

City of Spring Hill, Tennessee
Purchasing Policy
July 1, 2026

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I. General Policies

The purpose of this policy is to establish general standards and guiding principles for the procurement of goods and services by the City. These provisions are intended to promote fairness, transparency, fiscal responsibility, and compliance with applicable laws and regulations, including the Tennessee Municipal Purchasing Law of 1983 (T.C.A. § 6-56-301 et seq.), while ensuring that public funds are expended in the best interest of the City.

This policy shall be reviewed at least annually and updated as necessary to ensure continued compliance with applicable federal and state laws, alignment with best practices, and responsiveness to operational needs.

All elected and appointed officials of the City who participate in the solicitation, award, or administration of purchases and contracts shall comply with all applicable State of Tennessee statutes, City ordinances, and this Purchasing Policy.

City officials shall obtain maximum value for public funds and act in the best interest of the City in all purchasing decisions.

The City Administrator is designated as the Purchasing Agent pursuant to the City Charter and shall provide overall direction and oversight of all purchasing and contracting activities. The City Administrator may designate, in writing, a Purchasing Agent or other qualified employee to perform purchasing functions and duties in accordance with this policy.

The Purchasing Agent shall be responsible for the procurement of all supplies, services, equipment, and construction required by the City, and for the disposition of surplus property, subject to approval by the Board of Mayor and Aldermen where required.

All qualified vendors shall be afforded equal opportunity to compete. Awards shall be made based on best value to the City, taking into consideration price, quality, experience, past performance, and the ability to perform.

The City reserves the right to waive minor informalities, to reject any or all bids or proposals, in whole or in part, and to take such action as is determined to be in the best interest of the City.

The Board of Mayor and Aldermen shall have final approval authority for purchases, contracts, leases, or lease-purchase agreements equal to or exceeding \$50,000. Contracts shall be executed in accordance with the Contract Execution and Signatory Authority section of this policy.

The Purchasing Agent shall have the authority to request and obtain any information, documentation, or records deemed necessary to ensure compliance with this policy.

All departments shall cooperate and provide requested documentation in a timely manner.

Failure to comply with this policy may result in delay or denial of payment, rejection of the procurement, or other administrative action.

The City shall strive to maintain strong and professional relationships with vendors of proven ability, while encouraging open competition and the development of multiple sources of supply.

No employee or official shall accept any gift, gratuity, favor, or other consideration from any vendor, nor shall any employee or official participate in any City transaction in which they have a personal financial interest.

II. Purchasing Agent and Authority

The City Administrator shall serve as the Purchasing Agent for the City as provided in the City Charter and shall have authority to procure supplies, services, equipment, and construction in accordance with this policy and applicable Tennessee law.

The City Administrator may designate a Purchasing Agent or other qualified City employees to perform purchasing functions and duties on behalf of the City. Such designation may include the authority to solicit quotations, prepare solicitations, issue purchase orders, administer contracts, and perform other purchasing activities consistent with this policy.

The Purchasing Agent may approve and execute purchase orders, leases, and lease-purchase agreements with a total value less than \$50,000, provided the term of the agreement does not extend beyond the current fiscal year unless otherwise approved by the Board of Mayor and Aldermen.

All purchases, contracts, leases, or lease-purchase agreements equal to or exceeding \$50,000, or which extend beyond the current fiscal year, shall require approval by the Board of Mayor and Aldermen, unless otherwise authorized by law.

III. Purchase Limits

The Purchasing Agent shall have the authority to make purchases, leases, and lease-purchases of less than \$50,000 singly or in the aggregate during any fiscal year and, except as otherwise provided herein, shall require three competitive bids or quotations, either verbal or written whenever possible prior to each purchase. The following purchase limits shall be observed:

Dollar Amount of Purchase	Requirement
\$0.00 to \$999.99	No quotes/bids - pay as direct charge with Department Head approval
\$1,000.00 to \$4,999.99	Purchase Requisition with justification for purchase. Quotes/bids not required.
\$5,000.00 to \$9,999.99	3 verbal quotes and documented within the requisition, when possible*
\$10,000.00 to \$49,999.99	3 written or email quotes, when possible*
\$50,000.00 and over	Competitive sealed bids and RFPs

**If supporting documentation for competitive procurement cannot be obtained, the requesting department must provide documentation demonstrating a good-faith effort, including vendors contacted, methods of communication, and the date of each attempt.*

The award of purchases, leases, or lease-purchases of \$50,000 or more shall be made by the governing body to the lowest responsible bidder.

