

CITY OF COLUMBIA

PURCHASING MANUAL



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PURCHASING MANUAL
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CITY OF COLUMBIA
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SECTION I: GENERAL PROVISIONS

1.1 Introduction

The role of Public Purchasing in city government is assuring the best value of goods and services. Sound purchasing operations contribute greatly to the economical and effective operation of the city. They are basic to public confidence and trust in government. Purchasing is an important resource for improved program evaluation and planning as well as for policy formulation and general management. This Purchasing Manual represents the City of Columbia's approach and systems for the management of this challenging task. It covers the functions, objectives and goals, in addition to the actual mechanics, of the purchasing operation.

1.2 Purpose

This Purchasing Manual, as established by the City Manager and approved by the City Council, by resolution, shall provide all departments, boards, and commissions with a systematic, comprehensive guidebook of policy, procedures and practices necessary for the daily requisitioning of goods and services required for their individual operations. Further, all employees of the City of Columbia shall be required to familiarize themselves with the requirements set forth and shall adhere to these rules, regulations and procedures under all normal circumstances. It is recognized that exceptions occur from time to time, and organizational needs change; thus, the Purchasing Agent is prepared to offer clarifications, assistance, special handling, and amendments within proper authority.

The City of Columbia's purchasing program shall embody the following principles:

1. Centralized authority over purchases with delegation of certain purchasing responsibilities to the employee and departmental level
2. Employment of competent personnel in all aspects of purchasing.

3. Purchase of materials, supplies, contractual services, and equipment to maximize to the fullest extent the purchasing value of public funds.
4. Standardization of procedures and specifications.
5. Consolidation of requirements into bulk purchases.
6. Promotion of competitive bidding or selection.
7. Inspection of goods delivered in order to enforce contractual and specification compliance.
8. Centralized coordination over transfer and disposal of surplus, obsolete, and salvage goods.
9. Market analysis, assuring purchases when market conditions are favorable.
10. Monitoring of payments to be consistent with terms and conditions of purchase orders and contracts.
11. Establishment and maintenance of business relationships with vendors.

1.3 Authority and Responsibilities

A. The Purchasing Agent, under the direction and control of the City Manager, shall serve as the public purchasing official for the City, and shall be responsible for the procurement of all supplies and services except those defined herein as public improvement projects in accordance with the rules and regulations set forth in the City's Purchasing Manual. The Purchasing Agent and City Manager shall recommend amendments to this Purchasing Manual prior to being submitted to the City Council. Such changes shall also be approved by the City Council by resolution.

1. The Purchasing Agent shall:
 - a. Act to procure for the city the highest quality in supplies and contractual services at the least expense to the city;
 - b. Endeavor to obtain as full and open competition as possible on all purchases and sales;

- c. Have the authority to waive inconsistencies and irregularities in the bid process in purchases less than \$10,000.00, with concurrence of the City Manager;
- d. Be responsible for the sale of City-owned personal property; coordinate the sale, transfer or other disposition of surplus, obsolete, and/or salvage property belonging to the City;
- e. Establish and amend, when necessary, all rules and regulations authorized by this article and any others necessary to its operation;
- f. Prescribe and maintain such forms reasonably necessary to the operation of this article;
- g. Explore the possibilities of buying in sufficient substantial quantities as to take full advantage of available discounts;
- h. Act so as to procure for the city all tax exemptions to which it is entitled;
- i. Have the authority to declare vendors who default on their quotations irresponsible bidders and to disqualify them for receiving any business from the city for a stated period of time, with concurrence of the City Manager;
- j. Prepare standards and written specifications for supplies used by the various branches of the city government;
- k. Keep an accurate inventory of all public property of the City used or controlled by any department thereof;
- l. Delegate purchasing authority to departments in accordance with applicable rules and regulations as set out in the purchasing manual;
- m. Approve or reject purchases made by various departments consistent with purchasing manual rules and regulations;
- n. Know the source and availability of needed products, services and maintain current vendor files;

- o. Investigate and document complaints about merchandise and service for future reference;
 - p. Search for new and improved sources of supplies and services;
 - q. Review and approve all request for proposals and request for qualifications for professional and other services within the scope of the Purchasing Agent's authority.
- B. Department Heads – in accordance with the Purchasing Manual, the department head shall:
- 1. Inform and train departmental personnel on the requirements of this manual and ensure adherence;
 - 2. Communicate needs for supplies, equipment and materials to the Purchasing Agent;
 - 3. Communicate requests for services and goods with enough lead time to the Purchasing Agent so that procurements can be made using applicable purchasing manual procedures;
 - 4. Utilize effective material requirements planning to maximize efficiency in the City procurement;
 - 5. Provide accurate and complete information on items requested and timely preparation of requisitions;
 - 6. Prepare item descriptions, specifications, and assist the Purchasing Agent in negotiation for materials, supplies, services or equipment of a technical or unusual nature when requested, and suggest possible sources of supply;
 - 7. Designate certain employees with authority to prepare requisitions and make requests for purchase of certain items;
 - 8. Inspect or supervise the inspection of materials, supplies, services and equipment delivered, and determine acceptableness of their quality, quantity, and conformance with specifications as requested by the Purchasing Agent;
 - 9. Advise Purchasing Agent of surplus property; and

10. Advise Purchasing Agent of defective merchandise or dissatisfaction with vendor performance.
- C. The Contracting Agent, under the direction and control of the City Manager, shall serve as the public purchasing official for the City for all public improvements, and shall be responsible for the procurement of construction and professional services as defined herein as public improvement projects in accordance with the rules and regulations set forth in the City's purchasing manual. The contracting agent shall:
- a. Act to procure for the city the highest professional or contractual services at the least expense to the city;
 - b. Endeavor to obtain as full and open competition as possible on all procurement or public improvement projects;
 - c. Have the authority to waive nominal inconsistencies and irregularities in the bid process for procurement of professional or contractual services if the amount is less than \$10,000.00, with concurrence of the City Manager;
 - d. Prescribe and maintain such forms reasonably necessary to the operation of this section;
 - e. Prepare standards and written specifications for professional services and public improvement projects used by the various branches of the city government;
 - f. Review and approve all request for proposals and request for qualifications for professional and other services within the scope of the Contracting Agent's authority.

1.4 Delegation of Purchasing Authority

The Purchasing Agent may delegate authority to purchase certain supplies or services to other City officials or employees according to accepted policies and procedures, if such delegation is deemed necessary for the effective procurement of those items.

1.5 Delegation of Approval and Certification for Payment

The Director of Finance, under the direction and control of the City Manager, shall have the authority to approve and certify for payment any accounts or claims against the City which are less than \$10,000 provided those claims are properly evidenced, follow the purchasing procedures as outlined herein, and otherwise comply with all laws, ordinances or policies of the City.

SECTION II: COMPETITIVE BIDDING REQUIREMENTS

2.1 Competitive Sealed bidding – \$10,000 or more

All purchases of goods, materials, supplies, equipment, contractual services and professional services of \$10,000.00 or more shall be awarded by competitive sealed bidding except as otherwise provided in Section III (Sole Source Procurement), Section IV (Emergency Procurement), Section V (Requisitions/Purchase Orders), and Section VII (Contracting for Designated Professional Services).

2.2 Competitive Sealed Bidding Procedures – \$10,000 or more

A. Solicitation of Bids

An invitation for bids, request for proposal or other generally accepted method of solicitation request shall be issued to prospective bidders and shall include specifications and all contractual terms and conditions applicable to the procurement.

B. Public Notice

Public notice of the solicited bids for purchases of \$10,000 or more shall be issued not less than fourteen (14) calendar days prior to the date set forth for the opening of bids. Such notice shall be publicized on one (1) or more occasions in a newspaper of general circulation. The public notice shall state the place, date, and time of bid opening.

C. Bid Opening, Bid Tabulation, and Bid Analysis

Bids shall be opened publicly by the Purchasing Agent or Contracting Agent in the presence of the Executive Secretary to the City Manager, other designated City Employee, or in the case of public improvement projects the consulting engineer or architect responsible for the project at the City Hall or other location as may be identified in the bid solicitation. A bid tabulation will be prepared by the Purchasing Agent or Contracting Agent for review by the requisitioning department. The requisitioning department will perform a bid analysis and provide a written recommendation as to the lowest responsible, responsive bidder. The requisitioning department shall submit the bid analysis and recommendation to the Purchasing Agent or Contracting Agent within thirty (30) days, for consideration by the City Council. All bid analyses, bid tabulation, recommendations and other documents, as may be deemed appropriate, shall become an attachment to an agenda item to be forwarded to the City Council within 45 days following bid opening. A time limit may be extended with approval of the Purchasing Agent or Contracting Agent.

D. Bid Bonds and Other Sureties

When deemed necessary by the Purchasing Agent or Contracting Agent, bid bonds or other sureties may be required in the solicitation of a bid. Unsuccessful bidders shall be entitled to the return of their bid bond or surety following entry into a contractual agreement with the successful bidder. Bid bonds and sureties will be returned by the City Recorder upon recommendation of the Purchasing Agent or Contracting Agent. Unsuccessful bidders shall be entitled to the return of their deposits following entry into a contractual agreement with the successful bidder. Successful bidders failing to enter into a contract within twenty (20) days after award will forfeit their deposits.

E. Bid Acceptance and Bid Evaluation

Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Manual. Bids shall be evaluated based on the

requirements set forth in the specifications, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. The criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The specifications shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that are not set forth in the specifications.

F. Bid Rejection

The City Council may reject any or all bids or parts of bids when the public interest would be best served and may request a re-bidding.

