

FINANCE DEPARTMENT

PURCHASING POLICY & PROCEDURES MANUAL



P.O. Box 5500 Sevierville TN 37864-5500 Phone (865) 453-5504 Fax (865) 453-5518

Purchasing Methods and Policies

Purchase Orders

Limits and Authorization

The City Administrator shall be the Purchasing Agent for the City of Sevierville. All supplies, materials, equipment and services of any nature whatsoever shall be acquired by the Purchasing Agent or his authorized representative. The limits of these purchases are as follows:

- 1) **Purchases Totaling less than \$500.00** – An authorized purchase order is not required prior to a purchase of less than five hundred dollars (\$500.00). However, a purchase order must be entered once the cost of the goods/services is known and/or an invoice has been received.
- 2) **Purchases Totaling \$500.00 to \$999.99** - An authorized purchase order is required before placing an order for goods/services when the total cost of those goods/services is between five hundred dollars (\$500.00) and nine hundred ninety-nine dollars and ninety-nine cents (\$999.99).
- 3) **Purchases Totaling \$1,000.00 to \$4,999.99** – Three (3) competitive bids are required before creating a purchase order for goods/services when the total cost of those goods/services is between one thousand dollars (\$1,000.00) and four thousand nine hundred ninety-nine dollars and ninety-nine cents (\$4,999.99). The Purchasing Agent or authorized representative should obtain a written quotation or document any bid obtained via telephone quotation. A bid tabulation sheet (Attachment A) can be used in compiling the information from various vendors. Three (3) competitive bids must be recorded on the purchase order before approval will be granted. All items totaling two thousand five hundred dollars (\$2,500.00) to four thousand nine hundred ninety-nine dollars and ninety-nine cents (4,999.99) will be submitted to the Board of Mayor and Aldermen in the Finance Department monthly report.
- 4) **Purchases Totaling \$5,000.00 to \$9,999.99** – All purchases between five thousand dollars (\$5,000.00) and nine thousand nine hundred ninety-nine dollars and ninety-nine cents (\$9,999.99) must receive prior approval by the Board of Mayor and Aldermen. Once the competitive bids have been compiled, the request to purchase the items should be forwarded to the Finance Department for addition to the agenda of the next regularly scheduled Board of Mayor and Aldermen meeting. Once the Board of Mayor and Aldermen has approved the purchase, a purchase order can then be created. The date of approval must appear on the purchase order description

section of the purchase order when submitted for final payment. An authorized purchase order is required before placing an order for goods/services.

- 5) Purchases Totaling \$10,000.00 or More** - The acquisition of sealed bids is required on all purchases of ten thousand dollars (\$10,000.00) or more. The Purchasing Agent or an authorized representative, generally the department head of the department making the request, will determine the specifications of the goods/services to be purchased. The Finance Department will set a date and time for the public bid opening. One (1) insertion of an invitation to bid will be published in a newspaper of general circulation in the Sevier County area at least five (5) days prior to the bid-opening date. After all bids have been reviewed, the Purchasing Agent or an authorized representative will make a recommendation to the Board of Mayor and Aldermen. The Board of Mayor and Aldermen must approve the purchase before a purchase order can be created. The date of approval must appear on the purchase order when submitted for final payment. A more detailed account of the sealed bid process is located in **Section 2** of this policy manual.

- 6) Concessions Purchases** – Concessions will be purchased considering price, quality, and selection/desired menu offerings and these criteria will be reviewed annually as the basis of purchases.

General Purchasing Guidelines

Departments may not divide purchases for the purpose of avoiding the above mentioned limits. If a foreseeable (within fiscal year) purchase exceeds the limits, regardless of the purchase order breakdown, the gross purchase amount shall determine reporting requirements. Only emergency purchases may be made before obtaining standard authorization.

Budget Overrides and Amendments

The City Administrator must approve all category budget overrides before payment to the vendor can be processed.

A budget amendment will be considered only when additional funds need to be appropriated due to significant changes within a department. The amendment will be presented to the Board of Mayor and Aldermen in the form of an ordinance. Three (3) readings are required before the ordinance is passed. Please contact the Finance Department if a budget amendment needs to be considered.