Prohibition on Split Purchases

No purchase shall be artificially divided or structured to avoid the requirements of this policy, including quotation requirements, competitive bidding thresholds, or governing body approval.

Any attempt to circumvent purchasing requirements through multiple requisitions, purchase orders, or invoices is strictly prohibited.

IV. Exceptions to Competitive Sealed Bidding

Purchases, leases, or lease-purchases equal to or exceeding \$50,000 that would otherwise require competitive sealed bids or proposals may be exempt from such requirements under the following circumstances, in accordance with applicable Tennessee law.

Except as otherwise provided herein, such purchases shall require approval by the Board of Mayor and Aldermen.

The following are authorized exceptions to the competitive sealed bidding requirement:

1. Sole Source Procurement

Purchases of goods or services that are available from only one source, as determined by the Purchasing Agent after a thorough and documented review of available suppliers.

A written sole source justification shall be required and maintained in the procurement file.

Any manufacturer or vendor certification supporting a sole source procurement shall be current and dated within two (2) years of the proposed procurement.

a. Requirements for Sole Source

All sole source procurements shall require a written justification memorandum, which shall include, at a minimum:

- a description of the goods or services
- the specific reason why only one source is available
- an explanation of why similar goods or services cannot be used
- the efforts made to identify other potential sources (e.g., market research)
- the basis for determining that the price is fair and reasonable

b. Price Verification

When practicable, the requesting department or Purchasing Agent shall:

- obtain cost or pricing data
- compare pricing to previous purchases, market rates, or similar procurements

to ensure that the price is fair and reasonable.

c. Documentation

All sole source procurements shall be fully documented and maintained in the procurement file, including:

- the written justification memorandum

- any supporting market research or pricing analysis
- approval by the appropriate authority

2. Emergency Purchases

Purchases necessary to address an emergency condition affecting public health, safety, welfare, or essential City operations, where immediate procurement is required and the delay associated with competitive bidding would be detrimental to the interests of the City.

Emergency purchases shall comply with the requirements set forth in the Emergency Purchases section of this policy.

3. Cooperative Purchasing / Intergovernmental Agreements

Purchases made through contracts competitively awarded by:

- the State of Tennessee
- other governmental entities
- cooperative purchasing organizations
- in accordance with TCA 12-3-1205 or other applicable law.

4. Purchases from Governmental Entities

Purchases, leases, or lease-purchases of goods or services from any federal, state, or local governmental unit or agency, including the purchase of second-hand equipment or materials.

5. Purchases from Non-Profit Organizations

Purchases from non-profit corporations whose purpose is to provide goods or services specifically to municipalities.

6. Tennessee State Industries

Purchases from Tennessee State Industries or similar state-authorized programs.

7. Insurance Purchases

Purchases of insurance coverage as authorized by Tennessee Code Annotated §29-20-407.

8. Real Property Transactions

Purchases, leases, or lease-purchases of real property.

9. Professional Services

Procurement of professional services as defined by Tennessee law, which shall be obtained through a Request for Qualifications (RFQ) process and not by competitive sealed bidding.

For all purchases made under an exception to competitive sealed bidding, the Purchasing Agent shall ensure that sufficient documentation is maintained in the procurement file to support the use of the exception.

Such documentation shall include, as applicable:

- the justification for use of the exception

- the basis for vendor selection
- any pricing or cost analysis performed
- approval by the appropriate authority

Failure to provide adequate documentation may result in the disallowance of the purchase or other corrective action.

