

**City of Cleveland  
PROCUREMENT POLICY  
(DRAFT)**

Adopted **December 1, 2025 (Proposed)**

**I. Purchasing**

**A. Intent**

The purpose of this policy is to provide guidance for the procurement of goods and services in compliance with procurement provisions of the City and the State of Georgia. The goal of this policy includes:

1. **Acting in the best interests of the City in all procurement transactions;**
2. **Procuring goods and services without prejudice and at the best combination of price and quality; and**
3. **Ensuring honesty, transparency and fairness in purchasing activities.**

**B. Vendors**

The City will make every effort to obtain high quality goods and services as economically as possible. **All procurement procedures will fair, impartial and free of impropriety.** All qualified vendors will have access to City business. No bidder will be **arbitrarily excluded.** Competition be sought to the greatest practical **extent, and** specifications shall reflect the needs of the City.

**The City may, however, utilize sole-source procurement or cooperative purchasing agreements, including programs such as Sourcewell, for goods, services, or equipment without requiring competitive bids. Such purchases shall be documented, comply with applicable laws, and be determined by the Finance Director to serve the best interest of the City.**

**C. Purchasing of Goods and Services**

**Non-Public Works**

<b>Estimated Cost of Goods or Service</b>	<b>Purchase Approved By</b>	<b>Source Selection Method</b>
Less than \$2,500	Department Head or Designee	Credit Card <b>(single purchase)</b> or Purchase Order (PO)

\$2,500 - \$10,000	Department Head or Designee and Finance Director	Written quote from at least one (1) vendor (*See page 3)
\$10,000 - \$50,000	City Manager and Finance Director	Written quote from at least two (2) vendors
\$50,000 - \$100,000	City Manager and Finance Director (Even if budgeted)	Written quotation from at least three (3) vendors
\$100,000-\$250,000	Mayor and City Council	Informal competitive bid/proposals with at least three (3) vendors (unless exempt by law)
\$250,000 & above	Mayor and City Council	Formal competitive sealed bid/proposal (advertised and conducted in accordance with Georgia law)

**State of Georgia**

Note: Georgia law now requires that any City expenditure exceeding \$250,000 must be procured through a competitive sealed bid or competitive sealed proposal process, unless a statutory exemption applies (O.C.G.A. § 36-91-20 et seq.).

This requirement applies regardless of funding source and applies to both goods and services, unless otherwise exempt under state law.

In the event of any change to state law or regulations affecting procurement, the provisions of such law shall supersede any conflicting provisions in this Procurement Policy. The City may implement the more flexible or permissive requirements provided by state law until a revised Procurement Policy Handbook can be formally adopted by the City Council.

**Public Works Construction**

Estimated Cost of Goods or Service	Purchase Approved By	Source Selection Method
Under \$100,000	City Manager and Finance Director (Even if budgeted)	Informal quotes; written documentation required O.C.G.A. § 36-91-22
> \$100,000	Mayor and City Council- Informal competitive bid/proposals with at least three (3) vendors (unless exempt by law)	O.C.G.A. § 36-91-20 Informal competitive bid/proposals with at least three (3) vendors (unless exempt by law)
Emergency Public Works <\$100,000	City Manager and Finance Director	O.C.G.A. § 36-91-22(e) Allowed when life, property or public services are at risk; Any contract shall be ratified, as soon as practicable, on the minutes of the governing authority, and the nature of the emergency shall be described therein.
Emergency Public Works >\$100,000	City Manager and Finance Director with ratification by Mayor and Council Must be documented in minutes	O.C.G.A. § 36-91-22(e) Allowed when life, property or public services are at risk; Any contract shall be ratified, as soon as practicable, on the minutes of the governing authority, and the nature of the emergency shall be described therein.

**D. PURCHASING LIMITS DEFINED**

1. Purchases Credit Card (\$2,500 for single purchases) or Check Request (\$2,500 and under)

At least one written quote via phone or other means required.

2. Purchases from \$2,500 – \$10,000

At least one written quote required.

**3. Purchases from \$10,000 – \$50,000**

At least two written quotes required.

**Note:** For sole-source or system-specific equipment over \$25,000, only one quote is required.

**4. Purchases from \$50,000 – \$100,000**

At least three written quotes required.