Purchase Order Generation

Purchase orders are to be entered only after all requirements stated within this policy have been met. The responsibility for entering purchase orders lies with each individual department. Once the Purchasing Agent has approved the purchase order and the purchase has been made, the purchase order may be printed and submitted to the Finance Department for payment.

Emergency Purchases

Emergency purchases are costly and should be kept to a minimum. A true emergency will usually occur as the result of parts and labor needed to repair equipment. Emergencies created through negligence and poor planning shall be avoided. Avoiding emergency purchases will ultimately save the City additional expenditures.

Emergency purchases are to be made by the departments only when normal functions and operations of the department would be hindered by submitting a purchase order in the manner set forth in this policy manual or, where property, equipment or life are endangered through unexpected circumstances and materials, services, etc. are needed immediately. Avoid the use of personal funds unless an emergency has occurred or the purchase has been approved by the City Administrator or Finance Director. The City Administrator must authorize all emergency purchases. The following are steps to handle emergency purchases:

- 1)** The using department shall at all times use sound judgement in making emergency purchases of materials/supplies and for labor or equipment at the best possible price. Orders should be placed with vendors with whom the using department has had previous satisfactory experience.
- 2)** Suppliers must furnish sales tickets, delivery slips, invoices, etc. for supplies or services rendered. Terms of the transaction and price must appear on the documentation provided by the supplier.
- 3)** Upon completion of the purchase, on the same or following business day, the using department shall enter a purchase order for approval. A detailed description of materials, supplies and services rendered as well as the words "EMERGENCY PURCHASE" should appear on the purchase order, along with a brief description of the emergency.
- 4)** The using department shall prepare a memo to the City Administrator, specifying the amount paid, goods purchased, vendor name and the nature of the emergency. If the expenditure exceeds five thousand dollars (\$5,000.00), the Finance Department shall include the item among those for ratification by the Board of Mayor and Aldermen.
- 5)** After review by the City Administrator, the using department prints the approved purchase order. The sales ticket, packing lists, invoices, etc. must be attached to the purchase order and forwarded to the Finance Department for payment.

Travel

The City of Sevierville has adopted the MTAS – Municipal Travel Policy as the standard travel policy for City employees. A copy of this policy may be requested from the Finance Department. All current publications may also be found at www.mtas.tennessee.edu.

Sealed Bids or Proposals

Departmental Responsibility

Sealed bids are required on purchases and construction contracts estimated to be ten thousand dollars (\$10,000.00) or more. Written notice of the invitation to bid shall be published once in a newspaper of general circulation in Sevier County, and at least five (5) days proceeding the last day set for the receipt of proposals. The notice shall include a general description of the goods to be purchased, state where bid forms and specifications may be secured, and the date, time, and location for opening bids.

USING DEPARTMENT'S RESPONSIBILITY

- 1) Prepare and submit a request to initiate bid process to the Finance Department. This should include type of bid and request for bid opening date. Under routine circumstances, this should be submitted at least five (5) weeks before the approximate or desired date of the bid opening.
- 2) Prepare detailed specifications.
- 3) Assist the Finance Department in creating a list of vendors to whom bids should be distributed. This list should consist of vendor's name, mailing address, telephone number, fax number, contact person and e-mail address.
- 4) Attend bid opening to assist with any questions concerning the bid specifications.
- 5) Evaluate bid results and submit a copy of the bid tabulation results as well as recommendation of award to the Administrative Coordinator for approval of the Board of Mayor and Aldermen for the next regularly scheduled meeting agenda.
- 6) Enter purchase order after the Board of Mayor and Aldermen has approved the bid award. The date of approval must appear on the purchase order description section when submitted for final payment.

FINANCE DEPARTMENT'S RESPONSIBILITY

- 1)** Establish date, time, and location for bid or proposal openings.
- 2)** Assemble final draft of specifications (unless of a technical nature, i.e., architectural, engineering, etc.) using department's input and assistance.
- 3)** Proof read the final bid or proposal requests.
- 4)** Prepare and advertise the request for bids or proposals.
- 5)** Mail bid package to possible vendors.
- 6)** Receive and open bids at appropriate bid opening date and time.
- 7)** Give appropriate department copies of the bid tabulation results.
- 8)** Give completed Title VI forms to the Title VI Coordinator.
- 9)** Maintain all specifications, bid data files, and a list of potential bidders who have received bid packages.
- 10)** Notify all bidders of bid results after the Board of Mayor and Aldermen awards the bid.