10. Exempt Recurring Payments

Payments for utility services, communication and data services, debt service, and other similar recurring obligations that are governmental, regulated, or contractual in nature shall be exempt from the purchasing limits and policy thresholds established by this policy. Such payments shall remain subject to applicable budgetary controls and approval requirements.

11. State and Federal Agency Expenses

Payments to federal or state governmental agencies for fees, permits, licenses, utilities, taxes, or other required governmental charges shall be exempt from the requirements of this Purchasing Policy.

Such expenses may be processed without competitive bidding or quotation requirements, provided that:

- the payment is made directly to a federal or state agency
- the expense is required by law, regulation, or as part of normal governmental operations

All such expenditures shall:

- be properly documented
- be supported by an approved purchase order or other authorized payment method, when applicable
- comply with applicable budgetary controls

12. Use of Essential Vendors

The Essential Vendor List shall be limited to vendors used by the Public Works Construction Crew for goods, materials, equipment, or services necessary to support construction, repair, maintenance, and time-sensitive field operations.

Procurement from vendors included on the Essential Vendor List may be made without additional competitive bidding when:

- the procurement is for use by the Public Works Construction Crew;
- the procurement is consistent with the purpose for which the vendor was approved;
- the use of the vendor is justified based on operational necessity, sole source conditions, limited availability, or time-sensitive requirements; and
- the purchase is made in accordance with any not-to-exceed amount, scope limitation, or other condition approved by the Board of Mayor and Aldermen.

Approval

The Essential Vendor List shall be:

- limited to vendors supporting the Public Works Construction Crew;
- reviewed and approved annually by the Board of Mayor and Aldermen at the beginning of each fiscal year; and
- maintained by the Purchasing Agent.

Any additions, deletions, or modifications to the Essential Vendor List during the fiscal year shall require approval by the Board of Mayor and Aldermen.

Inclusion on the Essential Vendor List shall not authorize use of the vendor by other departments or divisions unless separately approved in accordance with this policy.

V. Competitive Sealed Bids and Proposals

When Required

Competitive sealed bids or proposals shall be required for all purchases of goods, services, or construction equal to or exceeding \$50,000, unless an authorized exception applies under this policy or applicable law.

Competitive sealed bidding shall be the preferred method of procurement unless it is determined that the use of competitive sealed proposals is more advantageous to the City.

Solicitation Methods

The City may utilize the following solicitation methods:

Invitation to Bid (ITB): Used when specifications are clear and award is based primarily on price

Request for Proposals (RFP): Used when factors other than price, such as qualifications, experience, or technical approach, are significant in the evaluation

The Purchasing Agent shall determine the appropriate solicitation method.

Advertisement

Solicitations shall be publicly advertised in a newspaper of general circulation or other appropriate media at least fourteen (14) calendar days prior to the bid or proposal opening date, unless otherwise authorized by law.

Receipt and Opening

Bids shall be received at the location specified in the solicitation and shall be opened publicly at the designated time and place.

Proposals may be opened publicly; however, evaluation of proposals may be conducted privately to allow for review of qualifications and other evaluation factors.

Late submissions shall not be accepted and shall be returned unopened.

The Purchasing Agent may utilize additional methods of advertisement, including electronic distribution, to maximize competition.

Evaluation

Bids shall be evaluated based on responsiveness and responsibility, with award made to the lowest responsive and responsible bidder, unless otherwise permitted by this policy.

Proposals shall be evaluated based on the criteria set forth in the solicitation, which may include:

- qualifications and experience
- technical approach
- past performance
- cost or price
- other relevant factors

The City may request clarifications, additional information, or presentations from respondents.

Vendor Responsibility and Eligibility

The City reserves the right to determine whether a vendor, bidder, proposer, contractor, or other respondent is responsible and eligible to do business with the City. In making such determination, the City may consider any relevant information, including but not limited to:

- documented prior performance on City contracts or purchase orders;
- failure to perform in accordance with contract requirements, specifications, delivery schedules, or warranty obligations;
- poor workmanship, defective goods, repeated billing issues, or failure to correct deficiencies;
- failure to comply with applicable laws, regulations, licensing, insurance, bonding, or other contractual requirements;
- default, termination for cause, abandonment of work, or repeated failure to meet deadlines;
- material misrepresentation, false statements, or omission of required information;
- unresolved claims, disputes, or unpaid obligations owed to the City;
- suspension, debarment, or exclusion by another governmental entity;
- conduct that demonstrates a lack of integrity, reliability, capacity, or ability to perform the required work.