**5. Purchases from \$100,000-\$250,000 (Informal Competitive Bid)**

At least three written bids or proposals required.

Capital outlay or professional services over \$100,000 must use a formal sealed process.

**6. Purchases from \$250,000 (Formal Competitive Sealed Bid or Proposal-State Requirement)**

All purchases estimated to exceed \$250,000 must use a formal competitive sealed bid or competitive sealed proposal process.

This includes:

- Construction, goods, and services
- Capital outlay purchases
- Professional service contracts (unless otherwise exempted by statute)

Bids must be advertised on:

- City website
- Georgia Procurement Registry for the period required by state law.

**E. Competitive Solicitation Methods**

**1. Informal Competitive Bidding**

Used up to \$250,000 (unless state law requires sealed bidding for the specific category). No newspaper advertisement required. Minimum of three vendor quotes.

**2. Formal Sealed Bids (Invitation for Bids-IFB)**

Required for all expenditures exceeding \$250,000.

Procedures:

- Advertised on City website and Georgia Procurement Registry.
- Sealed submissions required.
- Public bid opening.
- Award based on lowest responsive and responsible bidder, unless RFP is used

Formal sealed bids are used for expenditures of \$100,000 or more. Sealed bids designate a specific due date and time, are publicly opened, and prices are read at the time and place designated in the Invitation for Bid (IFB) Form. Fifteen (15) to thirty (30) days will be

provided except when a longer period is required by state law. The notice will include placing the bid on the City's website and the Georgia Procurement Registry as deemed necessary by the Georgia Procurement Law. After the bids are evaluated, a Notice of Award and/or a Purchase Order is issued to the bidder that meets all specifications and with whom the City has reached an agreement on all contract terms and conditions. It should be noted that the contract award would not be to the bidder with the lowest cost if the City determines that the low-cost bidder is not in the City's best interest, except when required by state law.

### **3. Formal Sealed Proposals (RFP)**

Appropriate when factors other than price are evaluated.

State law permits RFPs in place of sealed bids when allowed under the procurement category.

When it is determined that the use of sealed bids is either impractical or not advantageous to the City of Cleveland, supplies or non-professional services may be purchased through formal sealed proposals and negotiations. The main difference between a bid and a proposal is that a Request for Proposal (RFP) allows for consideration of factors other than cost and allows for the negotiation of terms, pricing, and other factors. The Finance Director will create a Selection Committee to review and score proposals. A selection will be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, based on the factors involved in the RFP. Each member of the committee shall complete a scoresheet for each offeror. The scoresheets are then used to complete a scorecard to determine the offer that is best qualified. The price should be considered but is not the sole determining factor. Negotiations may be conducted with each of the offerors if deemed beneficial by the Selection Committee.

After negotiations have been conducted with each offeror selected, the committee will select the proposal based on the scorecard completed, and recommend to the City Council that the contract be offered to the winning offeror. If there is only one proposal, the Selection Committee should decide if they believe it is in the best interest of the City to move forward or resolicit the RFP. The RFP should contain the following minimum information:

- A general statement of the project: the type of supplies or services required.
- Scope of work: a description of work involved and its location, requirements for installation and performance, any assistance that needs to be provided by the City of Cleveland, and the type of contract to be used.
- The timeframe in which the work is to be completed.
- Requirements for proposals: terms and conditions of the RFP, content and form of proposals, and the deadline for submission.
- All specific criteria to be used in the evaluation and selection process are listed in descending order of importance or with point values.
- A description of the selection process.

At the opening of the proposal, only the names of the vendors submitting proposals are read. From that point on, all information in the proposals is considered confidential until the proposal has been awarded. After the award of the proposal, all information is open to the public.

### **4. Safeguarding Bids**

Clarifies handling of late bids, bid security, confidentiality, and accidental openings

All bids and proposals, received before the time of opening, must be kept secure and unopened. Before bid opening, information concerning the identity and number of bids shall remain confidential and made

available to City employees on a need-to-know basis. No late bids will be accepted for any reason. Unidentified bids may be opened solely for identification by an official designated for this purpose. If a sealed bid or proposal is opened by mistake, the official who opened the bid should notate on the envelope that the bid was opened in error and record the date and time of opening. If it becomes necessary to postpone a bid opening, the City Manager will issue the appropriate amendments to the solicitation postponing or rescheduling the bid opening. Then the Finance Director will process an addendum.

