



## TOWN OF TYRONE EMPLOYEE HANDBOOK

<b>CHAPTER:</b>	<b>Procurement Procedures</b>		
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### **I. PURPOSE**

The purpose of this policy is to establish sound procedures to be followed by employees when purchasing goods and services on behalf of the Town.

### **II. POLICY**

The policy of the Town of Tyrone is to provide fair and equitable treatment of all persons involved in public purchasing with the Town, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

These policies and procedures are designed to ensure that all Town funds are expended in accordance with sound business practices, recorded in compliance with acceptable accounting procedures, and meet the requirements of federal and state agencies that may assist in the financing activities of the Town of Tyrone (Town).

### **III. SCOPE**

This purchasing policy will apply to all Town departments and to other agencies, authorities, commissions, and joint-ventures as the governing authority may deem appropriate.

This document shall be viewed as a manual to be referred to and relied upon by departments of the Town in their acquisition or purchase of goods and services. Each person making purchases, preparing bids and RFP's, and/or any other procurement function on behalf of the Town, is required to read and understand this manual.

#### **IV. GENERAL POLICIES**

##### **A. Full and Open Competition**

The Town will make every effort to obtain high quality goods and services at the best possible price. All procurement procedures will be conducted in a fair and impartial manner with the avoidance of any impropriety. All purchasing transactions are subject to the State of Georgia's Open Records Act.

##### **B. Gratuities and Gifts**

To reduce the potential for conflicts of interest, abuse of position, or even the appearance of impropriety, the Town limits gifts employees or officials may receive from organizations, business concerns, or individuals with which they have (or may have in the future) official relationships concerning the business of Town government. Employees may receive an occasional meal, promotional items routinely distributed by vendors, and de-minimis holiday gifts. Gifts with an actual or perceived value of \$25.00 or less will be considered to be de-minimis.

##### **C. Interests of Officials or Employees in Expenditure of Public Funds**

All transactions of the Town that involve the use of public funds will be in compliance with the requirements of the Town's Code of Ethics ordinance and applicable state law. Refer to Town's Code of Ethics ordinance in Exhibit A.

##### **D. Disclaimer of Responsibility**

The Town will not be responsible or liable for any expenditure or agreement for expenditure made by a Town employee or Town official utilizing public funds who fails to follow this purchasing policy and procedures. It is considered a "breach of duty" on the part of any employee who procures goods or services not consistent with the purchasing policy. Any breach will be reported to the Town Manager and Finance Manager in writing.

The Mayor and Council may disclaim responsibility and liability for any expenditure or agreement for expenditure arising from a procurement of goods or services made in its name, in the name of any governmental department under its fiscal authority, by an unauthorized person acting outside these policies. The cost of any such disclaimed transaction will become the personal liability of the individual who acted improperly.

## **V. SPECIFIC POLICIES**

### **A. Procurement Control**

1. While oversight of this policy is the ultimate responsibility of the Finance Manager, each department head is responsible for the enforcement of these policies and procedures within their respective department(s).
2. Departments are restricted from purchasing or contracting with vendors for goods or services until the vendor is set up in the accounting system by the Finance Department. Departments desiring to utilize a new vendor that is not set up in the system will obtain a W9 from them and provide it to the Finance Department for entry. Once the Finance Department notifies the requesting department that the vendor is set up in the system, business may be conducted with the new vendor.
3. Departments are responsible for preparing and signing a Purchase Order (PO) at the time any goods or services with a cost over \$500.00 are ordered/purchased. PO numbers are obtained by calling the Office Coordinator at Town Hall and must be included on the PO form. Purchases that do not require a PO still require the signature of the responsible department head. The department head's signature on the invoice will fulfill this requirement.
  - a. Note that routine bills over \$500 do not require a PO form. The responsible department head's signature on the stamped invoice will suffice.
4. If required, bids or quotes must be attached to the PO.
5. Once the goods and invoice are received, the PO, packing slip (or other form of documentation showing proof of receipt), and invoice will be matched by the responsible department head and sent to accounts payable for processing.
6. Accounts payable (Finance Department) will review for proper documentation, proper budget coding, and accuracy. Any discrepancies will be reported to the person approving the purchase order before payment is made to the vendor.
7. It is the responsibility of the departments to reconcile vendor invoices specific to their department. The Finance Department will assist in this process on an as needed basis.