A vendor may be determined non-responsible or ineligible for a specific procurement when the Purchasing Agent determines, based on documented facts, that award to the vendor would not be in the best interest of the City.

The basis for any determination of non-responsibility or ineligibility shall be documented in the procurement file. When practicable, the vendor shall be provided notice of the determination and an opportunity to provide relevant information before a final determination is made.

Nothing in this section shall prohibit the City from rejecting any or all bids or proposals, waiving minor informalities, or taking any action otherwise authorized by this policy or applicable law.

Award

All awards for purchases equal to or exceeding \$50,000 shall be approved by the Board of Mayor and Aldermen.

The City reserves the right to:

- reject any or all bids or proposals
- waive minor informalities or irregularities
- accept the bid or proposal that is determined to be in the best interest of the City

Bid Irregularities and Mistakes

The Purchasing Agent may permit the correction or withdrawal of bids or proposals in accordance with applicable law and the terms of the solicitation.

Documentation

All solicitations, responses, evaluations, and award decisions shall be documented and maintained in the procurement file.

VI. Emergency Purchases

An emergency purchase is a procurement necessary to address an immediate threat to public health, safety, welfare, or the continued operation of essential City services, where the delay associated with standard procurement procedures would be detrimental to the interests of the City.

Emergency purchases shall be limited to only those goods or services necessary to address the immediate condition.

Poor planning, failure to follow standard procedures, or lack of advance preparation shall not constitute an emergency.

Authorization

All emergency purchases shall require prior approval from the City Administrator or their designee whenever practicable.

In situations occurring after normal business hours, weekends, or holidays, a Department Director may authorize an emergency purchase when immediate action is required; however, the City Administrator shall be notified as soon as practicable.

Competition

Competition shall be obtained to the extent practicable under the circumstances. Departments shall make a reasonable effort to obtain pricing from multiple vendors when time permits.

Documentation Requirements

The requesting department shall submit documentation supporting the emergency purchase. Such documentation shall be provided in the form of a written memorandum and shall include, at a minimum:

- a description of the emergency condition
- justification for the emergency procurement, including why standard procurement procedures could not be followed
- the goods or services procured
- the vendor selected
- the basis for pricing and any quotations obtained
- the total cost of the purchase

The memorandum shall be signed by the Department Director and submitted with the purchase requisition or as soon as practicable following the emergency.

Processing

Emergency purchases shall be processed through a Purchase Requisition and Purchase Order as soon as practicable following the emergency event.

An emergency purchase shall be clearly identified as “Emergency” within the requisition and supporting documentation.

Board Approval

Emergency purchases equal to or exceeding \$50,000 shall be submitted to the Board of Mayor and Aldermen for ratification at the next regular meeting.

If the emergency purchase results in exceeding an approved budget, the requesting department shall obtain the necessary budget amendment approval.

VII. Purchase Methods

Direct Charge

An invoice which has been stamped, coded, approved by the department director and submitted to the Finance Department may be paid as a direct charge provided that the purchase is under the threshold requiring a purchase order. Invoices between \$0 and \$999.99 may be processed for payment as direct charge.

Purchase Requisitions

All purchases of goods and services greater than \$1,000 shall be initiated through an approved Purchase Requisition submitted by the requesting department.

The requisition shall include sufficient detail to describe the goods or services requested, including:

- quantity and description

- actual cost
- vendor
- account number to be charged
- any supporting documentation (quotes, proposals, etc.)

Requisitions shall be reviewed and approved by the appropriate Department Director prior to submission to the Purchasing Agent.

The Purchasing Agent shall review all requisitions for compliance with this policy and may request additional information or documentation as necessary.

No purchase order shall be issued until all required approvals have been obtained.