## **2. PURCHASING METHODS (Over \$100,000)**

There are numerous methods of source selection available to assist departments when purchasing goods and services. Unless specifically exempted by a provision of the Purchasing Ordinance, all departments must follow a competitive bidding procedure to acquire goods and services.

Competitive bidding is a process by which two or more vendors attempt to secure the business of the government by offering the most favorable price, quality, delivery terms, or service.

The competitive bidding procedure is the preferred method of source selection for public agencies because it encourages a process that is fair, impartial, administratively efficient and accessible to all vendors.

### **2. Informal vs. Formal**

Competitive bidding procedures can be either informal or formal. Informal bidding procedures permit departments to solicit bids or quotes from vendors via letter or email. There is no requirement to advertise informal bidding procedures in the legal organ or newspaper.

Conversely, the formal bidding procedure requires bidders to submit bids in a sealed container or through email at a specific date and time. Invitations to bid must be displayed on our City's website, and the Georgia Procurement Registry for a specified period before the bid opening date. All bids must be received before the bid opening date and time. Bids must be sealed and opened in a public meeting and publicly read aloud.

### **3. Competitive Process**

All acquisitions or purchases made by any City department shall be based on competitive bidding whenever practical. All contracts should result from a competitive process except in circumstances set forth by this policy, any other City policy, any applicable law, or as determined to be in the best interest of the City by the Mayor and City Council.

## **F. EXCEPTIONS**

1. Each Department Head shall have the authority to purchase individual goods/services to purchase items as described by this policy, but Department Head is responsible to ensure that internal control procedures set forth in this Financial Policy are followed. Purchases under \$2,500 are considered small purchases and can be handled using telephone quotes.

2. Purchases for individual goods/services costing more than \$ 100,000 are considered as formal sealed bids. They are advertised for a minimum of two (2) weeks prior to bid opening and the contract award must be approved by the City Council. Bids are advertised in the legal organ and posted on the City's web site. A public bid opening is required for formal sealed bids. The City

Clerk shall document the process. All contracts for goods/services exceeding \$ 100,000 in value shall be reviewed by the City Manager and approved by the City Council.

3. Annual renewable contracts and professional service providers (City Attorney, City Auditor, City Engineer, etc.) shall be considered and approved annually by the City Council at the January meeting or as soon as feasibly possible.

4. Although authority may be delegated, the ultimate responsibility rests with the City Manager and Department Heads. Purchases must be monitored to assure compliance with City policy.

5. No contract of the City involving the expenditure of public funds shall be in violation of the City's "Ethics Ordinance."

6. All contracts for services in the amount of \$ 2,500 or more shall comply with E-verify (OCGA § 13-10-90 et seq.).

7. When applicable, the City prefers to use local vendors if the pricing is mostly comparable. The City acknowledges that purchasing from locally-owned businesses services as economic development for Cleveland and the surrounding community.

8. Bids are awarded by the City Council to the bid that conforms in all material respects to the needs of the City. The Council shall consider the capability of the bidder to perform the requirements, past experience with the bidder, whether the bid award will contribute to or generate economic growth or jobs in the City or County and such other factors as the Council deems necessary depending upon the type of bid involved.

9. The City of Cleveland will provide an equal opportunity for all businesses to participate in City contracts regardless of race, ethnicity, sex, color, religion, national origin, political affiliation, age, disability.

#### 10. State Contracts

The City is authorized to use state contracts in lieu of issuing bids to vendors or buying locally when it is to the economic advantage of the City or deemed appropriate by the City Manager. The state contract price may be used to establish the maximum price for a good or service.

#### 11. Ineligible Vendors

Any person, firm, or corporation who is in arrears to the City for taxes, or otherwise, will not be qualified to bid on any purchase until their debt to the City has been cleared. No purchase order will be approved for such vendors.