G. Bid Award

Only the City Council has the power to award bids of \$10,000 or more as stated in the competitive sealed bidding procedures. Bids will be awarded to the lowest responsible bidder whose bid meets the requirements and criteria set forth in the specifications. Factors to be used in bid award include, but are not limited to:

1. The ability, capacity and skill of the bidder to perform the contract, provide the service, or deliver the items as per the specifications;
2. Whether the bidder can perform the service or deliver the items promptly or within the time specified;
3. Character, integrity, reputation, judgment, experience and efficiency of bidder;
4. Quality of performance of previous contracts , services, or deliveries;
5. Previous and existing compliance by the bidder with laws and ordinances relating to contracts and services;
6. Sufficiency of the bidder's financial resources and ability to perform the contract, service or product delivery;
7. Quality, availability, and adaptability of the supplies or contractual services to the use required;

8. Ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
9. Number and scope of conditions attached to the bid; and
10. Price.

H. Correction or Withdrawal of Bids

Correction or withdrawal of inadvertently erroneous bids may be permitted before the bid opening. Mistakes discovered before bid opening may be modified by written notice received in the office designated in the invitation for bids. Bids may be withdrawn prior to the time set for bid opening. After the bid opening, no changes or corrections are permitted in bid prices or other provisions of bids prejudicial to the interest of the City or fair competition.

I. Cancellation of Award

Cancellation of awards or contracts may be permitted where appropriate. Such cancellations must be submitted to the City Council with full explanation for consideration.

J. Award to Other Than Low Bidder

When the bid award is not given to the lowest bidder meeting specifications, a full and complete statement of the reasons for placing the order elsewhere will be prepared by the department head and submitted to the Purchasing Agent or Contracting Agent for submission to the City Council.

K. Tie Bids

Per State standard, tie bids will be addressed as follows:

A tie bid exists where two or more vendors offer products that meet all specifications, terms and conditions at identical prices, including cash discount offered for prompt payment. In such case, a tie bid will be broken by the following methods, in descending order:

1. in-state business;
2. small and minority owned businesses;

3. award item(s) to vendor who was low vendor on other item(s) being bid per the same requisition;
4. best delivery
5. by lot or coin toss.

L. Prohibition Against Subdivision

No contract, purchase or service shall be subdivided to avoid the provisions of this Purchasing Manual.

M. No Timely Bid Received

If no timely bid is received after bid notices have been published on any supplies, materials, equipment, or contractual services whose estimated cost is \$10,000 or more, the City Council may direct the City Manager to negotiate a contract with a prospective vendor or secure the item by solicitation of bids.

N. Contract Coordination

Upon bid award, the Purchasing Agent or applicable Contracting Agent, will coordinate contract execution between the successful bidder and the City. The Purchasing Agent or Contracting Agent will insure that all contract documents are completed with one complete set of original documents being delivered to the City Recorder. As authorized by the Purchasing Agent, a purchase order shall constitute an acceptable contract.

O. Payment

Following receipt of the goods or services and the invoice, the Finance Department will be notified to make payment. Notice to the Finance Department will consist of the approved invoice (signed by the proper department head). Any discrepancy between the purchase order and invoice shall be reported to the Purchasing Agent for review before payment.

2.3 Open Market Purchases – under \$10,000

All purchases of supplies, materials, equipment, contractual or professional services of less than \$10,000 may be made in the open market without newspaper advertisement, without observing the procedure for formal bid award and without

the consent of the City Council unless otherwise stipulated herein. The department head or designee will notify the Purchasing Agent or Contracting Agent of a list of needs and in turn procurement will follow the procedures in this manual. The requisitioning department will prepare the applicable requisition and forward to the Purchasing Agent or Contracting Agent for approval. No order for delivery on a contract, procurement of a service or open market purchase shall be issued until the Finance Director certifies that there are unencumbered funds to the credit of the requisitioning department sufficient to pay the cost of the order. Bid award will be to the lowest responsive bidder. Bid prices will be honored for 90 days from bid solicitation for additional identical items.

A. Open Market Purchases – \$2,500 and above and under \$10,000

Open market purchases of \$2,500 but less than \$10,000 shall be based upon at least three written quotations from the vendor that will be valid for 90 days unless noted otherwise by the vendor. The user department will prepare the applicable specifications and may solicit quotations based upon those specifications.. Upon completion all applicable documents shall be forwarded to the Purchasing Agent with a requisition for processing. Requisitions for public improvements must be approved as evidenced by sign off by the applicable Contracting Agent prior to submission to the Purchasing Agent The Purchasing Agent may accept solicited quotes if furnished by the department or may solicit additional quotes as deemed appropriate by the Purchasing Agent. If award of bid is to a vendor other than the recommendation of the user department, the Purchasing Department will notify subject department of change of award prior to processing any purchase request. The user department shall return to the Purchasing Agent the bid recommendation within 30 days of the receipt date of the written quotations. The Purchasing Agent shall issue the purchase order and encumber the funds. No order for delivery on a contract or open market purchase shall be issued until the Finance Director certifies that there are unencumbered funds to the credit of the using department sufficient to pay the cost of the order. Bid award will be to

lowest responsible bidder. Bid prices will be honored for 90 days from bid solicitation for additional identical items.

B. Open Market Purchases - \$1,000 - \$2,499.99

Open market purchases of \$1,000 shall be based upon three (3) written, verbal, or faxed quotations from the vendor and will be usable for 90 days unless noted otherwise by the vendor. The requisitioning department will prepare the applicable specifications and will forward to the Purchasing Agent with a requisition for processing. The requisitioning department may elect to secure bids by written, verbal, or faxed quotations. The results are to be recorded on a solicitation/ requisition form with recommendations and forwarded to the Purchasing Department for approval. The Purchasing Agent may verify bids and secure additional bids. If award of bid is to a vendor other than the recommendation of the requisitioning department, the Purchasing Department will notify said department of the change of award. The Purchasing Agent will issue the purchase order. No order for delivery on a contract or open market purchase order shall be issued until the Finance Director certifies that there are unencumbered funds to the credit of the requisitioning department sufficient to pay the cost of the order. Bid award will be to the lowest responsible bidder as determined by the Purchasing Agent. Bid prices will be honored for 90 days from bid solicitation for additional identical items. No order of goods or services over \$1,000 shall be obtained without first securing a purchase order.

C. Open Market Purchases – below \$1,000

Open market purchases below \$1,000 shall be based upon open market direct solicitation. The requisitioning department is required to obtain the lowest responsible bid in the best interest of the City. It is expected in all situations where applicable that the requisitioning department will make purchases under \$1,000 using the City of Columbia purchasing cards. The policies and procedure as outlined in the City of Columbia Purchasing Card Program Policies and Procedures Manual must be followed when a

purchasing card is used. For those purchases that cannot be made with the purchasing cards, the requisitioning department may submit an invoice approved by the department head and stamped with a processing stamp directly to the Finance Department for payment.

D. Payment

Upon receipt of an approved vendor invoice from the user department, the Finance Department will process payment to the vendor. Any discrepancy between the purchase order and the invoice shall be reported to the Purchasing Agent for review before payment.

2.4 Waiver of Competitive Bidding

The City Council may waive the requirement for competitive bidding for the purchase of supplies, materials, equipment or contractual services when some material feature or characteristic of the item or service is unique in nature. The user department shall submit a full and complete statement of the reasons for waiving competitive bidding to the Purchasing Agent or Contracting Agent for consideration by the City Council.

2.5 Cancellation of Invitations for Bids or Requests for Proposals

An invitation for bid or other solicitation may be canceled, or any or all bids may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the City. The reasons therefore shall be made part of the contract file. Each solicitation issued by the City shall state that the solicitation may be canceled and that any bid or proposal may be rejected in whole or in part when in the best interest of the City. Notice of cancellation shall be sent to all businesses solicited.

2.6 Purchasing Procedures Audit

A periodic audit of purchasing procedures, no less frequent than every two years will be performed by the Purchasing Agent with a report to the City Manager.

2.7 Authority to Execute Contracts

Pursuant to City Charter, the Mayor shall execute all deeds, bonds, contracts, proclamations and other official documents made in the name of the City.

SECTION III: SOLE SOURCE PROCUREMENT

3.1 Sole Source Procurement

A bid under \$10,000 may be awarded without competition when the Purchasing Agent or Contracting Agent determines that there is only one source for the required supply, service, or construction. The determination by the Purchasing Agent or Contracting Agent as to a sole source shall be after examination of written justification supplied by the requisitioning department, a review of available sources and consideration of the factors as outlined below. The Purchasing Agent or Contracting Agent shall conduct negotiations, as appropriate, as to price, delivery, and terms. Sole source purchases of \$10,000 or more shall be submitted for consideration by the City Council.

The following factors shall be used in the determination of whether a commodity or service can be considered for a sole source purchase.

1. Whether the vendor possesses exclusive and/or predominant capabilities, or the item contains a patented feature providing a superior utility not obtainable from another product.
2. Whether the product or service is unique and easily established as one of a kind.
3. Whether the product requirements can be modified so that competitive products or services may be used.
4. Whether the product is available from only one source and not merchandised through wholesalers, jobbers, or retailers.
5. The parts or equipment is not interchangeable with parts or equipment of other manufacturers and is therefore required to maintain existing equipment or current operations.