Invoice Tolerance

Accounts Payable staff are authorized to process and pay invoices that exceed the approved Purchase Order amount by up to ten percent (10%), provided that:

- the overage is reasonable and directly related to the original scope of the purchase
- sufficient funds are available within the applicable budget
- the total invoice amount does not exceed applicable purchasing thresholds requiring additional approval

Any invoice exceeding the Purchase Order amount by more than ten percent (10%) shall require:

- a revised Purchase Order or amendment
- approval in accordance with this policy prior to payment

This provision shall not be used to circumvent competitive bidding requirements, purchasing thresholds, or approval authority established by this policy.

Budget Availability

Purchase Orders may be approved even if the specific budget line item reflects a negative balance, provided that sufficient funds are available within the overall account, fund, or budget category to support the purchase.

Such approvals shall be subject to review by the Purchasing Agent, who may exercise discretion in determining whether the purchase is appropriate based on:

- availability of funds within the broader budget structure
- operational necessity of the purchase
- timing of budget adjustments or anticipated funding

The Purchasing Agent reserves the right to deny or delay approval of any Purchase Order if it is determined that sufficient funding is not reasonably available or if the purchase is not in the best interest of the City.

Approval under this section shall not eliminate the requirement for departments to maintain budgetary control or obtain necessary budget amendments when required.

Contingency Allowances

For certain goods or services where the total cost is not fully known at the time of procurement due to variable or unforeseen conditions, the City may include a contingency allowance within the contract or purchase.

Such conditions may include, but are not limited to:

- vehicle or equipment repairs where damage is not fully known until work begins
- mechanical, electrical, or technical system repairs
- construction or maintenance activities involving concealed or unknown conditions

Authorization

Contingency allowances shall be:

- included as part of the total contract or purchase amount
- identified within the purchase requisition or supporting documentation
- approved in accordance with the purchasing limits and approval thresholds established in this policy

Limits

Contingency allowances shall not exceed twenty percent (20%) of the base contract or purchase amount unless otherwise approved by the Board of Mayor and Aldermen.

The total potential cost, including contingency, shall be used to determine the applicable purchasing thresholds and approval requirements.

Use of Contingency

Contingency funds may only be used for costs directly related to the original scope of work and necessary to complete the work due to unforeseen conditions.

Use of contingency funds shall be documented and justified by the requesting department.

Restrictions

Contingency shall not:

- be used to expand or materially change the original scope of work
- be used to circumvent competitive bidding requirements or approval thresholds

If the total cost, including contingency, is expected to exceed the approved amount or applicable thresholds, additional approval shall be obtained in accordance with this policy.

VIII. Unauthorized Purchases

No employee shall procure goods or services, or otherwise obligate the City, without an approved Purchase Order or other authorized procurement method in accordance with this policy.

Any purchase made without proper authorization shall be considered an unauthorized purchase.

Unauthorized purchases may result in:

- denial of payment
- personal liability for the individual making the purchase
- disciplinary action, up to and including termination

The City reserves the right to refuse payment for any unauthorized purchase.

The Purchasing Agent is authorized to require a written explanation, in memorandum form, from the requesting department for any unauthorized purchase. Such documentation shall become part of the procurement record.

Repeated violations of this policy by any department may result in additional administrative controls or restrictions as deemed necessary by the City Administrator.

IX. Cooperative Purchasing

The City may procure goods and services through contracts competitively awarded by:

- the State of Tennessee
- other federal, state, or local governmental entities
- cooperative purchasing organizations
- provided that such contracts have been awarded through a competitive process that is substantially similar to the requirements of Tennessee law.

Such purchases shall be made in accordance with Tennessee Code Annotated § 12-3-1205 and any other applicable statutes.

The Purchasing Agent may utilize cooperative purchasing contracts when it is determined to be in the best interest of the City, including consideration of:

- pricing competitiveness
- administrative efficiency
- contract terms and conditions
- vendor performance

Documentation supporting the use of a cooperative contract shall be maintained in the procurement file.