8. The Town Manager, or a designee, will have the authority to review all invitations to bid issued on behalf of the Town and to question the quality, quantity, and type of commodity or service requested. The Finance Manager, or a designee, will be responsible for periodic review of purchases on behalf of the Town for compliance with the purchasing policy. Non-compliance will be reported to the Town Manager.

B. Budget Allocation and Control

No procurement which obligates the Town to pay for goods or services will occur unless a budget appropriation is available. Each respective department head or designee has the responsibility of reviewing their budget for funding availability prior to beginning the process of ordering goods or services. The budget can be overridden by the Town Manager, Assistant Town Manager, or Police Chief only in the event of an emergency purchase (as strictly defined in this document). It is the responsibility of the department head to request any needed budget amendments, in writing, to the Finance Manager for submission to Council for approval. The department head is authorized to request operating budget transfers within departmental budgets at his/her discretion by submitting the request, in writing, to the Town Manager and Finance Manager.

C. Procurement Thresholds

Policy pertaining to the amount of a purchase determines how the purchase will be handled. Listed below are general minimums for quotes, bids, and proposal guidelines for supplies and capital expenditures. These thresholds apply to ***aggregate purchases***. For example, if 10,000 screws are purchased for \$1 each, the aggregate price is \$10,000, not the individual price of \$1.

Purchase orders **may not** be split to avoid following these threshold requirements.  
The Finance Department will strictly monitor these requirements.

The Town Manager, Assistant Town Manager, and/or the Finance Manager have the authority to question all purchases, including the vendor selection.

***Please note that federal or state grant-contract procurement requirements may preempt local policy. It is the responsibility of the department administering the grant or contract to follow stated contractual procurement. Non-compliance can result in the Town paying back funds to the federal or state agency.***

Amount	Procedure
Up to \$500	Direct purchase by the department head.
Greater than \$500 and up to \$2500	Three documented quotes are required; Direct purchase to be made by the department head.

Greater than \$2500 and up to \$9999.99	Three documented quotes are required; These purchases must be budgeted and submitted by the Department Head for approval by the Town Manager <u>or Assistant Town Manager, as appropriate</u> . If a purchase is not budgeted, Council approval is required if the amount is \$5000 or greater.
Greater than \$10,000 and up to \$19,999.99	Advertisement on the Georgia Procurement Registry is required; These purchases must be submitted by the Department Head to the Town Manager for review; Requires Council approval.
\$20,000 or greater	Formal sealed bids are required; Must be submitted to the Town Manager and Finance Manager for review; Requires Council approval.

1. Public Works construction contracts (building, altering, repairing, improving, or demolishing of any kind to any public structure, building, or other public real property other than those projects covered by Chapter 4 of Title 32) are required to comply with O.C.G.A. §36-91-1 through §36-91-95. as those provisions relate to advertising, bidding, and all other general requirements outlined therein. Exhibit B attached hereto is hereby incorporated herein for all procurement required over the course of these projects. These contracts shall require a bid bond (5%), a performance bond (100%), and a payment bond (100%).

These requirements may be waived if prior favorable experience justifies allowance of cash deposit or bank letter of credit in lieu of bonding requirements. Such allowances must be approved by Mayor and Council.

2. Bulk fuel is exempt from the formal bid policy due to the quantity, time factor of demand, and the daily pricing volatility. Purchase requires three written quotes from qualified vendors.
3. Recurring Purchases such as utilities, debt service, and contracted services (e.g. backflow testing, exterminating, printing, security monitoring, routine maintenance, cleaning, and advertising) are exempted from this policy. Recurring purchases may be subject to annual formal sealed bidding procedures on a Town-wide basis if deemed necessary by the Town Manager.

