

RESOLUTION# 2022-

A RESOLUTION BY THE MAYOR AND COUNCIL OF THE TOWN OF ASHLAND CITY UPDATING SECTION 3 OF THE PURCHASING POLICES AND PROCEDURES

WHEREAS, Section 31 of the City Charter of the Town of Ashland City, states the Mayor and City Council shall set purchasing procedures which shall be in compliance with Tennessee purchasing laws.

NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF ASHLAND CITY, TENNESSEE, that the following be declared the official purchasing procedures for the Town of Ashland City.

The Town of Ashland City's purchasing policy is based on The Municipal Purchasing Law of 1983 and amended with The Town of Ashland City's policies to suit the city's purchasing needs.

DEPARTMENT MAKING PURCHASE RESPONSIBILITIES: The procurement process is a combined effort between the using department or agency and accounts payable.

The responsibilities of the using department and/or agencies include:

- Allow ample lead-time for the Purchasing Department to process bid/proposal requests, issuance of purchase orders, execution of contract documents and any other task performed by the Purchasing Department.
- Plan purchases in advance to eliminate avoidable urgent or emergency situations.
- Ensure funds have been allocated and approved by the City Council.
- Advise in writing, of issues or dissatisfaction as soon as they arise with any vendor's performance related to terms, conditions, specifications and performance of their contracts or purchase orders.
- Inform accounts payable of purchases when state, federal or grant funds will be used.
- Ensure that the purchasing policy is followed by all personnel prior to any purchase.
- Entering requisitions for all purchases while ensuring that all proper backup is attached during requisition entry.
- Ensure that proper internal controls are in place for all purchasing transactions.

Section 1. Purchasing Agent. Except as otherwise provided in this policy, all orders for supplies, materials, equipment, and services shall be assigned a PO (Purchase Order) number by the purchasing agent. The purchasing agent will verify that all requirements for purchase have been completed. Once such requirements have been verified, the purchase may be approved and acquired by the purchasing agent or his/her designee. **The purchasing agent is not held**

accountable for purchases made without following the proper steps in this purchasing manual. The department head will be held accountable for this action, and he/she will be responsible for documenting by email or signed invoice that they are aware the purchase was not made in compliance with this policy prior to the purchasing agent paying the invoice.

Section 2. Requirements for Purchase. As stated in Section 1, the purchasing agent will verify the requirements for the purchase have been completed. Those requirements are as follows:

- a.) No invoice for supplies, materials, or equipment shall be accepted for payment until such supplies, materials, etc., have been received and inspected by the department head or authorized town employee to verify the products are in acceptable condition.
- b.) After the inspection of delivered items, the department head or the authorized town employee must obtain the proof of delivery, bills of lading, delivery tickets, and other papers related to the purchase, including all warranty cards, and submit those papers with the invoice for payment. If no proof of delivery can be obtained, the employee must turn in a Missing Proof of Delivery Affidavit and submit with payment.
- c.) Standardizing supplies and materials that can be bought in large quantities can save a great deal of money. Thus, department heads should adopt as standards the minimum number of quantities, sizes, and varieties of commodities consistent with successful operation. Where practical, materials and supplies should be bought based on requirements for a six-month period.
- d.) The Town is exempt from the payment of excise taxes imposed by the federal government, and suppliers should be requested to deduct the amount of such taxes from their bids, quotations, and invoices. If the purchasing agent sees taxes charged to the invoice, he or she may request the town employee which made the purchase to contact the vendor and request a credit for the tax amount charged.

Section 3. Purchase Orders (PO) Requirements: A purchase requisition lets the accounts payable/finance department know, in detail, what the using department needs. A PO, as defined in this resolution, shall be completed by the purchasing agent per the following criteria:

- a) If the purchase is appropriated through the annual budget and more than \$500.
- b) If the item is a capital good.

- c) If the vendor requests a purchase order or if the department head feels it is necessary.