Purchases made through cooperative contracts shall be subject to the following approval thresholds:

- Purchases less than \$50,000 may be approved by the Purchasing Agent
- Purchases equal to or exceeding \$50,000 shall require approval by the Board of Mayor and Aldermen unless otherwise authorized by law

The City may, when permitted by the originating contract, “piggyback” onto contracts awarded by other governmental entities, provided that:

- the original contract was awarded through a competitive process
- the contract allows for use by other governmental entities
- the terms and pricing are determined to be in the best interest of the City

The Purchasing Agent may require review of the originating solicitation and contract documents to verify compliance with applicable procurement requirements.

X. Professional Services

Professional services shall be procured in accordance with applicable provisions of Tennessee Code Annotated § 12-4-107 and § 12-3-1209 and shall not be awarded based solely on competitive bidding.

Professional services include, but are not limited to:

- architects
- engineers
- surveyors
- legal services
- financial advisors
- consultants and other services requiring specialized expertise

Professional services shall be procured using a qualifications-based selection (QBS) process.

A. Purchases Less Than \$50,000

Professional services with an estimated cost of less than \$50,000 may be procured without a formal Request for Qualifications (RFQ), at the discretion of the Purchasing Agent.

The Purchasing Agent or requesting department shall make a reasonable effort to select a qualified firm based on experience, expertise, and past performance.

B. Purchases \$50,000 and Above

Professional services with an estimated cost equal to or exceeding \$50,000 shall be procured through a formal Request for Qualifications (RFQ) process.

The RFQ shall include:

- a description of the project or services required
- minimum qualifications
- evaluation criteria
- submission requirements

Evaluation and Selection

Responses to RFQs shall be evaluated based on qualifications, which may include:

- experience and technical competence
- past performance
- capacity to perform the work
- project approach and understanding
- other factors deemed relevant to the project

The City may shortlist firms and conduct interviews as part of the evaluation process.

The City reserves the right to request clarifications, additional information, or presentations from respondents.

Negotiation

The City shall negotiate a contract, including scope and fee, with the most qualified firm.

If a satisfactory agreement cannot be reached, negotiations may be terminated and initiated with the next most qualified firm.

Evaluation Criteria and Discretion

The City shall have sole discretion to determine the evaluation criteria, scoring methodology, and selection process used in the review of bids, proposals, and qualifications, as applicable to each solicitation.

Such criteria and methodology may include any factors deemed relevant to the procurement, including but not limited to qualifications, experience, technical approach, past performance, cost, and other considerations in the best interest of the City.

All evaluation criteria and the basis for selection shall be clearly defined in the solicitation documents or otherwise documented in the procurement file.

The City's evaluation and selection decisions shall be final, provided that such decisions are made in accordance with this policy and supported by appropriate documentation.

Approval Requirements

Contracts for professional services shall be subject to the following approval thresholds:

- Contracts less than \$50,000 may be approved by the Purchasing Agent

- Contracts equal to or exceeding \$50,000 shall require approval by the Board of Mayor and Aldermen

Continuing Services / On-Call Contracts

The City may establish continuing or on-call professional services contracts for recurring needs. Such contracts:

- shall be procured through an RFQ process
- may include multiple firms
- shall define a contract term and not-to-exceed amount
- shall require Board approval if the total contract value exceeds \$50,000

Documentation of the selection process shall be maintained in the procurement file.

XI. Contract Amendments and Change Orders

Contract amendments, change orders, renewals, extensions, and other modifications to existing contracts shall be reviewed and approved in accordance with this policy.

No amendment, change order, renewal, extension, or other modification shall be used to circumvent competitive bidding requirements, purchasing thresholds, or approval authority established by this policy.

The Purchasing Agent may approve amendments or change orders when:

- the amendment or change order is within the original scope of the contract or purchase;
- sufficient funds are available;
- the total revised contract or purchase amount remains below the threshold requiring Board of Mayor and Aldermen approval; and
- the amendment or change order is otherwise in the best interest of the City.
- Any amendment or change order that causes the total contract or purchase amount to equal or exceed \$50,000 shall require approval by the Board of Mayor and Aldermen, unless otherwise authorized by law.
- Any amendment or change order that materially changes the scope of work, extends the contract beyond the approved term, or increases the approved contract amount beyond the authority granted by the Board of Mayor and Aldermen shall require additional approval by the Board of Mayor and Aldermen.