General Information Regarding Sealed Bids Or Proposals

- 1) Bid or Proposal Opening** – Bids will be opened at the date and time specified on the bid request. All bids are to be opened publicly and read aloud. A bid tabulation form is available to all participating vendors upon request.
- 2) Late Bids** – All bids received after the closing time will not be accepted. All late bids will be maintained (unopened) in the bid file. Bids postmarked on the bid opening date but received after the specified time are considered late and will be maintained (unopened) in the bid file.
- 3) Bid Opening Schedule** – The Finance Department is responsible for setting bid opening dates and times.
- 4) Telephone and Facsimile Bids** – The Finance Department will not accept any bid by telephone or by facsimile. Bids received by facsimile will be maintained in the bid file however, facsimile bids will not be considered.
- 5) Bid Form** – A bid form will be provided in each bid specifications packet to each bidder. Each bidder shall return the original bid form in a sealed envelope addressed to the City Recorder.
- 6) Unsigned Bids** – Failure of a vendor representative to sign the bid proposal may result in the removal of that bid from consideration. A typed official's name will not be accepted without that person's written signature.

- 7) Acceptance of Bids** – The City reserves the right to reject any or all bids, to waive any informalities in a bid, to make awards to more than one (1) bidder, to accept any part or all of a bid, or to accept that bid (or bids) which in the judgement of the Board of Mayor and Aldermen is in the best interest of the City. The City shall not accept the bid of a vendor or contractor who is in default on the payment of any taxes, licenses, fees, or other monies of whatever nature that may be due the City by said vendor or contractor, unless reconciled prior to award of bid by the Board of Mayor and Aldermen.
- 8) Statement when award not given to low bidder** – When the award for purchases and/or construction contracts in excess of ten thousand dollars (\$10,000.00) is not given to the lowest bidder, a full and complete statement of the reason(s) for placing the order elsewhere shall be prepared by the department head and forwarded to the Finance Department. The Finance Department shall file the statement with all other documentation relating to the transaction.
- 9) Shipping Charges** – Bids are to include any/all shipping charges to the point of desired delivery, normally F.O.B. Sevierville. Bid considerations will be based on delivered price, except as otherwise authorized by the Board of Mayor and Aldermen. Bid specifications must include shipping address and specify that any/all shipping charges are to be included in the final bid price.
- 10) Pre-Bid Conference** – On occasion, a product or service will be needed for which little is known or which is of such a technical nature that may need clarification. In this instance, a pre-bid conference may be deemed necessary. The purpose of the pre-bid conference is to gain input and information from possible vendors and to provide vendors with clarification of bid specifications. In the event that such a conference is required, the date and time will be published in the bid specifications.
- 11) Sample Product Policy** – The Purchasing Agent or using department may request a sample product as part of a bid. If stated on the bid request form, the vendor is required to comply with this request or the bid may be removed from consideration. Samples will become the property of the City unless otherwise agreed upon.
- 12) Bid Deposits** – When deemed necessary, bid deposits may be prescribed and noted in the bid specifications. The deposit shall be in such amount as the Purchasing Agent shall determine and unsuccessful bidders shall be entitled to return of the deposits where such has been required. A successful bidder shall forfeit any required deposit upon failure on his part to enter a contract within ten (10) days after the award.
- 13) Performance Bond** – The Purchasing Agent may require a performance bond, before entering a contract, in such amount as he/she shall find necessary to protect the best interest of the City.
- 14) Approved Equal Policy** – Specifications furnished in the request for bid are intended to establish a desired quality or performance level or other minimum requirements which will provide the City with the best product available at the lowest possible price. Approval of equals or substitutes is the sole responsibility of the City or it's authorized agent.
- 15) Contractors Licensing** – On bids over twenty-five thousand dollars (\$25,000.00), the contractors license number, classification, and subcontractor information must appear on the outside of the bid envelope.

16) Alternate Bids – Should it be found, after bids have been opened, that a product has been offered with an alternate specification and this product would prove to be satisfactory and more economical for the City to use, all bids for that item may be rejected and specifications re-drawn to allow all bidders an equal opportunity to submit bids on the alternate item.