SECTION IV: EMERGENCY PROCUREMENTS

4.1 Emergency Procurements

Notwithstanding any other provisions of this Manual, the City Manager may make an emergency procurement for materials, equipment, supplies, services, contractual services or construction items not to exceed \$70,000.00 when there exists a threat to public health, welfare, and safety, or significant disruption of the operations of department operations and delivery of city services provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be submitted to the City Manager for approval and a copy be forwarded to the Purchasing Agent or Contracting Agent to be included in the bid file. As soon as practicable, a record of each emergency procurement shall be made and shall set forth the contractor's name, the amount and type of the contract, a listing of the item(s) procured under the contract, and the identification number of the contract file. Emergency procurements of \$10,000 or more shall be submitted to the City Council for ratification.

SECTION V: REQUISITIONING

5.1 The Requisition

The requisition is designed to assist the user departments and be initiated as the first step in the purchasing process. It shall be used by the department to:

1. Inform the Purchasing Agent of anticipated expenditures.
2. Request purchase of the items.
3. Provide proper authorization for the requests.

A requisition shall be initiated with sufficient time to allow adequate time for review by the Purchasing Department so as to identify appropriate vendors, solicit

quotes and receive goods in a timely fashion. The rate of consumption of the items shall be carefully considered in determining the quantity to be requested; if the item is of a recurrent nature, it shall be considered as a stores item where it shall be stored and the minimum quantity that will be maintained.

5.2 Purchase Orders

Purchase orders are in many cases the only contract document between the vendor and the City. As such it is important that purchase order be prepared with as much clarity and detail as required to eliminate misunderstanding by either the vendor or the City as to item or service being purchased. Purchase orders further serve to encumber expenditures against budgeted funds. Purchase orders issued by the Purchasing Agent are valid when signed by the Finance Director.

5.3 Purchase Order Exemption

Purchase orders are not required for payment of utility bills, insurance premiums, credit card payments, debt service payments, travel advances and travel expense vouchers, membership dues, subscriptions and invoices under \$1,000.00. These exemptions are at the discretion of the Finance Director.

5.4 Instructions for Preparing Requisition

The following information must appear on the requisition:

1. Date form is prepared.
2. Requesting department.
3. Date Supplies or goods required by department
4. Vendor Name and Address, if applicable. The purchasing agent will obtain competitive pricing for requisitions submitted without competitive pricing.
5. Description – identify with a complete description as to size, quantity, style, name, color, etc. in order to minimize follow up information by the Purchasing Department. Avoid using a closed description that eliminates competitive bidding. “Equal To” may be specified in order to suggest a standard of quality.

6. Remarks – denote purpose, project number, job order, vehicle number, etc. (i.e., windshield to be installed on vehicle number 14.)
7. Department approval shall be by the Department Head or designee as previously authorized in writing by the Department Head.
8. Date of City Council approval for formal bids.

5.5 Purchase Orders Over \$1,000

Before ordering any goods or services of \$1,000 or more notwithstanding emergency purchases as defined in Section 4 of this manual, the requisitioning department must obtain a purchase order number. The purchase order will be issued upon completion of a solicitation/requisition form and encumbrance of funds. Purchases made without first obtaining a purchase order shall be void and not considered to be obligations of the City of Columbia; **and the person placing the order may be personally liable for payment.**

5.6 Purchase Order Processing

When issued, both a vendor copy (white) and a departmental copy (yellow) will be returned to the requesting department. It shall be the responsibility of the department to forward the vendor copy to the vendor and otherwise complete the transaction. The purchasing agent will retain a copy (pink) of the purchase order together with the solicitation /requisition form and all bid information as part of the permanent bid file. A copy of the purchase order (goldenrod) will be sent to Accounts Payable to be used to compare invoices and track outstanding Purchase Orders.

5.7 Receipt of Invoice

1. Vendors are directed to send all invoices directly to the ordering department as indicated on the face of the purchase order. Invoices for public improvement contracts will be sent to either the City Engineer or Wastewater Director depending upon the authorizing agent.

2. Invoices shall state the purchase order number, the ordering department's name and address, vendor name and address, as well as unit and total purchase price of each item.
3. Upon satisfactory receipt of materials or services, the department will stamp the invoice with the invoice processing stamp, complete the applicable information on the stamp, have the invoice approved by the department head and route to the Finance Department for payment.
4. The Finance Department shall verify the arithmetical computations appearing on the invoices and compare each invoice to the face of the purchase order. The user department is responsible for investigating and rectifying any problems appearing on the invoices.
5. After the invoice is compared with the purchase order and posted, it will be processed for payment.

5.8 Blanket Purchase Orders

Blanket purchase orders may be issued to those merchants from whom many repetitive purchases of supplies or services are made. Blanket orders may be issued for a fiscal year at a time at the discretion of the Purchasing Agent. Blanket orders shall be issued to encumber funds for purchases supported by price agreements, contracts or competitively awarded purchases.

1. Blanket purchase orders will be issued upon approval of a requisition from a user department.
2. Blanket purchase orders shall be issued stipulating the time period, the department, the account number, and aggregate dollar total of all transactions.
3. Items procured under blanket purchase orders may be obtained by authorized personnel only without consulting the Purchasing Department.
4. An authorized employee may call the vendor over the telephone or make pickup over the counter by signing a counter ticket, bill of lading, etc., at the time of pickup or delivery. A purchase order number must be provided upon request by the vendor.

5. The vendor may submit monthly statements itemizing all transactions supported by duplicate documents and referencing the purchase order number for the month. Vendor statements will be reconciled to the invoices. Finance will pay from invoices only.

SECTION VI: CONTRACTS

6.1 Contracting Authority

The Mayor shall execute all deeds, bonds, contracts and proclamations and other official documents made in the name of the City.

6.2 Procedures

To the extent possible, all procurements of materials, supplies, equipment, and contractual services will be obtained by purchase order issued by the Purchasing Agent. Any additional terms not covered by the City's formal purchase order will be stated within a contract. Any type of contract which is appropriate for the procurement and which will promote the best interests of the City may be used. Contracts may be submitted for City Council consideration at time of bid award provided all necessary documentation has been obtained. All contracts must be submitted for approval by the City Attorney as to form and content prior to submitting to the City Council. Such approval will consist of the City Attorney's signature on the contract as to form and legality or supporting documentation to that effect.

6.3 Type of Contracts

A. Cost Reimbursement Contract

A cost reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to the City than any other type or that it is impracticable to obtain the supply, service, or construction item required except under such a contract.

B. Multi-Term Contracts and Bid Awards

1. Specified Period

Unless otherwise provided by law or Council authorization, a contract or bid award for supplies or services may be entered into for period not to exceed three (3) years provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time on contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds.

2. Determination Prior to Use

Prior to the utilization of a multi-term contract or bid award, it shall be determined in writing:

- a. that estimated requirements cover the period of the contract and are reasonably firm and continuing; and
- b. that such a contract or award will serve the best interests of the City by encouraging effective competition or otherwise promoting economics in City procurement.

3. Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods

When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled and the contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred by not amortized in the price of the supplies or services delivered under the contract. The cost of cancellation may be paid from any appropriations available for such purposes.

C. Multiple Source Contracting

1. General

A multiple source is an award of an indefinite quantity contract for one or more similar supplies or services to more than one bidder or offeror.

2. Limitations of Use

A multiple source award may be made when the awarding is to two or more bidders or offerors for similar products is necessary for adequate delivery, service, or product compatibility. Any multiple source award shall be made in accordance with the provisions of Section II (Contracting Limits) Section IV (Emergency Procurements,) Section V (Requisition) and Section VII (Contracting for Designated Professional Services) as applicable. Multiple source awards shall not be made when a single award will meet the City's need without sacrifice of economy or service. Awards shall not be made for the purpose of dividing the business, making available product or supplier selection to allow for user preference unrelated to utility or economy, or avoiding the resolution of tie bids. Any such awards shall be limited to the least number of suppliers necessary to meet the valid requirements.

3. Contract and Solicitation Provisions

All eligible users of the contract shall be named in the solicitation, and it shall be mandatory that the actual requirements of such users that can be met under the contract be obtained in accordance with the contract, provided that:

- a. The City shall reserve the right to take bids separately if a particular quantity requirement arises which exceeds its normal requirement or an amount specified in the contract; and
- b. The City shall reserve the right to take bids separately if the Purchasing Agent approves a finding that the supply or service available under the contract will not meet a nonrecurring special need of the City.

D. Intent to Use

If a multiple source award is anticipated prior to issuing a solicitation, the City shall reserve the right to make such an award and the criteria for award shall be stated in the solicitation.

E. Determination Required

The Purchasing Agent shall make a written determination setting forth the reasons for a multiple source award, which shall be made a part of the procurement file.

6.4 Terms and Conditions

Generally, the following terms are necessary to all contracts:

1. Names of contracting parties
2. Named individuals
3. Compensation and terms of payment
4. Responsibility of City
5. Termination of contract
6. Assignability
7. Insurance
8. Errors or deficiencies
9. Completeness of contract
10. Legal requirements
11. Acceptance
12. Responsibility of other party

The following additional terms are often necessary to the types of products and services:

A. Construction

1. Specifications
2. Drawings
3. Warranty
4. Permits
5. Inspections
6. Subcontractors

7. Performance, maintenance and statutory bonds must be provided by a company licensed by the State of Tennessee; as approved and accepted by the City Attorney for form and content.
 8. Liquidated damages
 9. Patent and copyright indemnification
 10. Engineering changes
 11. Business Relationships Affidavit
 12. Control of work and materials
 13. Lien waivers
 14. Safety responsibility to public
 15. Proposal from bidder
- B. Lease Agreement
1. Lease and lessor identification
 2. Property or equipment descriptions and identification
 3. Purchase or option renewal
 4. Delivery, maintenance and other special charges
 5. Relocation or modification of property and equipment
 6. Conditions or restrictions to use
 7. Period of performance
 8. Lease payments
 9. Title insurance
 10. Indemnification
- C. Service, Maintenance or Repairs
1. Equipment descriptions and identification
 2. Scope of work
 3. Period of performance
 4. Responsibility of supplier
 5. Notice and response to notice
 6. Workers Compensation insurance
 7. Indemnification

6.5 Contract Clauses and Their Administration

A. Contract Clauses

All City contracts for supplies, services, and construction shall include provisions necessary to define the responsibilities and rights of the parties to the contract. The Purchasing or Contracting Agent, after consultation with the City Attorney, may issue clauses appropriate for supply, service, or construction contracts, addressing among others the following subjects:

1. the unilateral right of the City to order in writing changes in the scope of work within the contract;
2. the unilateral right of the City to order in writing temporary stopping of the work or delaying performance that does not alter the scope of the contract;
3. termination of the contract for default;
4. termination of the contract in whole or in part for the convenience of the City;
5. suspension of work on a construction project ordered by the City.