How to Prepare a Requisition to a Purchase Order:

A requisition must be completed before a purchase is made, except when stated otherwise!

A properly processed purchase requisition must contain the following information:

- Date issued — The date the requisition is prepared.
- Date wanted — State a definite delivery date. "AT ONCE, ASAP, and RUSH" are vague instructions and don't give the purchasing department sufficient information. Prepare far enough in advance to avoid emergencies.
- Department — The complete name of using department
- Department head — Signature of the department head
- To be delivered to — Be specific. If vague or indefinite, confusion may result in costly delays.
- Item number — Numerical order of items listed.
- Quantity — The number required.
- Unit — Dozen, lineal feet, gallons, etc.
- Description — Give a clear description of the items, including size, color, type, etc. If the purchase is of a technical nature, specifications should be attached to the requisition. If the item cannot be described without a great amount of detail, a brief description should be given, followed by a trade name and model number of an acceptable item "or approved equal." Requisitions must not give specifications that will favor one supplier to the exclusion of any others.

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

- Account to be charged — Complete budgetary code.
- Unit price — Price for each individual item.
- Amount — A total of quantity times unit price.
- ***The requisitioner shall not split orders to avoid any provision of the city code or charter, this manual, or any policy established by the city, nor shall requisitions be submitted for the sole purpose of using up budgetary balances.***

If a PO is required, the purchasing agent will convert the requisition only after being completed by the requestor and approved by the department head or his/her designee. The purchasing agent shall forward a copy of each PO to the requestor or department representative and place a copy of the PO in the purchasing file. If the finance officer says there is not enough in the budget account, it will be referred to the purchasing agent, who will notify the department head in the absence of the Finance Director.

Material Ordering Report

The material receiving report form is designed to inform that an item(s) of a particular order has been received.

- **When Prepared:**

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

- **Who Prepares:**

The person receiving the merchandise.

- **How to Prepare:**

A proper material receiving report must contain the following information:

- ❖ Purchase order number — The number from the purchase order on which the items were ordered. If not purchased from a purchase order, the following still applies.
- ❖ From — Name of vendor
- ❖ Material received by — Person receiving the item
- ❖ Date received — Date the goods are received
- ❖ Quantity — Number of items received
- ❖ Description — Brief statement describing item(s)
- ❖ Price — Unit price from the purchase order
- ❖ Per — Unit measure (foot, lb., etc.)
- ❖ Amount — Amount equal to quantity times unit cost
- ❖ Freight charge — Amount (if any) charged for delivery

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

Section 4. Purchases Costing Less Than \$3,000: The department head, after appropriation through the budget, is expected to obtain the best price and service available for purchases estimated from \$0.01 to three thousand dollars (\$3,000.00) and is exempt from the quote and bid requirements. These purchases follow all rules preceding section 4. All contracts or agreements must be presented to council and signed by the appropriate parties before the purchase is made.

Section 5. Purchases and Contracts Costing \$3,000.01 to \$9,999.99

- a) All purchase of supplies, equipment, services, and contracts estimated to be more than three thousand and one cent (\$3,000.01) but less than nine thousand, nine hundred, ninety-nine dollars and ninety-nine cents (9,999.99), shall be unadvertised, but require a minimum of three written quotes and should include an explanation if not awarded to the lowest responsive quote. All contracts or agreements must be presented to council and signed by the appropriate parties before the purchase is made.

- b) A written record of quotes shall be established and available for public inspection showing that required quotes were obtained by one of the following methods:
- ❖ Handwritten quotes from the vendors themselves
 - ❖ Email quotes from the vendors themselves
 - ❖ Quotes taken directly from the vendor's website
 - ❖ Fax

These documents must state:

- ❖ The vendor's/contractor's/company's name, address, phone number,
- ❖ The person's name and title or position giving the quote,
- ❖ The price, including delivery, and
- ❖ A complete description of the product or service provided. On-line quotations may be used provided the above information is included.