17) Vendor Information – Potential suppliers are selected from existing vendor files, and using departments suggestions. New suppliers are added to the bid list as they are identified. A vendor information form (Attachment B) and W-9 form will be provided in each bid specification packet. These forms must be filled out completely and signed by each vendor submitting a bid. A Title VI form (Attachment C) will be provided in each bid specification packet. It is requested that the Title VI form be completed and returned when submitting a bid.

18) Bidders List – The Finance Department will keep an active bidders list on file. Vendors may request by letter, fax, e-mail, telephone or in person to add or remove their company to/from the bidder list. City employees shall forward all such requests to the Finance Department. All vendors on file are automatically notified regarding bids in their respective categories.

19) Rights to Negotiate – If a bid exceeds such amounts estimated to fund the purchase/contract, the City may reject all bids or may award the purchase/contract on the lowest bid with such deductible alternates to produce a net amount which is within the available funds.

20) Acknowledgement of receipt of all bid amendments/addendums – A receipt acknowledgement form is attached to all bid amendments/addendums. It is requested that the acknowledgment form be mailed back to the Finance Department prior to the bid opening.

21) Tie Bids – A tie bid is one in which two (2) or more vendors bid identical items at the same unit cost. Tie bids may be determined by one of the following factors:

- (a) Discount allowed
- (b) Delivery schedule
- (c) Previous vendor performance
- (d) Vendor location
- (e) Trade-in value offered

If all bids received are for the same total amount or unit price, quality and service being equal, the contract or purchase shall be awarded to a local bidder. If a local vendor has not bid or is not one of the lowest tie bids, the contract shall be awarded to one of the tie bidders by drawing lots in public.

22) Cancellation of Invitation to Bid or Request for Proposal – An invitation to bid, a request for proposal, or other solicitations may be cancelled, or any and all bids or proposals may be rejected in part when it is in the best interest of the City. The reasons, therefore, shall be made a part of the bid or proposal file.

23) Public Advertisement - In addition to publication in a newspaper of general circulation as required by law, the Finance Department may make any other efforts deemed appropriate to notify all prospective bidders of the invitation to bid. This may be accomplished via verbal notification, written notification or by posting the invitation to bid in a public place. It is not required that specifications are included in the

invitation to bid; however, this notice should state clearly the product and/or service to be purchased.

24) State/Federal contract prices - The City of Sevierville may take advantage of available "State and/or Federal contract prices". The prices and vendor information are available from the Purchasing Division of the Department of General Services for the items available. When State or Federal contracts are used, the bid requirements and procedures are waived but must be approved consistent with policy.

25) Purchases from other Government Entities - Any municipality may purchase from any other government second-hand articles or equipment or other materials, supplies, commodities, and equipment. These purchases may be made without competitive bidding and public advertisement regardless of charter requirements, and require approval consistent with policy.

26) Penalties for late delivery or performance – The Purchasing Agent may require a penalty for late delivery or performance of services, in such amount as he/she shall find necessary to protect the best interest of the City.

Other Aspects To Be Considered In Bid Award

In addition to price, the following aspects will be considered in the award of a bid:

- 1)** The ability of the bidder to perform the contract or provide the material/service required.
- 2)** Whether the bidder can perform the contract, provide the material/service promptly or within the time specified, without delay or interference.
- 3)** The character, integrity, reputation, experience, and efficiency of the bidder.
- 4)** The previous and existing compliance, by the bidder, with laws and ordinances relating to the contract or service.
- 5)** The ability of the bidder to provide future maintenance and service for the use of the subject contract.
- 6)** Terms and conditions stated in the bid.
- 7)** Compliance with specifications or Request for Proposals.

Non-Performance Policy

Failure of a bidder to complete a contract, bid, or purchase order in the specified time agreed upon, or failure to provide the service, materials, or supplies required by such contract, bid, or purchase order, or failure to honor a quoted price on services, materials, or supplies on a contract, bid, or purchase order may result in one (1) or more of the following actions:

- 1) Removal of a vendor from the bid list for a period to be determined by the Board of Mayor and Aldermen.
- 2) Allowing the vendor to find the needed item for the City from another supplier at no additional cost to the City.
- 3) Allowing the City to purchase the needed services, materials, or supplies from another source and charge the vendor for any difference in cost resulting from this purchase.
- 4) Allowing a monetary settlement.