#### D. Bidding and Procurement Process

1. Federal and State Contracts

Whenever goods or services are available to the Town through a contract with the federal or state government, and when such items or services meet

the requirements of the department, such item or service will be deemed to have met the requirements of competitive bidding. Once approved, the Town Clerk will archive the contract in the official Town records

2. If any purchase requires a signed contract (services, construction, etc.), said contract will be forwarded to the Town Attorney for review prior to inclusion on the agenda of the Mayor and Council for approval.
3. Cooperative Purchasing Agreements/Intergovernmental Agreements (IGA)

The Town is authorized to enter into cooperative purchasing agreements with other units of government when it is in the best interest of the Town. ***The cooperative purchasing agreement must have been competitively bid by the issuing government entity.*** Departments desiring to enter into these agreements will send the information to the Finance Department for review. The Finance Department will complete the setup process and send the information out to the departments. The Finance Department will maintain a list of agreements on file for the benefit of the departments. Any purchase requiring a signed contract (services, construction, etc.) will be given to the Town Attorney for review and the Town Clerk for inclusion in the agenda of the Mayor and Council. Once approved, the Town Clerk will archive the contract in the official Town records.

4. Professional Services

Professional services are generally not required to be competitively procured, but when determined to be in the best interest of the Town according to the Town Manager, requests for proposals may be issued for professional services. Consequently, department heads must consult with the Town Manager prior to beginning the procurement process for professional services.

A professional service is defined as any service performed by a person or firm that is registered with the Georgia Secretary of State and required to maintain a valid State of Georgia license to provide their respective service, including, but not limited to: engineering, architectural, surveying, testing and special studies, audit and accounting, insurance, financial advisor, court reporting, and legal.

Projects funded or partially funded with federal or state funds may require professional services to be procured according to procedures outlined in the funded activity. The Town is required to follow federal and state procurement procedures when funding dictates. The department receiving the funds or the grant administrator is responsible for proper procurement in relation to the contract or grant administered by the department.

5. Request for Proposal Procedures

a. The requesting department is responsible for:

1. Preparation of the bid document or RFP, which shall include:

a. Place, time, and date when bid/RFP will be received, opened, and/or publicly read.

b. Notice that bids be clearly marked with a departmental bid number on the outside of the package and submitted to the Town of Tyrone Finance Department.

1. Bid numbers will be issued by the Finance Manager and will be formatted as follows:

Department Abbreviation-Year-Sequential Bid Number

Example: PW-2020-01

2. Department Abbreviations are as follows:

a.	Town Hall/Admin:	TH
b.	Public Works:	PW
c.	Police Department:	PD
d.	Court:	MC
e.	Library:	LY
f.	Recreation:	RE

c. Delivery requirements (responsibility for shipping, etc.).

d. A comprehensive list of required specifications.

e. The person to contact for clarification of specifications.

f. Special conditions not included in specifications.

g. Contract conditions and terms.

h. Any applicable federal or state requirements in regards to Town grants or contracts.

i. A statement that the Town reserves the right to reject all bids.

2. Working with Finance and/or the Town Clerk to facilitate advertising the bid in the Town's legal organ, on the Town website, and on the Georgia Procurement Registry, if required.
3. Providing a copy of the bid documents to the Town Clerk for the permanent records.
4. Receipt of bids/RFPs between 8:00 a.m. and 5:00 p.m. Monday through Friday at Town Hall while the bid is open.
5. Recording the date and time bids/RFPs are received on the outside of the envelope/package submitted by the bidder.
6. Maintaining unopened bids in a secure area until bid opening on the date and time as stated in bid/RFP advertisement package.
7. Any bids received after the specified date and time in the bid advertisement will not be opened and will be rejected for consideration.

6. Preference for Georgia Products

In accordance with O.C.G.A. §36-84-1, the Town, when contracting for or purchasing supplies, materials, equipment, or agricultural products, excluding beverages for immediate consumption, shall give preference as far as may be reasonable and practical to such supplies, materials, equipment, and agricultural products as may be manufactured or produced within the State of Georgia. **Such preference will not sacrifice quality.**

7. Local Vendor Allowance

In acknowledgment that local vendors contribute to the Town tax base and promote the local economy, the Mayor and Town Council have determined that, under certain instances, such local vendors will be provided an additional concession when bidding against non-local vendors. If the local vendor's bid meets all the bid specifications and is not more than 4% greater than the lowest bid submitted by the non-local vendor, the lowest local vendor will be given the opportunity to match the lowest bid price. If that local vendor doesn't agree, then the next lowest local bidder (if applicable) will be given the same opportunity to match the low bid and so on until all local vendors have had the opportunity to match the low bid.

This will not apply to road construction and public works projects governed by Georgia Laws or to the purchase of any other goods and/or



services, for which such preference is prohibited by Georgia or Federal Law (for example, grant awards).