These quotes shall be kept on file with the purchase order.

No purchase shall be made without the required quotes and if a purchase happens to be made without the quotes, the department head will be asked to have a written reason why the purchase was made without the required quotes.

- c) The purchaser shall obtain a copy of the vendor's liability and workers compensation insurance policies showing coverage amounts for contracts involving construction or other service where the public or contractor's employees could be adversely impacted by the provision of the service. A copy of the policy shall be kept on file by the purchasing agent. The purchasing agent shall also verify budget account balances prior to issuing approval to purchase.
- d) The purchaser shall make all efforts to obtain the vendor's W9.

Section 6. Purchases and Contracts Costing \$10,000.00 to \$14,999.99

All purchases made between ten thousand dollars (\$10,000.00) and fourteen thousand nine hundred ninety-nine dollars and ninety-nine cents (\$14,999.99) shall follow all the purchase requirements preceding and including section 5 with the addition of getting permission of the purchase from City Council. All contracts must be presented to council and signed by the appropriate parties before the purchase is made.

Section 7. Purchasing and Contracts Costing over \$15,000.00 – Competitive Bidding

All purchases of supplies, equipment, services, and contracts estimated to be more than fifteen thousand dollars (\$15,000), shall follow the procurement rules for competitive bidding as follows:

- a) The expenditure request shall be taken to the City Council for review and approval to start the bidding process. The expenditure request will be presented by the mayor, department head, purchasing agent, city recorder, or the finance director at the next regularly scheduled or special called meeting of City Council.

- b) The City Council shall have the authority to approve or disapprove the expenditure request to comply with the annual budget, or for any reason it deems it is in the public interest. The reason for denial shall be stated and recorded in the meeting minutes. Upon denial, the City Council shall supply direction as to how to handle the situation that prompted the expenditure request. (See section 8 of this resolution for Rejection of Bids)
- c) If approved, the department head shall deliver to the city recorder or purchasing agent a written requisition for the items to be purchased. Such request shall include a description of the items, specifications for the items, an estimated cost of the items, recommended sources and shall include the budget line-item code to which the purchase is to be charged.
- d) All requisitions approved by the City Council shall be signed by the mayor and department head.
- e) The department head or employee making the purchase shall follow procedures set forth in the sealed bid requirements in section 8 of this resolution.

Section 8. Contracts over \$15,000.00 – Sealed Bids Once City Council has approved the expenditure request over fifteen thousand dollars (\$15,000.00) the following procedures must be done to obtain the bid(s)

All purchases and contracts to be more than fifteen thousand dollars (\$15,000), require sealed bids to be submitted to Town of Ashland City: City Hall, Attention: City Recorder prior to a specified bid due date and time. The bids from responsive bidders shall be publicly opened by the City Recorder and read aloud. The City Recorder will prepare a summary of the bids and provide the bids and summary for presentation to City Council. All such bids shall be submitted for award at the next regularly scheduled City Council meeting or special-called meeting together with the recommendation from the department head or purchasing agent as to the best selection for contract performance.

The following policies shall apply to sealed bids:

- a) Plans, specifications, and estimates for any public works project exceeding \$25,000 must be prepared by a registered architect or engineer as required by TCA 62-2-107.
- b) Notice inviting bids shall be published in the council approved newspaper, as required by law, at least ten days (10) preceding the last day to receive bids. The newspaper notice shall contain a general description of the good(s) or services to be

procured, and the date, time, and place for opening bids. This shall be submitted by the City Recorder