Delinquent Delivery

Once the purchase order has been issued and approved, no follow up work is required unless the using department advises that the items have not been received. Upon this notification, the department head (of the using department) will initiate action, either written or verbal as time allows, to investigate the delay. The using department will advise the Finance Department of all information pertaining to the purchase order.

Contractual Purchases

Such materials, supplies, or services, which are needed on a consistent basis for City operations will be taken by formal bid and the Board of Mayor and Aldermen will award the contract for a specified period of time. This procedure shall be used in situations where the amount of the purchase of said materials, supplies, or services would be more than ten thousand dollars (\$10,000.00) within the fiscal year.

Contracts, applications for title, agreements, leases and contracts for utilities shall not be signed by any City employee unless authorized in writing by the City Administrator, Finance Director or by action of the Board of Mayor and Aldermen. Contract specifications are as follows:

- 1) **Contracts** – When a contract for service is required, the department head shall consult with the Finance Department to determine if any special provisions should be included in the contract document. Contracts ten thousand dollars (\$10,000.00) and over must be approved by the Board of Mayor and Aldermen and executed by the Mayor and/or City Administrator.
- 2) It is the responsibility of the department head of the using department to execute the terms of the contract and to see that the contracts are in order before obtaining a purchase order.
- 3) If a contract is administered by the using department, a purchase order is to be entered upon award of the bid. If a contract is administered by the Finance Department, the contract shall be forwarded to the Finance Department upon award of the bid.
- 4) **Prohibition of contracts with municipal officers** – State laws governing doing business with officers of the City are:

- a) **T.C.A. Sec. 6-54-107 Contracts with Officers Prohibited** - No person holding office under any municipal corporation shall, during the time for which he was elected or appointed, be capable of contracting with such corporation for the performance of any work, which is to be paid for out of the treasury. Nor shall such person be capable of holding or having interest in such a contract, either by himself or by another, directly or indirectly. (See T.C.A. 6-54-108 for penalty).
- b) **T.C.A. Section 12-4-101 Personal Interest of Officers Prohibited** – It shall not be lawful for any officer, committeeman, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend, any work or any contract in which any municipal corporation, county, state, development districts, utility districts, human resource agencies, and other political subdivisions created by statute shall or may be interested, to be directly or indirectly interested in any such contract. (See T.C.A. 12-4-102 for penalty).

Items Covered By Warranty or Guarantee

The City acquires many items, which 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 using department should review the warranty or guarantee for possible coverage of the item. The using department shall maintain an active current file with complete information on such warranties or guarantees.

Brand Name Designation

When a brand name and/or model is designated, it signifies the minimum quality acceptable. If an alternate is offered, the bidder must include the brand name or model to be furnished. Also included should be complete specifications and descriptive literature as well as a sample for testing if requested by the department head.

Brand and/or models other than those designated as “equal to” products shall receive equal consideration.

Trade-ins

A list of equipment to be used as trade-in shall be incorporated into the request for bids and bid specifications. The list must include the model, year, serial number(s) and the City of Sevierville fixed asset number(s) as well as any other pertinent data.

General Purchasing Information

Fixed Assets

A fixed asset is described as any tangible product, excluding components of a larger assembly, vehicle, machine, or piece of equipment, in which the value is equal to or exceeds five hundred dollars (\$500.00) and has a usage life of three (3) years or more. The following forms must be completed when dealing with fixed assets:

- 1) Fixed Asset Catalog** – When a purchase is made and the cost of that purchase meets the requirements of the definition of a fixed asset, a fixed asset catalog form must be prepared by the Finance Department (Attachment D). Once the initial information is recorded, an asset tag is attached to the form and it is forwarded to the using department. It is then the using department's responsibility to complete the areas highlighted by the Finance Department and affix the asset tag to the fixed asset. The completed form is then returned to the Finance Department within two (2) weeks.

