

ARTICLE III. - PURCHASING[3]

Footnotes:

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Editor's note— Ord. No. 08-14, adopted November 4, 2008, amended the Code by repealing former art. III, §§ 2-51—2-61, and adding a new art. III. Former art. III pertained to similar subject matter, and derived from ordinances of February 6, 1990; April 6, 1993; March 1, 1994.

Charter reference— Procurement, property management, § 6.27; purchasing, § 6.28.

State Law reference— Multiyear lease, purchase or lease purchase contracts, O.C.G.A. § 36-60-13; purchases through the state, O.C.G.A. § 50-5-100.

Sec. 2-51. - Introduction.

(a) Purchasing is the procurement of supplies, equipment and services at the lowest prices consistent with the quality needed for the effective operations of the departments of the city. This procurement is an important function of the city, and for any purchasing department to be truly effective, there must be full cooperation between all departments. Serving the needs of each department will be the foremost consideration of the purchasing department. However, to obtain the greatest value for every dollar spent it is necessary to follow a set of procedures when purchases are made. (b) The procedures outlined are to be used by all city employees in requesting and purchasing equipment and supplies. (c) Changes will be issued as new procedures are approved.

(Ord. No. 08-14, 11-4-08)

Sec. 2-52. - Office of purchasing agent.

(a) There is hereby created the position of purchasing agent, who shall be the city's principal public purchasing official. (b) The purchasing agent shall be the city manager or his designated representative.

(Ord. No. 08-14, 11-4-08)

Sec. 2-53. - Objectives.

(a)To conduct city business in such an open manner that potential vendors will be impressed by the fairness of the system and thus be encouraged to furnish competition which will ensure that the city will secure the best product at the lowest price at all times.(b)To encourage competitive purchasing.(c)To develop and maintain an adequate supply of materials, services and supplies as required.(d)To give due consideration to ethical and quality standards and also to real value rather than price alone.(e)To establish and build good relations with suppliers and departments.(f)To discourage, as far as possible, any procedure other than that of competitive purchasing.(g)To purchase the highest quality in supplies, equipment and contractual services at the least expense.

(Ord. No. 08-14, 11-4-08)

Sec. 2-54. - Powers and duties of the purchasing agent.

(a)Observe and enforce the procedures outlined in this manual.(b)Procure for the city the highest quality in supplies and services at the least expense.(c)Supervise and be held responsible for a decentralized purchasing system, whereas department heads have purchasing authority.(d)Encourage competitive bidding at all possible times.(e)Explore the possibilities of buying in bulk to take full advantage of discounts.(f)Prepare written specifications for supplies, equipment and services as required. Specifications shall be developed with information available through governmental and private sources and in cooperation with city departments.(g)Prescribe and maintain such forms as necessary for the operation of the purchasing department.(h)Maintain such files as necessary to the operation of the purchasing department in an organized manner.(i)Authority to declare vendors who default on their quotations irresponsible and to disqualify them from receiving any business from the city for a specified period of time.(j)Authority to remove a bidder from bid list under certain conditions.(k)Obtain all federal and state tax exemptions to which the city is entitled.(l)Investigate and report any possibilities of collusion.(m)Join with other governmental agencies in cooperative purchasing when it is for the best interest of the city.(n)Keep abreast of current developments in the field of purchasing.(o)Advise and assist in formulation of policies concerning purchasing.(p)Responsible for the disposal of city property declared surplus. No city employee shall dispose of city property by trade-in or otherwise without first consulting with the purchasing agent. Departments having property that is no longer needed should submit a description of such to purchasing.

(Ord. No. 08-14, 11-4-08)

Sec. 2-55. - Functions of the departments.