- c) In addition to publication in the required newspaper, the City Recorder may take other actions deemed appropriate to notify all prospective bidders of the invitation to bid, including, but not limited to, advertisement on community bulletin boards, the Town's website, in professional journals and electronic media.
- d) The City Recorder shall keep a record of all open orders and bids submitted in competition for all PO's as required by the ordinance for bidding, including a list of the bidders, the amount bid by each, the method of solicitation and bidding, and Title VI compliance. All records shall be open to public inspection and maintained in the recorder's office. At a minimum, the bid file shall contain the following information on qualifying orders:
 - ❖ Request to start bid procedures – the requisition if applicable.
 - ❖ A copy of the bid advertisement if applicable.
 - ❖ A copy of the bid item specification if applicable.
 - ❖ A list of bidders including Title VI bidders and their responses.
 - ❖ A copy of the PO.
 - ❖ A copy of the invoice.
 - ❖ A copy of the signed and dated receiver.
 - ❖ Statement if lowest bidder is not awarded.
- e) No bids received after the time and date advertised will be accepted. All late bids will be returned unopened to the vendor explaining the policy. This includes bids that are postmarked after specified time.
- f) No telephone bids will be accepted.
- g) The purchasing department or council may request a sample product as part of the bid. If this is stated on the bid proposal form, the vendor is required to comply with this request.
- h) Mistakes in bids detected prior to bid opening may be corrected by the bidder withdrawing the original bid and submitting a revised bid prior to the bid opening date and time.
- i) City Recorder may require the bidders submit a bid bond or other acceptable guarantee equal to five (5) percent of the bid to ensure that the lowest responsible bidder selected by the board enters a contract.

- j) Should it be found, after bids have opened, that a product has been offered with an alternative specification and that this product would be better for the city to use, all bids for that item may be rejected and specification redrawn to allow all bidders an equal opportunity to submit bids on the alternate item.

Section 9. Considerations in Determining Bid Awards. The following criteria shall be considered in determining bid awards:

- The ability of the bidder to perform the contract or provide the material or service required.
- Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
- The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
- The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.
- The quality of performance of previous contracts or services, including the quality of such contracts or services in other municipalities, or performed for private sector contractors.
- Compliance with all specifications in the solicitation for bids.
- The ability to obtain and maintain any requisite bid bonds or performance bonds.
- Total cost of the bid, including life expectancy of the commodity, maintenance costs, and performance.
- When a bid results in a tie, one in which two or more vendors bid identical items at the same unit cost, the winning bidder amount tie bids may be determined by one of the following:
 - ❖ Discount allowed
 - ❖ Delivery schedule
 - ❖ Previous vendor performance
 - ❖ Vendor location
 - ❖ Trade-in value offered
- When the lowest bid is not awarded, a full and complete statement of the reason shall be prepared by purchasing agent, department head, City Recorder or City Council and kept on file with the documents related to the bidding.

Section 10. Exemption from Competitive Procurement Process.

The following purchases, leases and lease purchases shall be exempt from the foregoing competitive procurement process. The Purchasing Agent, or his/her authorized designee, prior to purchase, shall approve all such purchases to be awarded pursuant to any of the exceptions in this subsection, except as may otherwise be provided herein pertaining to emergency purchases.