- 2) Fixed Asset Transfer Log** – When a department head determines that a piece of equipment qualifies as a surplus item, the fixed asset can be transferred to another department for their use. The fixed asset transfer log must be completed in its entirety and returned to the Finance Department within two (2) weeks of the transfer. (Attachment E)

- 3) Fixed Asset Disposal Log** - When a department head determines that there is surplus equipment or materials within the department, he or she shall notify the Finance Department in writing of any such equipment or materials. If the equipment has been assigned a fixed asset tag, the department head must complete a fixed asset disposal log and return the completed form to the Finance Department (Attachment F). City property which may be consumed in the course of normal City business and items thought to be worthless shall be disposed of in a like manner to any other refuse. Said items shall be charged off as a routine cost of doing business. Items with any value, that are no longer of use to the City, must be sold at public auction. Fixed assets held for auction shall be classified as inactive until sold, at which time they shall be reclassified as disposed. The Finance Department will notify each department of any upcoming public auction dates and times. No employee may benefit from the sale of City property. Prior to disposal by any means, fixed assets shall be declared as surplus by the City Administrator and that approval shall be forwarded to the Finance Department with the Fixed Asset Disposal Log.

Credit Card Purchases

Credit cards are issued to the City of Sevierville by specific vendors. It is the responsibility of each department head to determine which employees within his/her department should have purchasing privileges with the credit cards issued to the City of Sevierville. The limits of the use of these credit cards are as follows:

- 1)** No purchases over five hundred dollars (\$500.00) can be made without an approved purchase order which must be obtained before the purchase. The department head must authorize all purchases of any amount.

- 2)** The card will be exclusively for City use and is not to be used under **ANY** circumstance for personal use.

- 3)** The purchaser must ensure for every purchase that the City of Sevierville is not charged sales tax. The purchaser will be personally liable for sales tax charged in non-emergency situations.

- 4) The purchaser shall return all sales slips to the Finance Department with the authorized purchase order immediately after the purchase is made.
- 5) Failure to comply with the above listed procedures may result in the revocation of all purchasing privileges for the offending City employee.

Authorized Buyers

Once an employee has been approved to make purchases on behalf of the City of Sevierville, that employee is responsible for ensuring that all paperwork is forwarded to the Finance Department for processing. The Finance Department maintains current records of the names of all City employees who are authorized to make purchases. Any additions/deletions to these records will be handled by the Finance Department.

Petty Cash – Use and Reimbursement

Designated departments are responsible for maintaining a petty cash fund from which low-end purchases may be made when necessary. It is the responsibility of the Purchasing Agent to set the amount of the petty cash fund to be available for such purchases. After an authorized employee obtains cash, the employee will return the unused portion of the funds as well as a receipt detailing the goods/services purchased. The transaction must always balance. Receipt amount and cash returned must equal the amount of cash received to make the transaction. The using department's ledger number should be noted on the receipt. An authorized purchase order with all attached receipts should be forwarded to the Finance Department for the processing of a check to replenish the funds.

Each authorized employee that uses the petty cash must ensure that the City is not charged sales tax. The purchaser will be personally liable for sales tax charged in non-emergency situations. Spontaneous business lunch expenses shall be exempted from this policy.

Avoid the use of personal funds unless necessary in an emergency or when the purchase has been approved by the City Administrator or Finance Director. All emergency purchases must be approved by the City Administrator.

Inspection and Testing

When deemed necessary, the Purchasing Agent may request to inspect all deliveries of supplies, materials, equipment, or contractual services to determine their performance with the specifications set forth in an order or contract. The Purchasing Agent may require chemical and physical tests of materials submitted with bids and delivery samples, or after products have been delivered, to determine their quality in conformance with specifications. In the performance of such tests, the Purchasing Agent may make use of laboratory facilities of any outside laboratory.