(a) Departments should plan their work so that "rush orders" and emergencies will be held to a minimum. Requests should be forwarded to the purchasing department far enough in advance to allow sufficient time for delivery. (b) Departments should assist the purchasing department by suggesting the names of vendors that have access to particular items being requested, especially items of a technical nature. However, the purchasing department is in no way confined to the vendors suggested. The purchasing department maintains a list of vendors and any responsible firm may be added to that list upon application by telephone or mail. (c) The city is not obligated to purchase equipment or accessories that are delivered for use on a "trial" basis. (d) No department has the authority to order directly from a vendor or negotiate purchases in excess of five hundred dollars (~~\$500.00~~ \$10,000). (e) No city employee shall purchase supplies, material or equipment of any kind for personal use. (f) Department heads will be called upon to assist in writing specifications for bids. Specifications should not be written which are considered "closed" (written around one (1) specific brand). Brand names, model numbers, etc., may be submitted as a guideline as to the type and quality of merchandise desired. However, the wording "or approved equal" will always be added so as not to discriminate against any vendor's merchandise. Competition must be kept in mind throughout the writing of specifications.

(Ord. No. 08-14, 11-4-08)

Sec. 2-56. - Purchasing procedures.

(a) Based on dollar amount. The purchasing procedures to be followed by the City based on the dollar amount of the purchase are as follows, unless under state contract (note: these procedures apply on a per item basis); state contract bidding should be used if available.

~~(1) Up to five hundred dollars (\$500.00) and line item budgeted—direct purchase by the purchasing agent. Each department director shall have the authority to purchase individual goods costing less than \$10,000 each as long as costs remain within the approved budget. The City Manager may approve other employees to be given purchasing authority of less than \$10,000. The City Manager shall have the authority to purchase individual goods costing more than \$10,000 each as long as costs remain within the approved budget or as directed by council.~~

~~(2) Five hundred dollars (\$500.00) up to two thousand dollars (\$2,000) and line item budgeted—minimum of three (3) email or fax quotations. Results of quotations and award to be recorded and filed. Up to (\$10,000) and line item budgeted – the department director should provide the City Manager with a minimum of (3) email or fax~~

quotations and the department director shall have the authority to approve the purchase and sign service agreements and task orders with approved vendors up to \$10,000 as long as cost remains within the approved budget. Results of quotations and award to be recorded and filed.

~~(3)Two thousand dollars (\$2,000.00) up to three thousand five hundred dollars (\$3,500.00) and line item budgeted—minimum of three (3) written quotations and submitted to the city manager. Results of quotations and award to be recorded and filed.~~
Above (\$10,000) and line item budgeted – the department director should provide the City Manager with a minimum of (3) email or fax quotations and the City Manager shall have the authority to approve the purchase and sign service agreements and task orders with approved vendors above \$10,000 as long as cost remains within the approved budget. Results of quotations and award to be recorded and filed

~~(4)Three thousand five hundred dollars (\$3,500.00) up to ten thousand dollars (\$10,000.00) and budgeted—minimum of three (3) written quotations. Purchasing agent and city manager make recommendation to city council and they award the bid. Results of written quotations and award to be recorded and filed.~~

(5)Above ten thousand dollars (\$100,000.00) and budgeted—requires solicitation of advertised formal sealed bids. Purchasing agent and city manager make recommendation to city council and they award the bid. Results of bids and award to be recorded and filed.

(6)Nonbudgeted items—approved by city manager and purchasing agent in amounts up to ~~two ten~~-thousand ~~five hundred~~ dollars (\$~~2,500.00~~ \$10,000.00). Amounts above ~~two a hundred~~-thousand ~~five hundred~~ dollars (~~\$2,500.00~~\$100,000.00) require approval of the mayor and council. Once approval has been granted, comply with the procedures of subsections (1)—(5) above (whichever applies).

(7)Budgeted vehicles—direct purchase from state contract, by department heads with city manager and financial officer approval.

(8)Professional services—mayor and city council may appoint vendors for professional services annually based upon qualifications and experience of the respective vendors. These professional services shall include, but not be limited to, auditor, attorney, solicitor, judge, judge pro tem, engineers, architects, and surveyors.