- **Sole Source Purchases:** Sole source of supply, or proprietary products, as determined after a thorough search for suppliers for the goods or services by the director or department head, under the direction and in consultation with the Purchasing Agent
- **Emergency Purchases:** Emergency purchases with the subsequent approval by one of the following: (1) City Recorder (3) Finance Director, or (3) the mayor. All such emergency purchases shall be reported in writing.
- **Purchases from Government Instrumentalities:** Purchases from instrumentalities created by two (2) or more cooperating governments.
- **Purchases from Nonprofit Corporations:** Purchases from nonprofit corporations whose purpose, or one of whose purposes, of which is to provide goods or services specifically to municipalities.
- **Purchases from Governmental Agencies:** Purchases, leases, and lease-purchases from any federal, state, or local governmental unit or agency.
- **Purchases from Other Governmental Units:** Purchases through other units of governments as authorized by the Municipal Purchasing Law of 1983 as amended.
- **Tennessee State Industries:** Purchases from Tennessee State Industries shall be exempt.
- **Professional Services:** Purchases and contracts for legal services, fiscal agents, financial advisor services, accounting services, training services, architects, engineers, surveyors, property appraisers, construction contract management services, property and liability insurance advisor services, medical or health insurance advisor services, or retirement/pension, or other employee benefit advisor services, information management services, and similar services by licensed or professional persons or groups of high ethical standards shall be made pursuant to the provisions of state law of general application, to include Tennessee Code Annotated (T.C.A.) § 12-3-1209 and T.C.A. § 12-4-107, as may be amended. Professional service contracts shall be awarded based on recognized competence and integrity; the City may interview eligible vendors to determine the capabilities of such vendors. The City will enter a negotiated contract with the professional service provider.
- **Repairs:** For repair services or parts for damaged, inoperable, or less than fully operable equipment, three (3) or more written quotes (estimates) shall be required. If the actual cost of the repairs exceeds the lowest quote (estimate) due to unanticipated repairs that could not have been reasonably foreseen, the additional cost above the quote (estimate) shall be approved on an emergency purchase basis.
- **Fuels:** The purchase of fuels, fuel products, or perishable commodities.
- **Used equipment:** Purchases of used or secondhand articles shall be in accordance with state law of general application to include T.C.A. § 12-3-1202 as may be amended.
- **Change orders:** Change orders to existing construction or improvement contracts within established budgetary limits.

Section 11. Rejection of Bids. The City Council shall have the authority to reject all bids or parts of bids when the public interest will be served thereby. City Council shall reject all bids or parts of bids where the supplier has been specifically excluded from bidding work by unanimous vote. The Town shall not accept a bid from a vendor or contractor who is in default on a contract or on the payment of taxes, licenses, fees, or other monies of whatever nature that may be due the Town by said vendor or contractor. City Council has the right to deny any bid where family or friends of town employees will directly be involved in the project or the project will benefit the town employee's family member, unless the vendor is a sole source provider, meaning the work is not able to be done by any other company.

Section 12. Making Emergency Purchases.

- **Purpose:**

Emergency purchases are a way to respond to an unforeseen circumstance; not the failure to recognize the need for a product or service during budgeting. Emergency purchases are to be made by departments only when normal functions and operations of the department would be hampered by submitting a requisition in the regular manner, or when property, equipment, or life(s) are endangered through unexpected circumstances and materials, services, etc., and are needed immediately.

- **Who Makes Emergency Purchases:**

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

- **How to Make Emergency Purchases:**

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

- ❖ Notify the Finance Director and or the mayor of the need and nature of the emergency. They will give verbal approval and the department making the emergency purchase (using department) shall complete a handwritten emergency purchase form.
- ❖ Using department must make sound judgment about price when making emergency purchases of materials and supplies and for labor or equipment. Orders should be placed with who have a good track record with the department.
- ❖ Suppliers shall furnish sales tickets, delivery slips, invoices, etc., for the supplies or services rendered. Terms of the transactions, indicating price and other data, shall be shown.
- ❖ As soon as the purchase is complete, on the same or following business day, the using department must:
 - Give the accounts payable department a complete requisition with a description of the emergency showing approval by the department head and mayor.
 - Give the accounts payable department all paperwork pertaining to the emergency purchase that the supplier has furnished.

- **Emergency Purchases General Information:**

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

Section 13. Suspension and Debarment of Vendors. The Finance Director may suspend or debar a vendor for cause, the right of a vendor to be included on a vendor list, and any bid/proposal response from that vendor rejected.