B. Insurance

1. Is the contractor or supplier adequately insured and is the City named as additional insured throughout the duration of the contract?
 - a. Bodily injury \$100,000 each occurrence, \$1,000,000 aggregate or whatever limits are agreed to between the City and the contractor.
 - b. Property damage \$25,000 each occurrence, \$25,000 aggregate.
 - c. Worker's compensation – statutory.
 - d. Auto liability – bodily injury same as above, property damage \$100,000 each occurrence.
 - e. Builder's risk.

The final determination on insurance requirements shall be at the discretion of the Purchasing Agent or Contracting Agent as may be applicable.

6.6 Finalization

No contract will be deemed final until signed by all participating parties. Award of a bid only constitutes a resolution that the governing body at that time desires to enter into a contract. Such awarded bid is not binding upon the City or its authorities unless a written contract is signed by all parties.

6.7 Contracting Agent

The contracting agent for the City of Columbia shall be authorized to perform on behalf of the City those duties as defined herein and shall further act as contract administrator for those contracts within their scope of authority.

- a. The City Engineer shall be contracting agent for all public improvement projects for the City of Columbia.
- b. The Director of Wastewater shall be contracting agent for all wastewater projects for the City of Columbia.
- c. The Purchasing Agent shall be contracting agent for all contracts not otherwise designated to the City Engineer or Wastewater Director.

6.8 Legal Review

All contracts and other legal documents shall be reviewed by the City Attorney and attested to as to legal form prior to submission for City Council approval.

SECTION VII: CONTRACTING FOR DESIGNATED PROFESSIONAL SERVICES

7.1 Contracting for Designated Professional Services

Authority

Professional services of \$10,000 or more may not be awarded without the approval of the City Council. All professional services where the estimated cost

will exceed \$10,000 shall be purchased by formal written contract and executed by the Mayor after due notice inviting proposals or requesting qualifications as further outlined herein, except those services specifically exempted by the City Council by resolution.

7.2 Professional Services Defined

Professional services include the following disciplines:

- A. Appraisal services
- B. Architectural services
- C. Engineering services / Environmental Services
- D. Financial, accounting and auditing services
- E. Legal services
- F. Consultants for City specialized service
- G. Physicians
- H. Items as determined by City Council

7.3 Selection Procedure

A. Conditions for Use

Except as provided herein under Section III (Sole Source Procurement) or Section IV (Emergency Procurements,) professional services designated shall be secured by **one** of the following procedures.

7.3.1 Requests for Competitive Sealed Proposals

A. Specifications for professional services to be procured should include:

1. Instructions to the prospective proposers specifying when, to whom, and where proposals should be sent.
2. A complete technical description of the problem or work task.
3. An objective or statement of what is expected to be accomplished.

4. Scope of work or task and the extent to which the City's staff will be available to assist the contractor.
5. Firm or estimated time schedule, including dates for commencement of performance, for submission of progress reports, and for completion of task.
6. Selection criteria.
7. Standard contract terms and conditions.
8. Understanding for compensation for additional work authorized.

B. Selection Process for Competitive Sealed Proposals

1. Prospective proposers shall be required to submit a technical proposal for the work to be performed, qualifications of proposer to do the work required, and a separately sealed cost proposal for the work to be performed.
2. The purchasing agent or contracting agent may select an evaluation committee to review all proposals
3. The technical proposal and firm qualifications shall be evaluated first and without cost considerations. The sealed cost proposals shall be reviewed only after all proposals have been evaluated as to technical merit and qualification.
4. Recommendation for award shall be to the best qualified proposer, offering the best technical proposal at the lowest cost.

7.3.2 Request for Qualifications

- A. The Contracting Agent or Purchasing Agent will determine when request for qualifications will be utilized. Persons engaged in providing the designated types of professional services may submit statements of qualifications and expressions of interest in providing such professional services. The Contracting Agent or Purchasing Agent will maintain a list of all persons submitting qualifications together with their

areas of expertise. The following are suggested criteria when requesting qualifications:

1. Experience on similar projects including references of former clients.
2. Qualifications of person(s) proposed to work on the project (require professional resumes.)
3. Ability to meet work schedule.
4. Completeness of project approach.
5. Geographic location.
6. Samples of work representing product quality.
7. Additional services and skills available.
8. Workspace requirements and/or City staff support.

B. The City Manager, Contracting Agent or Purchasing Agent may conduct discussions with any offeror who has submitted qualifications to determine such offeror's qualifications for further consideration. Discussions shall not disclose any information derived from proposals submitted by other offerors.

C. The Contracting Agent or Purchasing Agent may use the list of qualified persons to choose a provider of a professional service.

D. Professionals may submit qualifications at any time and shall be included on any list of professionals being maintained at the time of submission.

7.4 Public Announcement

Adequate notice of the need for professional services of no less than 14 days shall be given by the Purchasing or Contracting agent for any solicitation for competitive sealed proposal. The notice shall describe the services required, list the types of information required of each offeror, and the date the submission is due. Requests for qualifications shall be made at least annually.

7.5 Selection, Contract and Award

Contracts for professional services shall be awarded by City Council to the person or firm who would be the best qualified based on the evaluation factors set forth in the request for proposals or scope of work to be performed. In determining which offer is the most advantageous, the City Council will take into account the following order of importance:

- A. The professional competence.
- B. The technical merits.
- C. Costs

7.6 Contract Terms and Conditions

The following general contract terms should be addressed within a professional service contract:

- 1. Names of contracting parties.
- 2. Named individuals.
- 3. Scope of work.
- 4. Work schedule.
- 5. Compensation and terms of payment (including compensation for additional services).
- 6. Responsibilities of the City.
- 7. Termination of contract.
- 8. Assignability of contract.
- 9. Confidentiality.
- 10. Insurance.
- 11. Errors or deficiencies.
- 12. Ability to audit.

7.7 Qualification Based Selection Standards

The City of Columbia subscribes to Qualification Based Selection standards as endorsed by the State of Tennessee.

SECTION VIII: PUBLIC IMPROVEMENTS

8.1 Purpose

The primary purpose of this section is to establish formal procedures for the efficient management of public improvement projects as set forth by the City Charter, State law, established City policies and accepted standards of project management.

8.2 Authority and Responsibilities

All public improvements shall be scheduled and developed under the direction of the City Engineer with the exception of wastewater public improvements that shall be under the direction of the Director of Wastewater. In accordance with this section the City Engineer or Director of Wastewater shall:

- A. Coordinate all competitive bidding requirements and/or maintain lists of qualified professionals in matters of public improvements or major maintenance of public property and act as the contracting agent.
- B. Approve all forms utilized in the bid process and purchasing documents for public improvements or major maintenance of public property.
- C. Prepare or supervise the preparation of specifications, special provisions, general conditions, plans, proposals and other contract documents.
- D. Determine a list of bidders or vendors for bid solicitation purposes.
- E. Manage construction contracts to meet the needs and budget requirements of construction activities.
- F. Provide specifications and contract documents for bid solicitation.
- G. When competitive bidding requirements have been exhausted or a sole bid is received, negotiate construction

contracts for public improvements or major maintenance of public property when directed by the City Manager.

- H. Prepare or supervise the preparation of a bid tabulation on all construction bids for City Council action. Said tabulation shall include a recommendation and be approved by the City Engineer or Director of Wastewater as appropriate.
- I. Inspect or supervise the inspection of construction contracts and determine acceptance of contracts as to quality, quantity, and conformance with specifications.
- J. Conduct a background / reference check on all contractors recommended for bid award.
- K. Maintain bid files on all public improvement project.

8.3 Project Manager Duties

Under the direction of the City Engineer or Wastewater Director, the department head or designee having jurisdiction over the public improvement may serve as the project manager for purposes of project coordination and supervision.

8.4 Competitive Sealed Bidding

All non-budgeted public improvement projects equal to or exceeding \$10,000.00 in aggregate costs shall be submitted to the City Council for authorization to prepare plans and specifications.

A. Contract Purchase Limits

All construction services pertaining to public improvements when the estimated cost equals or exceeds \$2,500.00 shall be purchased by formal written contract with approval of the City Council from the lowest responsible bidder after due notice inviting bids or proposals. (Article XIX – City of Columbia Charter)

B. Specifications

For all projects, a complete set of plans and specifications shall be on file with the City Engineer or Director of Wastewater as appropriate.

C. Bid Solicitation

Bid solicitations will be equally and uniformly made known to all prospective bidders and the public.