#### 12. Back-up Policy and Emergency Purchases

In an emergency involving non-public-works purchases, a contract may be awarded without formal

bidding, but informal quotes should be obtained whenever reasonably possible. An emergency is defined as a threat to life or property, an inability to comply with the formal bid procedures in a timely manner to prevent further damage or destruction, or an unforeseen situation that curtails or greatly diminishes an essential service as determined by the **City Manager**. In the event of an emergency, the Mayor shall be contacted and shall declare the emergency for the City.

13. 1099 and W-9

All unincorporated contractors and vendors who are paid more than \$600 annually by the City shall be issued a 1099 by the City. All contractors and vendors shall complete and submit to the City a W-9 before the first check is issued to them by the City.

## **G. INTEREST OF CITY OFFICIALS OR EMPLOYEES IN THE EXPENDITURE OF PUBLIC FUNDS**

No official or employee of the City will have an interest, directly or indirectly, in any transaction with, sale to, work for, or contract with the City or any department of the City or service involving the expenditure of public funds in violation of ethical conduct. The City should not contract with, or purchase from, a vendor who is a member of the immediate family having a financial interest with that vendor of the City Mayor, City Officials, City Manager, City Attorney, City Clerk, Finance Director, HR Liaison, Department Heads, Purchasing Agents, or Finance Department staff. The City should not use a vendor for services in an operating department who is a member of the immediate family of an employee of that operating department **UNLESS APPROVED** by the City Manager.

**Personal purchases, other than those items required for the performance of a job, for employees by the City of Cleveland, are prohibited. City employees are also prohibited from using the City's name or the employee's position to obtain special consideration in personal purchases.**

## **H. Purchase Order (PO)**

A Purchase Order (PO) may not be issued unless sufficient funds are available in the approved budget. The following procedures establish the proper use and management of purchase orders within the City:

1. An item or service is required and sufficient funds exist in the approved budget to cover the cost of the item or service. Those invoices are approved by the City Manager and/or Department Head. PO's are not required for recurring invoices, ie utilities, telephone, engineers, accountant, attorney. Those invoices are approved by the City Manager and/or Department Head.
2. A PO is prepared by the Department Head or his/her designee. Accounts payable must certify that funds are available to cover the cost of the purchase. The PO contains the general ledger code and the fund the expense is allocated to.
3. If the PO is over \$10,000, the PO must include the signature of the City Manager before it is ordered by the department.
4. Each invoice shall include an assigned budget line-item.

5. Once the item or service is received and verified by the department, the City is invoiced by the vendor for the required item or service.
6. The invoice and signed PO are reviewed by the Finance Director, and payment to the vendor is generated.
7. City checks will require two authorized signatures, which may not be the person that generates the checks. Authorized signatories will be determined by the current Mayor and City Council.

## **I. City Credit Cards**

The City credit card (or purchasing card, hereinafter jointly referred to as “credit card”) is to be used for *City business only* to purchase goods, services, or for specific expenditures incurred under approved conditions and with sufficient funds available in the budget. Any misuse of the City credit card by the employee shall be the personal responsibility and liability of the employee to whom it has been issued. It is the preference of the City for employees to use POs as opposed to credit cards, unless the vendor requires immediate payment or business circumstances dictate.

The following is the established City procedure(s) for use of the City credit cards:

1. The credit card user is responsible for documentation and safekeeping of the credit card during the employee’s use.
2. An itemized receipt for each transaction must be obtained when a purchase is made using the City credit card.
3. Credit card documentation shall indicate the department to be charged for this purchase written on it and signature of who purchased it.
4. The credit card holder must submit on a timely basis documentation of credit card purchases to reconcile the credit card bill.
5. Credit card reconciliation will be done on a monthly basis by the Finance Department using purchase orders and invoices.
6. Failure of an employee to follow these credit card procedures may result in the loss of the card and/or disciplinary action up to and including termination of employment.
7. Credit cards may only be issued to employees authorized by the City Council or the City **Manager**. Before being issued a credit card, authorized users shall sign and accept an agreement with the City that such users will use the credit cards only in accordance with the policies of the City;
8. The transaction limit shall be established by the City Council.
9. The credit card shall be used for goods and services for the benefit of the City that cannot be purchased either from a time or convenience standpoint through the normal Purchase Order and Check process. Examples of proper purposes would include, but not be limited to, emergency expenditures for parts or equipment necessary to keep utilities operational and on-line expenditures that do not allow or readily accept payment by check.