Suspension - A vendor may be suspended for a period not to exceed two (2) years as determined by the Finance Director based upon, but not limited to, the following:

- Default or failure to fully comply with the conditions, specifications, drawings, or terms of a quote, bid, proposal or contract with the City;
- Vendor commits any fraud or misrepresentation in connection with a quote, bid, proposal or contract;
- Vendor is charged by a court of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract (of any kind) or in the performance of such contract or subcontract;
- Vendor is charged by a court with any of the following: 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;
 - ❖ If charges are dismissed or the vendor is found not guilty, the suspension shall be lifted automatically upon written notification and proof of the final court disposition provided by the vendor;
- Vendor becomes insolvent, has proceedings in bankruptcy instituted against, compounds its debts, or assigns over its estate or effects for payment thereof, or has a receiver or trustee appointed over its property;
- Vendor violates the ethical standards set forth in local, state or federal law;
- Vendor is found to have colluded in order to receive business from the City;
- Default on the payment of taxes, licenses or other monies lawfully due to the City;
- Or any other cause the Finance Director determines to be so serious and compelling as to materially and adversely affect the capability of the vendor to function as a city contractor.

Debarment - A vendor may be permanently debarred for the following:

- Default or failure to fully comply with the conditions, specifications, drawings, or terms of a quote, bid, proposal or contract with the City on more than one occasion.
- Conviction by a court of law for the commission of those offenses in connection with the vendor's enterprise as stated in sections 3 and 4 of the Suspension section above. If the conviction or judgment is reversed through the appellate process, the debarment shall be

removed immediately upon written notification and proof of the final court disposition provided by the vendor.

Section 14. Petty Cash. To buy items that cost less than \$50.00 from businesses that don't issue invoices or charge accounts, a petty cash fund must be set up by the finance director. The department head is solely responsible for any withdrawals from this account. All receipts or requests for monies from this fund must contain the departmental code and be signed by the department head and receipt given to accounting payable.

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

The finance officer may establish more detailed procedures for the use of the petty cash fund.

Section 15. Items Covered by Warranty or Guarantee. The city buys many items that have a warranty or guarantee for a certain length of time, such as tires, batteries, water heaters, roofs, and equipment. Before these items are repaired or replaced, the warranty should be used. The purchasing department shall maintain an active current file with complete information on such warranties or guarantees. All copies of warranties must be remitted to accounts payable department with the invoice indicating date of receipt.

Section 16. Signatures Required. Contracts, applications for title, tax exemption certificates, agreements, and contracts shall not be signed by any city employee other than City Recorder and Mayor. No contract shall be executed or signed before taking the contract before council for approval. Contracts and Agreements must be signed by Mayor after council approval.

Section 17. Sale of Surplus Property. When a department head determines there is surplus equipment or material in the department, he or she shall notify the City Recorder in writing. A listing of surplus equipment that includes purchase date, amount, and current condition should be provided to the governing body for approval of disposal. Items with an estimated value of less than \$300 should be disposed in cooperation with the department head. Items with an estimated value of more than \$300 should be sold at public auction or advertised for bidding after approval from the governing body. Such equipment or materials will be sold to the highest bidder. With approval of the governing body, surplus equipment or material may also be transferred from one department to another. The transferring department must be sure the finance officer is informed of the transfer or sale.

Section 18. City Credit Card Policy. A credit card policy was passed in August 2021. All employees with a city credit card are required to read the resolution and sign the policy stating they acknowledge and will comply.

Section 19. General Purchasing Information.

- **Federal Excise Tax**

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

- **Purchasing Enough Supplies**

It is in the best interest of the department to order supplies in "bulk" to cover at least 6 months of operation and all purchasing requirements still apply.

- **Standardization Requirements**

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

- **Inspection of Deliveries**

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

- **Correspondence with Suppliers**

Copies of any correspondence with suppliers concerning prices, adjustments, or defective merchandise shall be forwarded to the accounting department. All invoices, bills of lading, delivery tickets, and other papers relating to purchases shall be sent to the accounting department.

- **Claims**

The department doing the purchase shall prosecute all claims for shortages, breakages, or other complaints against either shipper or carrier in connection with shipments.

- **Public Inspection of Records**

City Hall shall keep a complete record of all quotations, bids, and purchase orders. Such records shall be open to public inspection.