1. Notice will be sent to trade or construction publications when the estimated cost equals or exceeds \$50,000.00.
2. A bid notice shall be published in the newspaper of general circulation not less than fourteen (14) days prior to the bid opening date and mailed to all prospective bidders per the established Vendor List. Sealed bids shall be submitted to the Executive Secretary in the City Manager's Office, City Engineer, Wastewater Director, or consulting architect or engineer as may be designated in the solicitation..

D. Bid Documents on File

One complete set of bid documents will be kept on file with the Contracting Agent prior to the bid opening date. Copies may be obtained by prospective bidders after paying a reasonable fee to the City Engineer or Director of Wastewater or designee.

E. Checks or Bid Bonds to Accompany Bids

Each bidder on a public construction contract equaling or exceeding \$50,000 will accompany the bid with a certified or cashier's check, bond or other surety equal to 5% of the bid. Such surety will be used by the City to pay expenses incurred by the City should the bidder default by not executing a contract with the City in a timely manner. Bid bonds will be returned within a reasonable time to the unsuccessful bidders after contract execution.

F. Tabulation and Award

The City Engineer, Wastewater Director or their designee shall prepare a tabulation of the bids with an award recommendation as to the lowest responsible, responsive bidder. Such recommendation will be presented to

the City Manager. The bid award and authorization to execute contract will be submitted to the City Council for consideration. The bidder receiving the award will be promptly notified in writing by the City Engineer or Wastewater Director. The City Engineer, Wastewater Director or their designee will issue the notification to proceed to the contractor.

G. Bonds or Other Surety

All performance bonds or must be provided by a company licensed by the State of Tennessee plus approved and accepted by the City Attorney as to form and content. Following contract award and prior to work commencement, the successful bidder shall provide the following if the contract amount will equals or exceeds \$2,500.00:

1. Performance bond or other surety equal to fifty (50%) percent of the contract.

The amount of labor and material or maintenance bonds, if required, shall be determined by the City Engineer or Wastewater Director. (Article XIX – City of Columbia Charter)

H. Award to Other Than Lowest Bidder

If recommendation for award is to other than the lowest responsible bidder meeting specifications, the bid analysis or other suitable documentation stating the reasons shall accompany the agenda item for award. Such documentation shall be kept on file with the City Engineer or Wastewater Director and open to public inspection.

I. Certification of Invoices

All invoices submitted for work performed shall be certified by the architect or engineer that such work was performed in accordance with specifications.

J. Rejection of Bids

The City Council by a majority vote may reject any and all bids and rebid the project if the public interest would be better served.

K. No Timely Bid

If no timely bid is received on any public construction contract not exceeding \$50,000, the City Council may direct the City Manager to negotiate a contract.

L. Contract Coordination

Contract negotiations between the successful bidder and the City shall be coordinated by the City Engineer or Wastewater Director. The City Engineer or Wastewater Director shall insure that all contract documents are completed with delivery of one set to the City Recorder.

M. Invoices

1. Contractor shall submit invoices to the City Engineer or Wastewater Director providing units of work completed, unit prices, and total value of work completed. An invoice shall be accompanied by an Invoice Affidavit signed and notarized by the contractor. A Request for Payment form shall be approved and signed by the City Engineer or Wastewater Director before payment is made. The Project Manager will also execute the request for payment prior to processing.
2. All payment requests will be submitted to the Finance Department by the Project Manager with applicable certifications by the engineer or architect.

8.5 Change Orders

Change orders shall be used to change contracts as follows:

- A. The City of Columbia reserves the right in all contract agreements to increase or decrease quantities, time and alter the details of construction as the City Engineer or Wastewater Director may consider necessary or desirable by approved change order.
- B. A change order shall be defined as a written order issued by the City Engineer or Wastewater Director for changes in the construction work and other contractual services. Such change orders shall be prepared on a standard form provided by the City Engineer or Wastewater Director and shall set forth the nature of the change and the method of

payment. Change orders must be signed by the City Manager and City Engineer or Wastewater Director. Copies will be distributed to the Purchasing Agent and Finance Director.

- C. Change orders shall be limited to changes in the scope of the work or increases or decreases in time which may change the total cost of the project not to exceed twenty-five percent (25%) of contract amounts, unless authorized by the City Council. The Finance Director must certify that funding is available for any change order prior to executing the change order.
- D. The City Manager and City Engineer or Wastewater Director prior to the performance of any work shall approve all change orders. Change orders of \$10,000 or more are to be submitted to the City Council in advance for consideration of approval. Change orders under \$10,000 are to be submitted to the City Council for ratification. The exception to the procedure shall be emergency change orders as determined by the City Engineer or Wastewater Director. These change orders shall be approved by the City Engineer or Wastewater Director and the City Manager and a copy of such emergency change orders shall be provided promptly to the City Council for ratification.

8.6. Specifications

Specifications shall be developed and approved as follows:

- A. The City Engineer or Wastewater Director shall develop or supervise the development of technical reports, analysis and specifications as required for each project.
- B. Construction contract project specifications shall be processed as follows:
 - 1. The City Council shall authorize the preparation of plans, specifications, acquisition of rights-of-way and easements, seeking bids as necessary for any project not included as part of the annual City budget.

2. The City Engineer or Wastewater Director shall prepare plans and specifications and shall send invitations to bid to all prospective bidders of record.
3. A pre-bid conference may be held regarding plans and specifications, if deemed necessary by the City Engineer or Wastewater Director. A pre-construction conference may be held following contract execution.
4. Addenda shall be signed by the City Engineer or Wastewater Director and forwarded to the City Manager. A copy shall be retained as part of the bid file.
5. All bids shall be opened by the City Engineer or Wastewater Director or their designated representative. The bid tabulation will be prepared by the City Engineer or Wastewater Director or their designees. All bids and contracts involving designated consultants will be tabulated by the designated firm and approved by the City Engineer or Wastewater Director. The project estimate will be included in the tabulation of bids.
6. The City Manager shall review the recommendation and forward the bid tabulation to the City Council for consideration. If consultation between staff and consultant is required, the same shall occur prior to submitting the bid tabulation. The City Council shall consider the bid award and authorize contract execution.
7. Contracts approved by the City Council and executed by the Mayor shall be filed with the City Recorder. Any matters within this section requiring City Council action shall be initiated by the City Engineer or Wastewater Director.

SECTION IX: INTERGOVERNMENTAL PURCHASING

9.1 Purpose

The purpose of cooperative purchasing is to obtain lower prices from volume buying and to create a demand large enough to encourage the manufacturer of new or modified products and to offer commodities and equipment at the lowest available price.

9.2 Procedures

- A. The City Council may authorize by resolution participation in purchasing agreements for the procurement of any equipment, supplies, services, or construction with one or more governmental entities. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts between local governments and open-ended State or Federal governmental contracts that may be made available to local governments.
- B. Upon awarding a contract, each governmental entity will be responsible for its own expediting of purchase orders, receiving, inspecting, storing, verifying invoices, and each governmental unit will be responsible for its own payment of bills.
- C. The Purchasing Agent may place on file with other governmental entities engaged in surplus property disposition a complete listing of City requested commodity and equipment needs. The intent in circulating this listing shall be to investigate all surplus property channels for potential property acquisition. Field visits, when deemed necessary, shall be made by user departments subject to the discretion and authorization of the Purchasing Agent.

SECTION X: SPECIFICATIONS

10.1 Purpose

All specifications shall be drafted so as to promote overall economy for the purposes intended and encourage competition in satisfying the City's needs, and shall not be unduly restrictive.

a. Use of Standardization

Standardization takes advantage of lower prices from buying in bulk. It also lowers the administrative cost of purchasing by reducing the total number of purchases made. Standardization consists of consolidating similar requirements into a single specification, whenever possible and shall be the responsibility of the department head or designee.

b. Use of Specifications

Specifications are a clear and complete description of the essential requirements that items should meet. Well-written specifications ensure that maximum value is being obtained for the public funds spent; and, all qualified vendors, large and/or small, are able to compete on an equal basis.

10.2 Types of Specifications

City staff will usually prepare their own specifications; although professional assistance may be necessary for items of highly specialized or technical nature from time to time. It must be emphasized that specifications must be clear and accurate, updated regularly to reflect technological or market changes, and most of all, avoid the use of restrictive or unfair details that preclude or reduce competition.

A. Open Specification

An open specification describes of all physical and functional features, may incorporate words or phrases from widely accepted industry or governmental standards and approved in accordance with the procedures outlined in this Section.

B. Design Specification

Design specifications describe in detail precise configuration measurement, tolerance, material, standard or a method of testing or inspection.

C. Performance Specification

Performance specifications describes a result or capability that must be achieved by an item such as speed, output maintainability, or reliability.

D. Brand Name or Equal Specification Conditions for Use

Brand name or equal specifications may be used with the approval of the Purchasing Agent subject to the following factors:

1. No other design or performance specification or qualified products list is available;
2. The nature of the product or the nature of the City's requirements makes use of a brand name or equal specification suitable for the procurement.
3. Use of a brand name or equal specification is in the City's best interests.

E. Designation of Several Brand Names

Brand name or equal specifications shall seek to designate three, or as many different brands as are practicable, as "or equal" references and shall further state that substantially equivalent products to those designated will be considered for award.

1. Required Characteristics

Unless the Purchasing Agent determines in writing that the essential characteristics of the brand names included in the specifications are commonly known in the industry or trade, brand name or equal specifications shall include a description of the particular design, functional, or performance characteristics which are requires.

2. Nonrestrictive Use of Brand Name or Equal Specifications

Where a brand name or equal specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition.