10. The credit card shall not be used for goods and services that are not for the benefit of the City or are oriented primarily for the personal benefit of the card user or any other third party. Example of improper purposes would include, but not be limited to, purchases of goods or services for personal use such as buying non-City clothing or toiletries, purchases for any items that are not budgeted, and purchases for third parties that are not employees or officials of the City.

11. The Finance Director shall be the Credit Card Manager.

12. Credit card expenditures by employees shall be reviewed and approved by the City Manager. Credit card expenditures shall be audited by the City Auditor in accordance with Governmental Accounting Standards Board (GASB).

13. All employees and officials shall have a duty to report any alleged violation of these credit card procedures in accordance with the procedures set forth in Section XIV (C) below. Following the investigation, if a violation is sustained the violator shall be subject to penalties including, but not limited to, revocation of credit card privileges, required repayment to the City of improper charges, and/or termination of employment. Nothing in these procedures or any administrative action taken pursuant thereto shall preclude any other civil or criminal remedy under any other provision of law.

## **J. Travel Expenses**

Employees/Officials should whenever possible submit charges for City related travel reservations in advance for payment directly by the City. To the extent that is not possible or practical, employees/officials should present receipts for travel expenses incurred and reimbursement will occur by the City to the employee/official in ten (10) days or less. The following is a list of travel expenses that are subject to reimbursement to officials and paid up front, upon City Manager approval, for employees:

1. Mileage for personal vehicle use at the then prevailing federal rate of reimbursement; Distance shall be verified by Accounts payable by reference to Google Maps or similar reliable source.

2. Meal cost other than for alcoholic beverages on a per diem basis associated with City required travel days, City approved seminars or meetings or similar functions. The per diem shall be established by the GAO per diem rate.

3. Lodging cost associated with City required travel days, City approved seminars or meetings or similar functions;

4. Airfare associated with travel required by the City and approved as necessary by the City **Manager** and Finance Director; and

5. Meeting registration and activity fees associated with City approved seminars or meetings;

Any submitted expense that does not fall within one of the above categories shall not be eligible for reimbursement. When incurring travel expenses, employees/officials shall keep in mind that they are using public funds and that reasonableness and sound fiscal policy should be used.

Employees will be paid according to the most recent GSA their usual daily rate for all travel and attendance days on behalf of the City.

The City follows GSA per diem and mileage rates. Employees may be reimbursed for meals up to the GSA maximums (receipts are optional), including the allowances adjustable for high-cost locations on behalf of the City. Alcohol, traffic or parking tickets, and meals for guests **will not** be reimbursed.

Elected Officials shall be reimbursed for travel using the current GSA per diem and mileage rates. Payment for meetings, events, and activities shall comply with the requirements outlined in the Meetings section of the City's Code of Ordinances.

The Clerk shall provide a travel expense reimbursement form to each employee/official engaging in City travel and shall maintain all travel expense records for the period of time required by the City's document retention policy.

Travel expenditures by employees shall be approved by the Department Heads, provided funds are available in the budget. Travel expenditures for the Mayor and Council members shall be approved by the City **Manager**.

#### **K. Cellphone Policy and Expenditure Reimbursement**

City-issued cell phones will be assigned based on departmental responsibilities and the needs of each position. Employees in positions authorized for a cell phone may choose to use a City-provided device or their personal device. Employees who elect to use their personal phone are eligible for a monthly reimbursement in the amount established by the Personnel Handbook or any future amount adopted by Council resolution. The reimbursement shall be paid monthly by direct deposit.

#### **L. Payroll Policy**

Unless a payroll service is selected by the City Council, the Finance Department shall be responsible for processing and filing all payroll tax returns and issuing all W-2 statements on behalf of the City. The Finance Director is empowered to establish the position(s) to have access to the payroll software.

Timecards are approved by the Department Head (or their designee). Approved timecards need to be submitted timely to the HR Liaison in order for payroll to be processed. The Finance Director is responsible processing the payroll. The HR liaison is responsible for updating the paid time off schedule for all the employees. The Finance Director removes accrued time off based on leave taken during the pay periods.