A local vendor must maintain a physical presence within Fayette County, including, but not limited to, the maintenance of 1 or more offices and the employment of 2 or more persons prior to the submission of the bid. A post office box maintained within Fayette County does not qualify as a local vendor. The vendor must also be current on property taxes and occupation taxes (for businesses located within the Town limits). Providing proof of the aforementioned requirements shall be the responsibility of the vendor upon request.

8. Cancellation or Rejection of Bid or Proposal

The Mayor and Council reserve the right to cancel any outstanding formal sealed bid or proposal prior to the opening of the bid or proposal and also reserves the right, after the bid opening, but prior to the award of a bid, to reject, in whole or in part, any bid or proposal. Any cancellation or rejection will be consistent with the procurement policies and procedures.

9. Sole Source Vendor

A sole source situation exists when there is only one vendor who can provide the product or service or a particular brand is required for compatibility or repair. Sole source procurement is permissible if a required good or service is available from only a single supplier. To determine that a sole source situation exists, research must be performed by the ~~user~~ responsible department head and proof that the vendor is truly a sole source must be provided. The documentation will be sent to the Finance Department, along with a memo from the responsible department head for record keeping purposes.

Finance will maintain sole source files containing department justification, research documentation, and manufacturer documentation.

10. Emergency Purchase

An emergency purchase is one in which a situation exists where there is a threat to health, welfare, or safety that does not allow time for normal, competitive purchasing procedures. Examples are flooding, power outages, or other natural disasters including, but not limited to, unusual inclement weather. These purchases will only be made by the Town Manager, Assistant Town Manager, or the Police Chief. All emergency purchases will require the Town Manager to approve the purchase order prior to payment by the Finance Department. Items that a department did not realize it would need to operate throughout the year cannot be deemed emergency purchases.

11. Computer Hardware and Software Purchases

Proposed purchases of computer hardware and software must be reviewed by the IT Consultant to ensure compatibility with the Town's equipment and network system, as failure to follow this policy could result in unsupported hardware and software. Requests to purchase computer hardware or software must follow the purchasing policy guidelines.

12. Town Credit Card Purchases

Normal purchasing procedures apply when using the Town's credit card. The credit card is simply a payment method. Under no circumstances shall the Town's credit card be used for personal purchases, even to be reimbursed later by the employee. Employees, appointed officials, and elected officials are permitted to use Town credit cards for travel related expenses while traveling on official Town business and training.

E. Contracts, Leases, and Change Orders

1. All contracts or agreements related to the purchase or lease of goods and services must be:

- a. Sent to the Town Attorney for review; and
- b. Placed on a Town Council agenda, once returned from legal, for consideration and approval by the Council.

2. Change Orders

Any changes that increase the total dollar amount of the original contract or makes a material change to the scope of the project must be approved by the Mayor and Council in a public meeting.

F. Disposal of Town Property

1. Overview and Procedure

Disposal of municipal real and personal property is governed by O.C.G.A. §36-37-6. Annually, or on an as needed basis, the departments will determine any equipment, materials, and other goods determined to be surplus and/or damaged. For financial record keeping and audit purposes, a list is to be maintained by the department of all assets disposed of, method of disposal, and cash received or trade-in value allowed.

Assets may be sold through public auction, formal sealed bids, or over the internet using [www.govdeals.com](http://www.govdeals.com). Per Georgia Code, the method of disposal will be advertised once in the official legal local organ of the County in which the municipality is located not less than 15 days nor more

than 60 days preceding the day of the auction, placement on GovDeals.com, or last day for receipt of proposals.

2. Classifications

- a. Scrap – Any material or item that can be used for re-melting to produce iron, steel, or its alloys.
- b. Waste – All non-metallic refuse which has a marketable value.
- c. Worn or Damaged – May be scrap or waste material or an item that can be sold or used for trade-in.
- d. Obsolete and Surplus – Any material or item that is of no use to the Town.
- e. Excess – Any item that doesn't have an essential or vital purpose for the operations of a department. The item may have value and may be utilized by another department within the Town.