10.3 Brand Name Specifications

Since use of a brand name specification is restrictive of product competition, it may be used only when the Purchasing Agent determines that:

- A. Only the identified brand name item or items will satisfy the City's needs.
- B. The Purchasing Agent shall seek to identify sources from which the designated brand name item or items can be obtained and shall solicit such sources to achieve whatever degree of price competition is practicable. If only one source can supply the requirement, the procurement shall be made under Section III (Sole Source Procurement).

10.4 Specification Development and Approval

A. Research

The user department – Shall determine its needs, research available and alternative products by means of manufacturer product brochures or contacts with salespersons, and prepare and compile a detailed description that can be incorporated into a specification format.

B. Approval Procedure

1. Initiating Specification Development

The user department shall prepare specifications excepting public improvements that will be prepared by the City Engineer or Wastewater Director.

2. Specification Development

The requisitioning departments shall be responsible for the completeness and accuracy of the specifications. Such specifications shall be submitted to the Purchasing Agent with a list of suggested vendors. Requisitioning department shall disclose

the source of specifications when submitted to the purchasing agent.

3. Approval of Specifications

All specifications and revisions to specifications shall be signed by the department head and the Purchasing Agent.

4. Request for Authorization to Bid

Authorization to bid shall be obtained from the City Manager or designee for all goods, materials, contractual services, supplies, equipment and services of \$10,000 or more. City Council approval shall be obtained for authorization to bid for all non-budgeted items and sole source procurements of \$10,000 or more. In addition, major purchases of \$250,000 or more shall require advance authorization to bid by the City Council.

5. Specification Files

The Purchasing Agent, City Engineer or Director of Wastewater shall prepare and maintain a master file of all specifications and any revisions thereof as may be appropriate to their authority as herein described.

10.5 Specification Content

Specifications must be clear, detailed, accurate, well organized and uniformly consistent in format. Specifications constitute a reflection of the City and its staff due to its nature of contact with many vendors. Instructions to Bidders and General Conditions shall be a part of every specification, but may be modified as necessary.

SECTION XI: DISPOSAL OF PROPERTY

11.1 Scope

The Purchasing Agent is responsible for directing the effective disposal of surplus and obsolete property. Surplus and obsolete property may be auctioned, transferred, sold, offered as a trade-in, or destroyed. City Council approval shall

be required when disposing of large quantities of materials or supplies whose value is \$10,000. 00 or more

11.2 Procedures

The Purchasing Agent or designee shall survey the departments at least semi annually to determine if surplus and/or obsolete property is on hand for disposal; however, departments shall identify and report to the Purchasing Agent anytime property is determined to be obsolete or surplus to the department. Each department shall prepare a list of all surplus and scrap property on hand and submit to the Purchasing Agent. In the event that a need for immediate disposal is required, a department may notify the Purchasing Agent by written memorandum and request appropriate action. Depending on the nature of the item, the Purchasing Agent may choose one of the following methods of disposition:

A. Transfer

Once a list of surplus and obsolete property has been developed, the Purchasing Agent will circulate an “availability list” among all departments. The Purchasing Agent may approve the inter- departmental transfer of surplus items, or if a transfer is not feasible, or there is no response to an item appearing on the availability list, then the Purchasing Agent may dispose of the property by any approved means deemed appropriate by the Purchasing Agent.

B. Trade-In

When a User department needs to purchase an item to replace obsolete equipment, it is sometimes possible to trade-in old equipment. Trade-in shall not be used as an expedient or easy method of disposal. If a trade-in is accepted on a particular piece of equipment or item, the invitation for bid shall call for bid prices with and without trade-in, and indicate that award may be made on either basis. The Purchasing Agent shall compare the trade-in with the best-expected sale price for the obsolete items. This procedure requires market analysis as a basis for determining the approximate value that would be realized if the item were sold rather than traded in.

C. Sale

All sales of surplus, obsolete, or abandoned property shall be conducted by the Purchasing Agent or designee by one or more of the following methods.

1. Public Auction

A public auction is one method of selling certain types of surplus and/or obsolete property. Auctions are advertised to the general public in the newspapers, posted in the municipal building, and in some cases notices are circulated among interested parties and organizations in an appropriate auction bulletin. The City may opt to hire an auctioneer, and/or handle the proceedings utilizing staff personnel. For all auctions, the following procedures shall be observed:

- a. List general categories for sale.
- b. Interested parties will be allowed time to inspect the items before the auction. Property for sale shall be placed in proper condition by user departments in order to obtain maximum return on the property to be sold.
- c. As items are sold, a list shall be compiled with the item description, the sale price, the inventory control tag number.
- d. Items will be sold to the highest bidder. Only cash, certified checks, money orders, or bank checks will be accepted.

2. Sealed Bids

Sealed bids may be used as a method of property disposal and shall be required when disposing of equipment or large quantities of materials, supplies in a single lot where the value of the

equipment, supplies or materials is \$10,000 or more. Sealed bidding procedures shall not apply when property is sold by either public or Internet auction. Sealed bids shall be advertised in the local newspaper(s). Prospective bidders may be mailed a bid with: a description of the commodities up for sale; the bid opening date; and the items being sold.

3. Sale of Salvage Goods

If none of the methods mentioned above are feasible or possible, then the Purchasing Agent, depending on the nature of the item, may sell, after public notice listing all items, to a second-hand dealer, scrap dealer, recycler, or junk dealer, or a responsible bidder.

4. Online or Internet Auction

Property may be auctioned utilizing the Internet either through a third party online auction company or other Internet means as may now or later be available. The sale of property listed for disposal through Internet will comply with all the terms and conditions of sales as listed hereafter. Acceptable payment methods shall include cash, certified or cashier checks, credit card or other electronic fund transfer method. Internet auctions may be but are not required to be advertised to the general public in newspapers, postings or other such means as maybe required for public auction sales.

D. Donations

Items valued at \$500.00 or more shall not be donated without remuneration unless approved by City Council.

E. Destroy

With the approval of the Purchasing Agent, surplus property which cannot be transferred, traded-in, or sold may be destroyed in an appropriate manner.

F. Notification

The Purchasing Agent will notify the Finance Director of all disposals of fixed assets.

11.3 Sale of Products – Proceeds

All proceeds resulting from the sale of surplus or obsolete equipment shall be placed in the general fund, excepting proceeds from enterprise activities, which shall be placed in their respective enterprise funds.

11.4 Terms and Conditions of Sale

Depending on the nature of the items and the method of sale selected, the following terms and conditions shall be used:

A. Inspection

Prospective buyers will be allowed time prior to the sale to inspect items.

B. Warranty

No express warranty or guarantee of any kind is given by the City of Columbia as to the description, quality, condition, serial number or any other aspect of any item put on sale and no claim for allowance on such ground will be considered. The City of Columbia disclaims all implied warranties, including the implied warranties of merchantability or fitness for a particular purpose. No City official, employee or agent of the City has the authority to make or give any warranty of any kind whatsoever. All items are offered for sale “as is,” “where at,” and “without recourse”.

C. Reservation

The City of Columbia reserves the right to accept or reject any or all bids if, in the opinion of the Purchasing Agent, such action would be in the best interest of the City.

D. Removal

The successful bidder will be required to furnish all labor and equipment at their own risk and expense necessary for the removal of any items bid upon within a period of three (3) days after notification or acceptance of bid by the City. Any item not called

for or left behind for a period of more than five (5) days after the date of acceptance of bid will be considered as abandoned, and the City shall have the right to dispose of same in any manner whatsoever.

E. Minimum Price

In some instances, the Purchasing Agent may establish minimum prices for any item being disposed.

SECTION XII: ETHICS

12.1 General Standards of Ethical Conduct – Employees

Any attempt to realize personal gain through public employment, inconsistent with the responsible discharge of that public employment, is a breach of public trust.

1. Interest of Officer in Municipal Contracts

No one holding a municipal office, elected or appointed, shall contract with the municipality for any work. Nor shall such person hold or have any direct interest in such a contract. Direct interest is defined as any business in which the official is the sole proprietor, a partner, or the person who has the controlling interest. Controlling interest means the person with the ownership or control of the largest number of outstanding shares owned by any individual or corporation.

No municipal officer shall be indirectly interested in any contract with the municipality unless the officer publicly acknowledges his interest. Indirectly interested is defined as any contract in which the officer is interested, but not directly, but includes contracts where the officer is directly interested, but is the sole supplier in the municipality.

2. Personal Interest of Officers Prohibited

It is unlawful for any person whose duty is to vote for or to supervise any contract with a municipality, to be directly interested in such a contract.

As said previously, directly interested means any contract with the official or person himself or with any business in which the official or person is the sole proprietor, a partner or the person having the controlling interest. Controlling interest includes the person with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

No municipal officer or other person whose duty is to superintend any contract with a municipality shall be indirectly interested in any such contract, unless the officer or person publicly acknowledges his interest. Indirectly interested means any contract in which the officer or person is interested, but not directly, but includes contracts where the officer or person is directly interested, but is the sole supplier in the municipality.

3. Gratuities

It is a breach of ethical standards for any person to offer, give, or agree to give any employee, former employee, public official or for any employee, former employee, or public official to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment, or other valuable thing, in connection with any decision, approval, disapproval, recommendation, preparation or any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract and any solicitation or proposal therefore. Gratuities shall not mean pens, pencils, matchbooks, calendars, or other novelty items used for advertisement purposes, meals or other meeting circumstances for the purpose of conducting or discussing official business.

4. Illegal Purchase of Votes

No officer, elected official, or employee of the City shall give or promise to give to any other person money or any other valuable thing in return for

being nominated, appointed, voted for or elected to any office or employment.