~~(9)Council review—Items over one thousand dollars (\$1,000.00) not otherwise required to be awarded by council, the city manager or purchasing agent shall bring those items forward for discussion at council committee/work session meetings. Only the~~
department director shall have authority to sign service agreements or task orders with approved vendors on behalf of the City costing less than \$10,000 as long as costs remain within the approved budget. The City Manager is authorized to sign service

agreements and task orders with approved vendors above \$10,000 as long as cost remains within the approved budget.

(10)Exceptions—The requirements of (a)(l)-(5) above shall not apply to public road contracts (as defined in O.C.G.A. Title 32) or public works construction contracts (as defined in O.C.G.A. Title 36).(b)Bond and insurance requirements.(1)Public road project contracts over ~~one hundred five~~ thousand dollars (\$~~5100~~,000.00) require performance bond and payment bond as well as public liability and property damage insurance bonds or policies, and bonds to maintain in good condition; such completed construction for a period of not less than five (5) years, pursuant to O.C.G.A. § 32-4-119. The amount of insurance depends on the size of the project.(2)Public works contracts over one hundred thousand dollars (\$100,000.00) require a bid bond, performance bond, and payment bond in accordance with O.C.G.A. §§ 36-91-50, 36-91-70 and 36-91-90, respectively.(3)Any contractor entering a contract with the city must carry a worker's compensation policy at the minimum statutory limit, unless such contractor is exempt under O.C.G.A. § 34-9-1 et seq.(4)Licensed professionals contracting with the city for services in the amount of forty thousand dollars (\$40,000.00) or more must provide professional liability coverage of at least one million dollars (\$1,000,000.00).

(Ord. No. 08-14, 11-4-08; Ord. No. 2021-02, § 1(Exh. A), 2-2-21)

Sec. 2-57. - Formal bids.

(a)Bid requirements.(1)Public roads. All contracts for public roads exceeding two hundred thousand dollars (\$200,000.00) shall be let by competitive sealed bids after advertising same once a week for at least two (2) weeks prior to the opening of sealed bids, all in accordance with O.C.G.A. §§ 32-4-90 through 32-4-123. Provided, however, that contracts listed in O.C.G.A. § 32-4-113 may be let without advertising and without competitive sealed bids. All contracts for public roads valued at more than ~~twenty~~ fifty thousand dollars (\$~~250~~,000.00) but less than two hundred thousand dollars (\$200,000.00) shall be let only upon receipt and review of at least two (2) estimates or quotes therefor.(2)Public works. Unless otherwise exempt pursuant to O.C.G.A. § 36-91-22, all public works construction contracts exceeding one hundred thousand dollars (\$100,000.00) shall be let by competitive sealed bids or competitive sealed proposals after advertising same for a minimum of four (4) weeks in accordance with O.C.G.A. § 36-91-20 prior to the opening of sealed bids and posting a written notice at city hall for the same length of time. All contracts for public works construction contracts valued at more than twenty thousand dollars (\$20,000.00) but less than one hundred thousand dollars (\$100,000.00) shall be let only upon receipt and review of at least two (2) estimates or quotes therefor.(3)Utility system contracts. Contracts for utility system work, as defined in O.C.G.A. § 43-14-2(17), for which costs exceed one hundred