- **Designee**

When a position such as purchasing agent, finance director, or department head is mentioned, their assistants or designees are acceptable substitutes if they have written permission to do so.

Section 20. Conflict of Interest

- Grant contracts will reference all requirements applicable to that grant project.
- No employee, officer, agent, any member of an employee's immediate family or his or her partner shall have any financial interest or a tangible personal benefit in the profit of any contract, service or other work performed for the City. He/she shall not personally profit directly or indirectly from any contract, purchase, sale or service between the City

and any person or company. A conflict of interest would also arise when the parties indicated herein are employed or about to be employed by a person or company wishing to do business with the City. Any member listed in this section violating provisions of this rule shall be subject to appropriate disciplinary action including termination.

- "Direct Interest," means any contract with the employee himself or with any business in which the employee is the sole proprietor, a partner, or the person having an ownership interest in the business.
- "Indirect Interest" means any contract in which the employee has no direct interest however a spouse, partner or relative has an interest in the contract. A conflict of interest exists if the spouse, partner or relative commingle their assets.
- No employee, officer or agent of the Town of Ashland City may participate in the selection, award or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.

Section 21. Vehicle Insurance Claims When a city vehicle has been involved in a wreck and will need repair, it is the responsibility of the department head to contact the City Recorder with all information in a timely manner so a claim can be submitted. When making payments to vendors for these repairs, it is required to complete the Vehicle Insurance Claim form and submit it with payment to accounts payable.

Section 22. Legal Status Provisions

- **Liability for Excess Purchases**

This resolution shall authorize the purchase of materials and supplies and the procurement of contracts for which funds have been appropriated in the annual budget or which have been authorized and lawfully funded by the City Council. The Town shall have no liability for any purchase made in violation of this resolution.

- **Additional Forms and Procedures**

The purchasing agent is hereby authorized and directed to develop such forms and procedures as are necessary to comply with this resolution.

- **Interpretation**

Words herein in the singular number shall include the plural, the present tense shall include the future, and the masculine gender shall include the feminine and neuter.

- **Severability**

Should any section, paragraph, sentence, clause, or phrase of this resolution or its application to any person or circumstance be declared unconstitutional or invalid for any reason or should any portion of this ordinance be pre-empted by State or Federal law or regulation, such decision or legislation shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

- **Repeal**

All previously passed ordinances or resolutions, parts of ordinances or resolutions, which are inconsistent with the provisions of this ordinance or resolution are hereby repealed to the extent of such inconsistency.

- **Effective Date**

This resolution shall be effective immediately after final passage, the public welfare requiring it.

Approved as to Legality and Form: _____
Jennifer Noe, City Attorney

Passed: _____

Mayor JT Smith

City Recorder Alicia Martin, CMFO

I _____, hereby acknowledge receipt of the Town of Ashland City Purchasing Policy. I agree to accept responsibility for adherence to the Purchasing Policy.

Responsibilities include:

- Allow ample lead-time for the Purchasing Department to process bid/proposal requests, issuance of purchase orders, execution of contract documents and any other task performed by the Purchasing Department.
- Plan purchases in advance to eliminate avoidable urgent or emergency situations.
- Ensure funds have been allocated and approved by the City Council.
- Advise in writing, of issues or dissatisfaction as soon as they arise with any vendor's performance related to terms, conditions, specifications and performance of their contracts or purchase orders.
- Inform accounts payable of purchases when state, federal or grant funds will be used.
- Ensure that the purchasing policy is followed by all personnel prior to any purchase.
- Entering requisitions for all purchases while ensuring that all proper backup is attached during requisition entry.
- Ensure that proper internal controls are in place for all purchasing transactions.

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

The purchasing agent is not held accountable for purchases made without following the proper steps in this purchasing manual. The department head will be held accountable for this action, and he/she will be responsible for documenting by email or signed invoice that they are aware the purchase was not made in compliance with this policy prior to the purchasing agent paying the invoice.