Standard Policies and Definitions

- 1) Preference to local dealers** - In the purchasing of supplies, materials, equipment, and services for the City's requirements, preference shall be given to those dealers having stores or warehouses within the City of Sevierville; price, quality, delivery, and service being equal. We expect the bidders to submit the best prices first and to stand firm on the prices quoted. Occasionally we can recognize an obvious error in the quoted prices, in which case the unit price will prevail.
- 2) Federal Excise Tax** – The City of Sevierville is exempt from the payment of taxes imposed by the federal government, and suppliers shall be requested to deduct the amount of such taxes from their bids, quotations, and invoices.
- 3) Standardization Requirements** – Important economies can be effected through standardized supplies and materials that can be purchased in large amounts. Thus, department heads should adopt as standards the minimum number of quantities, sizes, and varieties of commodities, consistent with successful operation. Where practical, material and supply purchases should be based on the requirements of a six (6) month period.
- 4) Inspection of deliveries** – No invoices for supplies, materials, or equipment shall be accepted for payment until supplies, materials, etc. have been received and inspected by the department head or his/her designee.
- 5) Correspondence with Suppliers** – Copies of any correspondence with suppliers concerning prices, adjustments, and defective merchandise shall be forwarded to the Finance Department. All original invoices, bills of lading, delivery tickets, and other papers pertaining to purchases shall be attached to the signed purchase order and forwarded to the Finance Department. A copy may be retained by the using department for future purchases if desired.
- 6) Claims** – The using department shall process all claims for shortages, damaged goods, or other complaints against either the shipper or carrier concerning shipments. The using department shall notify the Finance Department of all claims.
- 7) Public Inspection of Records** – The Finance Department shall keep a complete record of all quotations, bids, and purchase orders. Such records shall be open to public inspection.
- 8) Designee** – When a position such as Purchasing Agent, Finance Director, or Department Head is mentioned herein, their assistants or designees are included as if they also were written thereafter; provided that persons holding these positions have designated others to carry out such duties.
- 9) Cooperative Purchasing** – The Purchasing Agent shall have the authority to join with other units of governments, including the State of Tennessee, in cooperative purchasing when it is deemed that such cooperative purchasing is in the best interest of the City of Sevierville.
- 10) Like Items** – Items that are similar and may be purchased at the lowest common denominator, such as size, color, etc.

- 11) Lot** – A single grouping of like items, which are purchased at one (1) time.
- 12) Single (Sole) Source of Supply** – A product or service that is provided by only one (1) vendor within a reasonable marketable distance of the City.
- 13) Proprietary Product** – A brand-name product made and marketed by one (1) entity having the exclusive rights to manufacture and sell.
- 14) Within the Limits of the Approved Budget** – Purchases must be held within appropriation limits in those funds requiring budgets by law, regulation, or policy. Appropriation limits do not apply to those not requiring budgets, i.e. intergovernmental service funds.
- 15) Performance and Bid Bonds** – Performance and bid bonds as may be deemed appropriated by the Purchasing Agent or the governing body.
- 16) Architect or Engineer Required** – Plans, specifications and estimates for any public works project exceeding twenty-five thousand dollars (\$25,000.00) must be prepared by a registered Architect or Engineer as required by T.C.A. 62-2-107. A registered Architect or Engineer as directed by the City Administrator may prepare projects estimated to cost less than twenty-five thousand dollars (\$25,000.00).

Policies and Procedures Relating to Vendors

Credit Applications

Forward all credit applications to the Finance Department after completing as much information as possible. Careful consideration will be given to the terms of each credit application. Unreasonable terms, such as the request for a personal guarantee, will be omitted from the application before the completed form is returned to the vendor for approval. The Finance Department will specify on each application that an approved purchase order is required for purchases equal to or exceeding five hundred dollars (\$500.00).

The Finance Department must notify vendors during the application process of the City's tax-exempt status. A certificate of tax exemption will be attached to the credit application when it is submitted to the vendor for credit approval.

Credit applications will only be authorized by the Finance Director.

New Vendors

Each department is responsible for completing a vendor information form for new vendors (Attachment B). A properly completed form will contain the following information:

- 1)** Vendor Name
- 2)** Federal Tax Identification Number
- 3)** Business License Information
- 4)** Mailing Address
- 5)** Shipping Address
- 6)** Phone, facsimile and toll free numbers
- 7)** Contact person
- 8)** E-mail address
- 9)** Business structure, i.e., corporation, sole proprietor or partnership

If the business structure is classified as a sole proprietor, the owner's name and social security number are required.

10) Name of person or department requesting the new vendor.

11) A W-9 form must also be completed and signed by the proposed vendor.

Forward the completed vendor information form and W-9 form to the Finance Department for verification. The requesting department will be notified of the number assigned after the business license, if required, has been verified as current.