5. Financial Interest of Employees

No employee of the City shall have a direct or indirect financial interest that conflicts or appears to conflict, with the employee's government duties or responsibilities.

6. Use of Confidential Information

It shall be a breach of ethical standards for any employee, former employee, public official, or former public official, knowingly to use confidential information for actual or anticipated personal gain, or the actual or anticipated personal gain of any other person.

7. Public Access to Purchasing Information and Records

All purchasing information and records are accessible and open to personal inspection to any citizen in accordance with established procedures.

8. Employee Certification

Every employee dealing with the award or administration of governmental funds shall be required to read and understand the standards of conduct contained within this regulation.

12.2 General Standards of Ethical Conduct for Non-employees

Shall be defined as any effort to influence any public employee to breach the standards of ethical conduct as set forth in this Section.

1. Contingent Fees

It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a City contract upon an agreement or understanding for a percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial agencies maintained by the contractor for the purpose of securing business.

2. Kickbacks

It is a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

3. Civil and Administrative Remedies Against Non-employees

Any person who knowingly violates or solicits the violation of any of the provisions set out in this regulation shall be barred by action of the City Council from entering into future contracts with the City and shall be prosecuted for any violation of local, State or Federal laws.

SECTION XIII: FIXED AND CONTROLLABLE ASSETS

13.1 Purpose

The purpose of this policy is to be able to assist in the planning for the purchase of fixed assets; also properly account for, depreciate and safeguard all fixed and controllable assets purchased by the City.

13.2 Scope

All asset purchases of \$5000.00 are considered fixed assets, shall be subject to this policy and shall be tagged for inventory purposes. All assets of \$5,000.00 or more in value shall be accounted for as a fixed asset on the applicable balance sheet of the purchasing fund.

13.3 Responsibility

All purchases and disposals of fixed or controllable assets shall be accounted for in the City's asset database. The Purchasing Agent is responsible for completing the asset accounting form for input in the asset system for all purchases and disposals of asset property. A copy of said form shall be given to the Finance Department, who will be responsible for affixing a sticker on most purchases.

13.4 Equipment Transfers

Permanent transfers of equipment between departments must be reported to the Purchasing Agent. This notification shall allow the Purchasing Agent to properly account and safeguard the asset being transferred.

13.5 Equipment Disposals

It is the responsibility of the user department to notify the Purchasing Agent of all asset or property in need of disposal or the request to trade-in equipment.

13.6 Depreciation

Depreciation shall be calculated consistently on all fixed assets each fiscal year. Depreciation shall also be calculated so that the best possible method of depreciation is utilized for the City. All methods of depreciation are subject to change due to standard uniform accounting changes and audit.

SECTION XIV: COMPLAINTS, DISPUTES AND REMEDIES

14.1 Purpose

This establishes a uniform procedure for vendors to express and discuss contract delivery or purchasing problems in a manner to facilitate and document the effort to resolve, reach agreement and make adjustment.

14.2 Complaints – Vendor

A vendor shall have the right to present a complaint, dispute or grievance concerning unfair treatment, contracts, deliveries, payments, restrictions and other incidents. The following steps are identified to provide uniform procedures for a vendor to express his problem and obtain remedy.

1. Step One

Vendor must file a grievance with the Purchasing Agent no later than seven (7) calendar days after the occurrence of the dispute or incident. The complaint must be in writing and include all supporting data and desired solution or remedy. The Purchasing Agent shall forward a copy of the complaint to the user department who shall provide a written reply

within thirty (30) days to the Purchasing Agent who will review and if in agreement, forward on to the vendor.

2. Step Two

If the vendor is not satisfied with the Purchasing Agent's response, the vendor may appeal in writing to the City Manager, who shall with the advice of the Purchasing Agent and/or City Attorney, make a written determination to all parties involved. The City Manager's decision shall be final.

SECTION XV: DEBARMENT OR SUSPENSION

15.1 Authority to Debar or Suspend

After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the Purchasing Agent, after consulting with the City Attorney, is authorized to debar a person for cause from consideration for award of contracts. The debarment shall be for a period of not more than three (3) years. After consultation with the City Attorney, the Purchasing Agent is authorized to suspend a person from consideration for award of contracts if there is probable cause to believe that the person has engaged in any activity which might lead to debarment. The suspension shall be for a period not to exceed three (3) months. The causes for debarment include:

1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
2. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously and directly affects responsibility as a City contractor;

3. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;
4. Violation of contract provisions, as set forth below, of a character which is regarded by the Purchasing Agent to be so serious as to justify debarment action:
 - i. deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - ii. a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment;
5. Any other cause the Purchasing Agent determines to be so serious and compelling as to affect responsibility as a city contractor, including debarment by another governmental entity.
6. For violation of the ethical standards set forth in Section XII.

15.2 Decision to Debar or Suspend

The Purchasing Agent shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken and inform the debarred or suspended person involved of its rights concerning judicial or administrative review. City Council may elect to debar or suspend by resolution.

15.3 Notice of Decision

A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended person.

15.4 Finality of Decision

A decision under Section XIII shall be final and conclusive, unless fraudulent, or the debarred or suspended person within 10 days after receipt of the decision takes an appeal to the City Council or commences a timely action in court in accordance with applicable law.

SECTION XVI: PETTY CASH

16.1 Purpose

Petty cash purchases may be used for small items needed at once or reimbursements of incidental City expenditure items and the use of a City issued purchasing card is not appropriate or available. Petty cash will allow the City to procure supplies and services quickly and cost effectively.

16.2 Authority and Responsibilities

- A. Creation – Petty Cash Funds not to exceed two thousand dollars (\$2,000) may be created. Funding for Petty cash shall be derived from the General Fund for all City Petty cash designations.
- B. The City Recorder, Chief of Police and Director of Parks & Recreation – are designated as the persons to maintain the petty cash funds. The City Recorder, Chief of Police, Director of Parks and Recreation or their designees have the following responsibilities :
 - 1. To provide proper security and storage of cash and receipts.
 - 2. To allow only authorized expenditures.
 - 3. To obtain itemized receipts for petty cash expenditures.
 - 4. To obtain funding for the total petty cash balance as required.

16.3 Instructions for Use

Petty Cash shall be utilized and spent as follows:

- A. Each expenditure shall not exceed \$50 without prior approval of the City Recorder, Chief of Police, or Director of Parks and Recreations or their designees.
- B. No personal checks shall be cashed.
- C. No personal loans.

- D. A third party receipt is required for all petty cash draws. The receipt will require the following information:
1. Department head approval through initials or signature.
 2. Brief description of the transaction.
 3. The amount of the purchase.
 4. The date of the purchase.
 5. The account number the purchase shall be charged to.
- E. Advances may be made from petty cash with the prior approval of the City Recorder or his/her designee. Receipts for all monies shall be submitted within 24 hours and include all information as listed in (D) above.
- F. Periodic cash counts and audits shall be made by the City Recorder, his/her designee, or the City's independent auditors.

16.4 Replenishment

The Petty Cash fund shall be replenished as necessary, by check request. Invoices, receipts, and an accounting of remaining cash on hand shall be attached to the claim and itemized. The City Recorder or his/her designee shall approve, or deny all petty cash replenishments as required.

SECTION XVII: TRAVEL POLICY

17.3 Purpose

It is recognized that travel expenses will be incurred as a normal part of conducting City business. Furthermore, it is the policy of the City that all allowable expenses incurred on City businesses are reimbursed to the individual when proper documentation is received by the employees' department head and audited by the Finance Department. Personal expenses incurred on City business remain the responsibility of the individual. Permissible functions are conferences and conventions, meetings, seminars and training sessions that are related to the operations of the City of Columbia.

17.2 Annual Appropriations:

The City Council shall set the travel budget for the City Manager and the City Council. Travel budgets for boards, commissions, and management personnel shall be set by the City Manager subject to annual appropriations.

17.3 Authority and Responsibility:

- A. City employees, with the exception of the City Manager desiring to travel on City business shall file a Request for Authorization to Travel form for Department Head approval.
- B. Members of advisory boards and commissions desiring to travel on City business shall file a Request for Authorization to Travel form with the City Manager.
- C. The Request for Authorization to Travel form shall included the purpose of the travel and an estimate of all anticipated travel expenses (including lodging, mileage or gasoline expenses, registration fees, per diem meal expenses, etc.). An approved copy of the form shall be attached to the expense voucher when submitted for reimbursement.
- D. Travel expenses may include such items as registration fees, lodging, meals, parking fees, mileage or gasoline, telephone charges and other justifiable expenses that pertain directly to City business. Per IRS regulations, meals will not be reimbursed unless an overnight stay is involved. Travel expense vouchers require Department Head approval. All requests for reimbursable travel shall be submitted to the Finance Department for audit or rejection with original receipts. The Finance Director shall grant no audit unless the travel expense voucher is completed in full and consistent with the policies for reimbursement.
- E. The individual shall submit a travel expense voucher within two weeks of the conclusion of the approved travel.
- F. An individual may obtain an advance of funds for estimated expenses for the travel occurrence. All travel advance requests must be approved by the Department Head and Finance Director and should be requested 10 days in advance of scheduled travel. Lodging expenses shall be paid directly by travel card after proper approvals when feasible. Lodging and registration

fees paid by purchase order shall be noted on the approved travel expense form. All travel advances must be cleared within two weeks of the conclusion of approved travel.