***NOTE: Departments wishing to dispose of property must submit a list of the item(s) along with the suggested classification(s) and suggested method of disposal to Mayor and Council for approval prior to taking any disposal action.***

3. Methods of Disposal

- a. Sealed Bids or GovDeals.com – Used when a material or item is of insufficient quantity to justify the cost of a public auction.
- b. Public Auction – Used when there are a variety of items available in sufficient quantities to justify the cost of a public auction.
- c. Trade-In – Should only be used in situations where it is economically advantageous to do so (i.e. trade – in equivalent to market value, comparison of cash deal to cost with trade- in less fair market value, etc.).
- d. Negotiated Sales to Other Public Entities or Individuals – Available only when fair market value of item is deemed \$500 or less. Documentation must accompany item for sale estimating fair market value.

4. Additional rules apply to the sale and exchange of Town owned real property. Refer to O.C.G.A. §36-37-6.

## EXHIBIT A

### Town of Tyrone Code of Ethics<sup>1</sup>

1. *Conflict of interest.* No elected official, appointed officer, or employee of the town or any agency or political entity to which this code of ethics applies shall knowingly:

(a) Engage in any business or transaction or have a financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of his official duties or which would tend to impair his independence of judgment or action in the performance of his official duties;

(b) Engage in or accept private employment or render services for private interests when such employment or service is incompatible with the proper discharge of his official duties or would tend to impair his independence of his judgment or action in the performance of his official duties;

(c) Disclose confidential information concerning the property, government, or affairs of the governmental body by which he is employed without proper legal authorization, or use such information to advance the financial or other private interest of himself or others;

(d) Accept any valuable gift, whether in the form of service, loan, thing, or promise, from any person, firm, or corporation which to his knowledge is interested, directly or indirectly, in any manner whatsoever in business dealings with the governmental body by which he is employed; provided, however, that any elected official who is a candidate for public office may accept campaign contributions and services in connection with any such campaign;

(e) Represent private interests in any action or proceeding against the council by which he is employed; and

(f) Vote or otherwise participate in the negotiation or the making of any contract with any business or entity in which he has a financial interest.

2. *Disclosure.* Any elected official, appointed officer, or employee of the consolidated government who shall have any private financial interest, directly or indirectly, in any contract or matter pending before or within any department of the city shall disclose such private interest to the council. The mayor or any councilman who has a private interest in any matter pending before the council shall disclose such private interest and such disclosure shall be entered on the records of the council and he shall be entered on the records of the council and he shall disqualify himself from participating in any decision or vote relating thereto. Any elected official, appointed officer, or employee of any agency of political entity to which this code of ethics applies who shall have any private financial interest, directly or indirectly, in any contract or matter pending before or within such agency or entity shall disclose such private interest to the governing body of such agency or entity.

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<sup>1</sup> Also available on Municode:

[https://library.municode.com/ga/tyrone/codes/code\\_of\\_ordinances?nodeId=SPACH\\_APXACOETPRPR](https://library.municode.com/ga/tyrone/codes/code_of_ordinances?nodeId=SPACH_APXACOETPRPR)

3. *Use of public property.* No elected official, appointed officer, or employee of the town or any agency or entity to which this code of ethics applies shall use property owned by such governmental body for personal benefit, convenience, or profit except in accordance with policies promulgated by the council or the governing body of such agency or entity.

4. *Contracts voidable and rescindable.* Any violation of this code of ethics which occurs with the knowledge, express or implied, of another party to a contract or sale render said contract or sale voidable as to that party, at the option of the council.

5. *Ineligibility of elected officials.* Except where authorized by law, neither the mayor nor any councilman shall hold any other elective or appointive office in the town or otherwise be employed by said government or any agency thereof during the term for which he was elected. No former mayor and no former councilman shall hold any compensated appointive office in the city until one year after the expiration of the term for which he was elected.

6. *Political activities of certain officers and employees.* No appointive officer and no employee of the city shall continue in such employment upon qualifying as a candidate for nomination or election to any public office.

7. *Penalties for violation.* Any town officer or employee who willfully conceals such financial interest or willfully violates any of the requirements of this section shall upon conviction be guilty of malfeasance in office or position and shall be deemed to have forfeited his office or position.

## **EXHIBIT B**

### **Public Works Construction Projects**

The Georgia Municipal Association's "Public Works Construction Projects" document<sup>2</sup> is to be used as official guidance when preparing for such projects.

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<sup>2</sup> <https://www.gacities.com/gmasite/media/pdf/publications/publicworks.pdf>