#### **M. EFT Payments/Bank Transfers**

All direct debits or other electronic funds transfers ("EFT") shall be initiated by the Finance Director or a designee (employee) and approved by the City Manager. A printout of the same with the signatures or initials of the employee and the supervisor shall be kept by the Clerk for the period of time required by the City's document retention policy.

#### **N. Computer Backup**

All City financial records shall be maintained to the extent possible on the City's computer system. The City's computer system shall be backed up off-site or through a web-based backup on a daily basis so that the same may easily be restored in the event of a computer failure or other disaster. The City Clerk shall maintain the list of passwords for the accounting software, access to programs and data and is responsible for reliable systems that include appropriated data backup and recovery processes.

## **O. Shared Expenditures**

Insurance, payroll, rent, utilities and other shared expenditures will be allocated among the governmental funds and proprietary funds by the Finance Manager and approved through two designated signatures.

## **P. Inventory Control Policy**

The City of Cleveland will establish processes and procedures to ensure inventory control for assets belonging to the City of Cleveland. Items purchased using public funds are subject to inventory controls. Maintaining accurate records maximizes value, provides safeguards, and assists in proper financial reporting. Transparency is imperative to the preservation of integrity and trust to those we serve. In order to achieve this objective, the responsibilities and controls set forth in this document must be adhered to by all associates.

### **Definition**

Purchased items are subject to guidelines set forth in the current purchasing policies. The City of Cleveland requires an inventory of assets that are mobile, non-consumable and nonexpendable in nature. For the purposes of inventory, buildings, land, capital improvement and fixed assets are not included.

Assets include:

- Non-capital equipment.
- Vehicles.
- Purchased items with a value of \$1500 or greater.
- Capital equipment of \$5000 or more.
- Equipment such as cabinets, chairs, etc.
- Items with a motor (regardless of value), gas or electric. Examples include drills, weed eaters, blowers, etc.

### **Purchase**

Items identified as necessary for entry into the inventory management system must be reported to the Finance Director within 15 days of purchase. The Finance Department will enter the asset into the system, including a description of the item, purchase information, manuals, warranty information, serial number, location of the asset and a photo. The Finance Department will assign the asset a barcode tag and place it on the asset. The asset tag should be affixed to a visible part of the equipment.

### **Change in location**

Each asset is assigned to a location. Prior to moving/removing an asset from a location, employees must notify the Finance Director. This includes all items tagged into the inventory management system. The Finance Department will scan and reassign the item to the new location.

### **Inventory**

Equipment/assets will remain in the property management database and identified as City owned as long as it remains in the possession or control of the City. In order to maintain an accurate list of

equipment/assets an inventory needs to be conducted at least twice annually. A representative from IT, Public Works and Utilities shall be assigned to assist the inventory controller in identifying and locating assets. Assets which have been entered into the inventory control system shall be scanned as accounted for. Assets previously entered as inventory but have a missing or lost tag will be tagged again using the same inventory control number if possible. Purchased items not reported to the inventory controller shall be entered and tagged as per the policy.

### **Disposal**

Employees must notify the inventory controller prior to disposal. Thefts, disappearances and/or losses of equipment should also be reported to the City **Manager** as soon as possible. Missing/lost items should be removed from inventory by the Finance Department. Items entered as assets in the inventory system that are broken and are no longer able to be used for the intended purpose should be reported to the inventory controller. Items should be removed from inventory and property tags shall be removed prior to disposal. Items designated for sale, trade-in, donation or recycling should be reported to the Finance Department and property tags removed prior to removal.

Assets may be disposed of in any one of six ways:

- Trade-in or sale (Gov. Deals)
- Abandonment/Retirement
- Lost or stolen
- Transfer
- Cannibalization (taking parts and employing them for like uses within the department, such as is often the practice in computer or vehicle maintenance.)
- Casualty loss

The City Manager is hereby authorized to correct scrivener's errors adopted in this policy by the Council without the need for approval or re-adoption by the City Council.

For purposes of this policy, a scrivener's error includes one or more of the following:

1. Misspelling;
2. Grammatical error;
3. Numbering error;
4. Cross-referencing error;
5. Language not impacting the intent of the policy itself; or
6. Inconsistency with the rules of style or content previously adopted by the Council in regular or special meeting.