Check Processing

Checks are processed weekly. Payments are made on all invoices in which the proper documentation and signed purchase orders have been received in the Finance Department by twelve (12:00) noon on Wednesday. It is the responsibility of each department to ensure that all paperwork is submitted to the Finance Department in a timely manner.

Vendor Relations

Bartering, exchange of goods and the use of trade-ins are not acceptable forms of business transactions without the consent of the Board of Mayor and Aldermen.

Bid Tabulation Form

(Attachment A)

City of Sevierville

P.O. Box 5500
 Sevierville, TN 37864-5500
 (865) 453-5504

BID TABULATION FORM

PO #: _____
 Date: _____
 By: _____

			Bidder Name		Bidder Name		Bidder Name	
			Vendor					
			Telephone					
			Quote By					
Item #	Description	Quantity	Unit \$	Total Price	Unit \$	Total Price	Unit \$	Total Price
Total Bid								
F.O.B.								
Delivery Time								

Vendor Information Form

(Attachment B)

City of Sevierville

P.O. Box 5500
Sevierville, TN 37864-5500
865-453-5504

Vendor Name: _____

Federal Tax ID Number: _____

Business License Number: _____

County and State of License: _____

Mailing Address: _____

Shipping Address: _____

Phone Number: _____

Fax Number: _____

Toll Free Number(s): _____

Contact Person: _____

Email Address: _____

Corporation, Sole Proprietor, or Partnership: _____

(If the business is a sole proprietor the owner's name and social security number are required): _____

Name/Department of Requestor: _____

NEW VENDORS WILL BE ADDED AFTER RECEIPT OF THIS COMPLETED FORM AND VERIFICATION OF A CURRENT BUSINESS LICENSE. VENDORS WITHOUT A CURRENT BUSINESS LICENSE WILL NOT BE ACCEPTED. IT IS THE RESPONSIBILITY OF THE FINANCE DEPARTMENT TO ENTER AND UPDATE ALL VENDOR INFORMATION. THANK YOU.

(Attachment D)

City of Sevierville

120 Gary Wade Blvd., P.O. Box 5500
Sevierville, TN 37864-5500
865-453-5504

DATE RECEIVED: _____

FUND/DEPT: _____

VENDOR: _____

DESCRIPTION: _____

MANUFACTURER: _____

ROOM/LOCATION OF ITEM: _____

CHECK NO.: _____

P.O. NO.: _____

PRICE: _____

SERIAL #: _____

I.D. TAG NO.: _____

.....

INFO PROVIDED BY: _____

DATE: _____

I.D. TAG ATTACHED BY: _____

DATE: _____

ENTERED BY: _____

DATE: _____

NOTE: PLEASE MAKE SURE **EACH LINE** HAS THE CORRECT INFORMATION PROVIDED!

Fixed Asset Transfer Log

(Attachment E)

City of Sevierville

120 Gary Wade Blvd., P.O. Box 5500
Sevierville, TN 37864-5500
865-453-5504

DATE TRANSFERRED: _____

DEPARTMENT TRANSFERRED FROM: _____

DEPARTMENT TRANSFERRED TO: _____

DESCRIPTION: _____

MANUFACTURER: _____

ROOM/LOCATION OF ITEM: _____

SERIAL #: _____

I.D. TAG NO.: _____

.....

ASSET RECEIVED BY: _____ DATE: _____

ENTERED BY: _____ DATE: _____

NOTE: PLEASE MAKE SURE **EACH LINE** HAS THE CORRECT INFORMATION PROVIDED!

Fixed Asset Disposal Log

(Attachment F)

City of Sevierville

120 Gary Wade Blvd., P.O. Box 5500
Sevierville, TN 37864-5500
865-453-5504

DATE DISPOSED OF: _____

DEPARTMENT DISPOSED FROM: _____

DESCRIPTION: _____

METHOD OF DIPOSAL: _____

REASON FOR DISPOSAL _____

MANUFACTURER: _____

SERIAL NO.: _____ I.D. TAG NO.: _____

SALVAGE VALUE: _____

ASSET DISPOSED BY: _____ DATE: _____

DEPT. HEAD SIGNATURE: _____ DATE: _____

ENTERED BY: _____ DATE: _____

NOTE: PLEASE MAKE SURE **EACH LINE** HAS THE CORRECT INFORMATION PROVIDED!