- G. Travel expenses for the spouse or other personal guests of an employee are not reimbursable by the City. Travel expense reports should be prorated or otherwise exclude the expense applicable to these guests. Failure to provide a travel reimbursement request in this manner shall be grounds for rejection of said request by the Finance Director.
- I. For travel reimbursement, reimbursement schedules found in Appendix II and the following guidelines shall be followed:
 - 1. Meals and Incidentals (M&I) – Reimbursement for meals and incidentals shall be at the maximum per diem rates as may be approved by the State of Tennessee and shall be automatically adjusted with any change approved by the State of Tennessee. The per diem rate for meals and incidentals, or fraction thereof, is payable without itemization of expenses or receipts. Meal expenses in excess of the maximum allowable rate will not be reimbursed. Reimbursement for M&I is made only when overnight travel is required. Incidentals are intended to cover the cost associated with tips for baggage handling, etc. Per Diem rates will be adjusted for all meals furnished and paid for as part of a meeting or conference.
 - 2. Lodging – The actual cost of lodging plus taxes will be reimbursed up to the applicable maximum amount as established by the State of Tennessee for both in state and out of state travel. The rate of reimbursement will be adjusted automatically when and if the State of Tennessee reimbursement schedule changes. Lodging reimbursement requires itemized room charges and taxes by date. If a convention rate exceeds the maximum reimbursement rate and is documented by the convention brochure or registration form, the higher convention rate will be allowed. The reimbursement for a shared room with other City employees or officials shall be subject to the maximum applicable rate and shall be either

prorated by each traveler sharing the room or claimed by the employee incurring the costs.

3. Mileage Allowance – Mileage allowance for authorized employee or Council trips on City business involving the use of personal vehicles shall be reimbursed at the standard rate currently in effect for State of Tennessee employees. Mileage allowance shall only be reimbursed to an employee, elected official, board or commission member if a point to point accounting of the mileage approved is submitted to the Finance Director with the travel reimbursement request form.
4. Entertainment – Reimbursable only if included in the conference program fee.
5. Phone Calls and Faxes – Personal calls home will be allowed up to a maximum of \$5.00 per day. Local phone charges, fax charges, and long distance charges for City business will be reimbursed for actual charges provided detail is furnished regarding date, name, and location for long distance and fax charges.
6. Local Transportation – Reasonable reimbursement will be allowed for transportation to and from airports, hotels or other lodging and meeting or convention sites. Receipts are required if transportation costs are more than ten (\$10.00) dollars per day.
7. Gratuities – Shall be included in the maximum M&I reimbursement rate.
8. Air Travel – Air travel reservations should be made to take advantage of advance booking or discount fares, whenever possible. Fares should not exceed regular coach fares offered to the general public. Receipts are required for reimbursement.
9. Tolls and Ferry Charges – Reasonable tolls and ferry charges will be allowed when necessary; no receipts are required for reimbursement.

10. Automobile Rental – Reasonable automobile rental is an allowable expense if approved in advance and must be supported by detailed receipt. Rental cars should be refueled prior to returning vehicle. The City insurance policy does not cover physical damage to rental cars; therefore, all rental car contracts shall include the cost of this coverage.
11. Parking - Routine parking while on travel status will be reimbursed without receipt up to the maximum allowable by the State of Tennessee. Receipts are required when parking exceeds the maximum allowable.
12. City Owned Vehicles – Travel expenses related to City owned vehicles such as purchases of gasoline, oil, emergency repairs, and other services will be reimbursed at actual costs and must be supported by proper receipt identifying the vehicle and itemization of expense.
13. Entertainment or recreational events that are job related or included in a conference program shall be reimbursed as approved in advance by the City Manager.
14. For approved travel requests, expenses will be considered for reimbursement for the day preceding to the day following the scheduled conference or event.

17.4 Purchasing and other Credit Cards

- A. Credit cards may be provided to elected officials, City Manager, Department Heads and City employees for travel purposes only. The use of personal credit cards for approved travel expenses is strongly discouraged. All purchases made using City owned purchasing or credit cards must be done in strict compliance with applicable City policy.

SECTION XVIII: DEFINITIONS

18.1 Definitions

Bid – an offer, as a price, whether for payment or acceptance. Used as either an offer by a vendor to the City or an offer by a buyer to the City.

Brand Name Specification – A specification limited to one or more items by manufacturers' names or catalogue numbers.

Business – Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

City – means the City of Columbia.

City Engineer – designated City Engineer of City of Columbia.

City Manager – means the chief administrative officer or designee.

Confidential Information – any information which is available to an employee only because of the status as an employee of the City and is not a matter of public knowledge or available to the public on request.

Construction – the process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

Construction Contractor – means the contracting party for providing services, materials, and/or equipment for a construction contract.

Contract – means all types of City agreements, including grants and purchase orders for the purchase or disposal of commodities, services, equipment, construction, or other items. It includes awards, contracts of a fixed price, contracts providing for the issuance of jobs or task orders, lease purchase orders

and other legal instruments. It also includes supplemental agreements with respect to any of the foregoing.

Contract Modification – means any written alteration in the specifications, delivery point, rate of delivery, contract period, price, quantity or other contract provisions of any contract, whether accomplished by unilateral action in accordance with a contract provision, or by mutual action of the parties to the contract. It includes bilateral actions, such as supplemental agreements and unilateral actions, such as change notices, administrative changes, notices of termination, and notices of the exercise of a contract option.

Contracting Agent , Officer, or Official – means an employee of the City with the authority as granted in the purchasing policy and manual to coordinate bid preparations, solicitations and contract preparation for City procurement. They shall not have the authority to bind the City by contract.

Contractual Services – means all telephone, gas, water, electric light and power service; towel and cleaning service; insurance; leases for all grounds buildings, office or other space required by the using agencies; and the rental, repair or maintenance of equipment, machinery and other city-owned personal property. The term does not include professional or other contractual services which are unique and not subject to competition. Neither does it include public improvement contracts for the construction, maintenance or repair of streets, alleys, sidewalks, storm sewers, water and sewer lines or plant facilities.

Controllable asset – tangible assets used in operations whose useful life extends beyond one year but whose initial cost is under \$5000.00

Cost Analysis – the evaluation of cost data for the purpose of arriving at costs actually incurred or estimates of costs to be incurred, prices to be paid, and costs to be reimbursed.

Cost Data – factual information concerning the cost of labor, material, overhead, and other cost elements which are expected to be incurred or which have been actually incurred by the contractor in performing the contract.

Direct of Indirect Participation – involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

Employee- an individual drawing a salary or wages from the City, whether elected or not; any non-compensated individual performing personal services for the City or any department, agency, commission, council, board, or any other entity established by the executive or legislative branch of the City; and any noncompensated individual serving as an elected official of the City.

Equipment – means personal property of durable nature which retains its identity throughout its useful life, i.e., office furnishings, vehicles, machinery, etc.

Fixed Assets – Tangible and intangible assets used in operations whose useful life extends beyond one year and whose initial cost equals or exceeds \$5000.

Includes – means inclusive but not limited to.

Intergovernmental Purchasing – Intergovernmental purchasing is an agreement under which the City, along with other governmental entities, buy under the same contract or agreement.

Invitation for Bids – all documents, whether attached or incorporated by reference, utilized for soliciting sealed bids to be opened at the designated time and place.

Items – means any commodity, materials, supplies, or equipment.

Manual – Purchasing Manual.

May – means permissive.

Person – any business, individual, union, committee, club, other organization, or group of individuals.

Price Analysis – the evaluation of price data, without analysis of the separate cost components and profit as in cost analysis, which may assist in arriving at prices to be paid and costs to be reimbursed.

Price Data – factual information concerning prices for items substantially similar to those being procured. Prices in this definition refer to offered or proposed selling prices, historical selling prices and current selling prices. The definition refers to data relevant to both prime and subcontract prices.

Procurement – the buying, purchasing, renting, leasing, or otherwise acquiring of any supplies, services, or construction. It also included all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Professional Services – means any specialized service, help, use, or benefit provided to the City by a person, persons or group for a specific situation as defined under Section 8 of this manual.

Proposal – means a formal written offer or bid.

Public Agency – a public entity subject to or created by the City.

Public Improvement – means any beneficial change, addition, betterment or enhancement upon real property, or interest therein, belonging to a public agency intended to enhance its beauty, value or utility or to adapt it to new or further purposes.

Public Notice – means the placement of a notice in a local newspaper of general circulation within the City and other publications as desired in order to notify the public that the City is requesting bids on specific purchases or items to sell.

Purchasing Agent – shall be the Director of Purchasing.

Recorder – means the City Recorder.

Request for Proposal (RFP)- means an informal offer or bid containing price and other terms made by a vendor in writing, by telephone, or verbally.

Responsible Bidder – a person who has submitted a bid which conforms in all material respects to the requirements set forth in the invitation for bids.

Service – means the rendering of time and effort rather than the furnishing of a specific commodity, i.e., maintenance, rents and leases, professional training, professional labor, etc.

Shall – means imperative.

Small Business – a United States business which is independently owned and which is not dominant in its field of operation or an affiliate or subsidiary of a business dominant in its field of operation.

Solicitation For Bid – means invitations for bid.

Specification – any description of the physical or functional characteristics or of the nature 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 deliver.

Supplies – all property, including but not limited to equipment, materials, printing, insurance, and leases of real property, excluding land or a permanent interest in land.

User Department – means a department or division that requisitions items through Purchasing.

Vendor – means a supplier of commodities, services and/or equipment.

SECTION IXX: RECORD RETENTION

19.1 Purpose

The City of Columbia will adhere to the record retention schedule as developed by the State of Tennessee. It shall be the responsibility of the heads of the various City Departments under the direction of the City Manager to insure that records are maintained in accordance with the schedule.