Purchases made without following the proper steps in this purchasing manual may result in disciplinary action up to and including termination in accordance with Town of Ashland City personnel policy, in addition to any criminal penalties that may apply.

Employee Signature: _____

Department: _____

Finance Director: _____

Date: _____



EXPENDITURE REQUEST

Date of Request: _____ Employee: _____

Department: _____ Department Head Approval: _____

Budget GL: _____

Brief description of need for expenditure request: _____

Quantity	Description	Price	Per	Total Price

Vendor Name: _____

Vendor Address: _____

Council Approval Date: _____



EMERGENCY EXPENDITURE PURCHASE

Date of Request: _____ Employee: _____

Department: _____ Department Head Approval: _____

Budget GL: _____ Mayor Approval: _____

Brief description of why this is an emergency purchase: _____

Quantity	Description	Price	Per	Total Price

Vendor Name: _____

Vendor Address: _____

Council Notification Date: _____



MISSING PROOF OF DELIVERY OR RECIEPT OF PURCHASE (*not invoice*) AFFIDAVIT

When a receipt or proof of delivery is lost or otherwise unavailable and all measures to obtain a copy have been exhausted, this form must be completed.

It should be signed by the employee who made the purchase and/or the employee's supervisor / department head.

Location of expense:

<i>Business Name and address OR Tyler Vendor #</i>	<i>Date of purchase</i>	<i>Amount</i>
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Expense Line Item Payable:

The receipt was (check applicable):

· Lost · Never Received · Other:

The form of payment I used (check applicable):

· Credit Card · Invoice Pay

Detailed Reason for Transaction AND description of goods and/or services
(If a meal purchase, please list ALL people present):

I understand that a Missing Receipt Affidavit should be used on rare occasions and may not be used on a routine basis.

I hereby certify that the original receipt was accidentally destroyed, lost, or unobtainable and that the information above is complete and accurate.

Signature of purchaser:

Supervisor / Department Head:

Date:



Material Ordering Report Town of Ashland City

Date purchased then date received:	
Amount of Purchase: (specify if freight was charged)	
Accounting Expense Code:	
Reason for Purchase/Description, Quantity etc.,	
Purchase Type: (card, invoice, other)	
PO Number	
Please attach receipts or invoices.	

REMINDERS:

- a) **Federal Excise Tax.** The Town is exempt from the payment of excise taxes imposed by the federal government, and suppliers should be requested to deduct the amount of such taxes from their bids, quotations, and invoices.
- b) **Correspondence with Suppliers.** Copies of any correspondence with suppliers concerning prices, adjustments, and defective merchandise shall be forwarded to the purchasing agent. All invoices, bills of lading, delivery tickets, and other papers related to purchases shall be sent to the purchasing agent.
- c) **Purchasing from an Employee.** It shall be the policy of the Town, not to purchase any goods or services from any employee or close relative of any Town employee or Town City Council member without the prior approval of the City Council.
- d) **Purchases Costing Less Than \$3,000.00.** The department head, after appropriation through the budget, is expected to obtain the best prices and services available for purchases estimated to be less than \$3,000.00 (ALL contracts must be approved and signed by Council unless State Contract)
- e) **Purchases and Contracts Costing – \$3,000.01 to \$9,999.99.** All purchases of supplies, equipment, services, and contracts estimated to be more than three thousand (\$3,000) but less than nine thousand nine hundred, ninety-nine dollars and ninety-nine cents (\$9,999.99), shall be unadvertised, but 3 written quotes are required and if not awarded to the lowest responsive bidder, a written explanation should be submitted with the 3 quotes.

Authorized Buyer Signature: _____



MATERIAL RECEIVING REPORT FORM

Purchase Order Number: _____

Department: _____

Quantity	Description	Price	Per	Total Price

Freight Charge: _____

Total Charges: _____

Materials Received:

Employee: _____

Date: _____