thousand dollars (\$100,000.00) must be performed by a state licensed utility contractor. Bidders for utility contracting must have a valid license pursuant to O.C.G.A. § 43-14-8.2 or intend to have the work performed by a state licensed contractor.(4)Other contracts. All other contracts not hereinbefore provided for which are required under this article to be competitively procured shall be let by competitive sealed bids or competitive sealed proposals after advertising same once a week for at least two (2) weeks prior to the opening of the sealed bids or proposals.a.Pursuant to O.C.G.A. § 36-80-27, if a bid or proposal opportunity is extended by the city for goods, services, or both, valued at one hundred thousand dollars (\$100,000.00) or more, such bid or proposal opportunity shall be advertised by the city in the Georgia Procurement Registry, as established in O.C.G.A. § 50-5-69(b), at no cost to the city. Such bid or proposal opportunity shall be advertised on such registry for the same period of time, as set by ordinance or policy, if any, as the city advertises bid or proposal opportunities in the official legal organ of the city. Each advertisement shall include such details and specifications as will enable the public to know the extent and character of the bid or proposal opportunity.b.Pursuant to O.C.G.A. § 36-91-20(b), prior to entering into a public works construction contract other than those exempted by O.C.G.A. § 36-91-22, the city shall publicly advertise the contract opportunity. Such notice shall be posted conspicuously in the city's administrative office and shall be advertised on the Georgia Procurement Registry as provided for in O.C.G.A. § 50-5-69 at no cost to the city. Such advertisement on such registry shall be for the same period of time specified under O.C.G.A. § 36-91-20(b)(3). Such notice may be advertised in the legal organ of the city or by electronic means on the city's website or any other appropriate websites identified by the city.

(Ord. No. 08-14, 11-4-08; Ord. No. 2021-02, § 1(Exh. A), 2-2-21)

Sec. 2-58. - Purchasing orders required.

(a)No officer or employee of the city shall request any merchant, dealer or other vendor to deliver goods to the city or any department or officer or employee thereof, except on a regular purchase order approved by the city manager or his designee except as provided hereinafter for emergencies.(b)All purchase orders must be executed by the city manager or his designee(c)Any purchases made without obtaining a purchase order in advance shall be disallowed and payment refused. No purchase order will be issued after the fact. Vendors, merchants and dealers will be deemed to have dealt with any employee or officer who does not have a purchase order at their own risk.

(Ord. No. 08-14, 11-4-08)

Sec. 2-59. - Emergency purchases.

In all cases where there is immediate need for any materials, supplies, goods, wares or merchandise by any department, such department must advise the city manager, and if he cannot be located, the officer or employee must immediately notify the mayor or chairman of the finance committee or chairman of the committee having jurisdiction over that subject matter for action pursuant to section 2-54. In the event none of the above can be reached and an emergency purchase of the item is absolutely necessary, such purchase must be reported to the city manager within twenty-four (24) hours of such purchase.

(Ord. No. 08-14, 11-4-08)

Sec. 2-60. - Discretion on purchases.

In all purchases where quality as well as price and service is involved, the city manager or finance clerk at his direction shall exercise discretion in making the purchase. In all cases where patented items or special purpose items are requested, the city manager or finance clerk at his direction has the discretionary authority to decide whether similar products of equal quality and at a lower price shall be ordered in lieu of items requested.

(Ord. No. 08-14, 11-4-08)

New Section: City Credit Cards

The list of authorized persons shall be determined by the Finance Department and City Manager's office; however, authorized users will include City Manager, Assistant City Manager, Department Heads, and Business Managers. All authorized users must have a signed Credit Card Agreement, acknowledging receipt and understanding of this policy, on file with the City. A copy of the Credit Card Agreement is an attachment to this policy. The City Manager's office must notify the Finance Department of any additional authorized users.

All City credit cards are issued through the Finance Department which establish credit limits upon distribution of the credit card. Transaction limits are established to ensure compliance with state purchasing laws, maintain proper budgetary controls, and to minimize excessive use of any individual credit line. Credit limits vary per authorized

individual and cannot exceed those established by the Finance Department unless authorized by the City Manager's Office. The monthly aggregate spending limit for each card must be no greater than \$5,000.00 unless otherwise documented and authorized by the Finance Director and City Manager for a specific purpose.

All persons assigned a City credit card are responsible for ensuring the safeguarding of the card, the proper use of the card, and the submission of any receipts and appropriate backup for purchases, the City Manager, Assistant City Manager, Department Heads and Business Managers are responsible for ensuring their own and their departmental employees are managing and complying with the use of City credit cards as outlined in the procurement credit card policy.