advantageous to the City, taking into consideration price and the evaluation factors set out in the request for competitive sealed proposals. No other factor may be used in the evaluation.

Purchase Orders. A pre-numbered Purchase Order form must be submitted prior to the purchase of any item, except as designated by the City Manager or designee, or otherwise provided within the City of Lakeland Purchasing Policy.

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Purchase authorization by email or telephone. E-mail and phone authorizations may be made in cases where, due to being out of the office, timely authorization is not possible. The City Manager shall appoint the authorizing person.

Sole-source and proprietary purchasing. Sole-source or proprietary purchasing shall only be used when a vendor providing a good or service is the only source wherein no other acceptable substitutes or alternatives are available.

Emergencies. Emergency purchases are essential purchases to be made only when normal functions and operations of the City would be hampered by purchasing in the regular manner, or where property, equipment, or life are endangered through unexpected circumstances and materials, services, etc., and are needed immediately.

Competitive procurement according to the guidelines in the City's Purchasing Policy should be used when possible in emergencies.

Direct Payments. Purchases made for recurring services, most notably telephone, internet, and utility services, do not require the use of a purchase order when authorized by the City Manager or designee in advance.

Blanket Purchase Orders. Blanket purchase orders may be used in circumstances wherein purchases from vendors are made for small or routine purchases, authorized at the first of each month, provided that the amount is less than \$250 per item.

Delegated Purchasing Authority. Purchases up to \$500 may be authorized by a designated Supervisor. The City Manager may designate the persons who can authorize up to \$500 in purchases.

Gasoline. The City Manager or designee may authorize the purchase of gasoline for City vehicles at gas stations within the Lakeland City Limits without a Purchase Order.

Use of City's Credit Card and Petty Cash Fund. Purchases of items that cost less than \$40 from businesses that do not issue invoices or have charge accounts may be made by either credit card or withdrawals from the petty cash fund.

The agent designated by the City Manager is solely responsible for any withdrawals from the

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petty cash fund.

Purchases made by credit card must comply with the City's policy governing the use of credit cards.

The City Manager or designee may authorize the use of debit or purchasing cards, and designate City personnel authorized to make purchases using said debit or purchasing cards in accordance with the same provisions in the City's policy governing the use of credit cards.

Invoices. All invoices for services or products must be signed as received by the person receiving the equipment or service before the City releases funds to a vendor.

All vendor checks for City purchases shall be mailed to the vendor address on file.

Exceptions under special circumstances must be approved by the City Manager or designee.

Ethics. City employees involved in the procurement process, as in any other area of City operations, shall behave according to the highest ethical and professional standards in their affairs, conducting such business with the utmost concern for and consideration of the public's trust in the City. In accordance with maintaining the public's trust, any ethical impropriety or the perception thereof should be avoided in all business involving the City of Lakeland.

As an employee of the City of Lakeland, all City employees shall notify their supervisor as well as the City Manager if the employee has any knowledge of another employee of the City violating any provision of the City's Purchasing Policy or any other unethical or unprofessional behavior immediately upon receiving such information.

Conflict of Interest. No purchase shall be made from, nor any contract for purchase of services made with any person, firm, or corporation in which any officer or employee of the City has a direct financial interest except when such person, firm, or corporation is the sole source for such goods or services in Shelby County, Tennessee. In such instances, all purchases shall be subject to prior approval by the City Manager, any direct financial interest having been disclosed to the City Manager prior to authorization for the purchase.

Any indirect financial relationship with any person, firm, or corporation in which the City purchases goods or services shall be disclosed to the City Manager or designee.

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No officer or employee of the City shall accept directly or indirectly any fee, rebate, money, or other thing of value from any person, firm, or corporation employed by or doing business with the City, except on behalf of and for the use of the City, or in accordance with the exception herein above set forth.

Responsibility for Purchasing and Record-keeping. The City Manager or designee shall be responsible for acting in accordance with the City of Lakeland Purchasing Policy, the procedures therein required, and the general law provisions of 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 the City's Purchasing Policy.