All amendments and change orders shall be documented in the procurement file and shall include the reason for the change, the amount of any increase or decrease, confirmation of available funding, and all required approvals.

XII. Surplus Property and Disposal

Any City department may request that property be declared surplus when such property is no longer needed, is obsolete, damaged, or otherwise unsuitable for City use.

All surplus property shall be reported to the Purchasing Agent, who shall review and determine the appropriate method of disposal.

The Purchasing Agent is authorized to declare personal property as surplus and approve the disposal of such property with an estimated fair market value of less than One Thousand Dollars (\$1,000) per item. Disposal of surplus personal property with an estimated fair market value of One Thousand Dollars (\$1,000) or greater shall require approval by the Board of Mayor and Aldermen prior to disposition. The disposal of real property shall require approval by the Board of Mayor and Aldermen.

Methods of Disposal

Surplus property may be disposed of using one or more of the following methods, as determined by the Purchasing Agent to be in the best interest of the City:

- public auction (including online auction platforms)
- sealed bids
- negotiated sale where competitive methods are not practical or are unlikely to result in a greater return to the City
- trade-in toward the purchase of replacement equipment
- transfer to another governmental entity
- recycling or disposal

The Purchasing Agent may establish procedures for the sale and disposal of surplus property.

Public Sale

Surplus property shall be sold in a manner designed to maximize return to the City, including the use of online auction services or other competitive methods.

Public notice of surplus sales shall be provided when practicable.

Disposal of Low-Value or Unusable Property

Items determined to have little or no value, or which are not practical to sell, may be disposed of through recycling, destruction, or other appropriate means, as determined by the Purchasing Agent.

Documentation

The Purchasing Agent shall maintain records of all surplus property dispositions, including:

- description of the property
- method of disposal
- sale price (if applicable)

- purchaser or recipient
- date of disposition

Prohibited Conduct

City employees and officials shall not purchase surplus property directly or indirectly unless such property is offered through a public sale process open to all bidders.

XIII. Bid Protests Procedures

Right to Protest

Any actual or prospective bidder or proposer who is aggrieved in connection with a solicitation or award of a contract may submit a protest in accordance with this section.

Form of Protest

All protests shall be submitted in writing to the Purchasing Agent and shall include:

- the name and address of the protestor
- the solicitation or contract at issue
- a detailed statement of the grounds for the protest
- supporting documentation, if applicable
- the relief requested

Protests submitted without sufficient detail may be rejected.

Timing

Protests shall be submitted within the following timeframes:

Solicitation protests (e.g., specifications, terms): must be submitted prior to the solicitation due date

Award protests: must be submitted within five (5) business days after the notice of intent to award or contract award

Failure to submit a protest within the required timeframe shall result in the protest being deemed untimely and not considered.

Review by Purchasing Agent

The Purchasing Agent shall review the protest and may:

- request additional information from the protestor
- consult with legal counsel
- review procurement records and evaluation materials

The Purchasing Agent shall issue a written decision within a reasonable timeframe.

Stay of Procurement

Upon receipt of a timely protest, the Purchasing Agent may, at their discretion, suspend the procurement process or contract award if it is determined to be in the best interest of the City.

Appeals

If the protestor is not satisfied with the decision of the Purchasing Agent, the protest may be appealed to the City Administrator within five (5) business days of the decision.

The decision of the City Administrator shall be final, unless otherwise required by law.

Limitation

The filing of a protest shall not automatically delay or invalidate a procurement or contract award.

The City reserves the right to proceed with a procurement if it is determined to be in the best interest of the City.

XIV. Contractual Purchases

The City may establish contracts for materials, supplies, or services that are regularly required for City operations when it is determined to be in the best interest of the City.

Such contracts shall be procured through a competitive process in accordance with this Purchasing Policy when the anticipated total annual expenditure is equal to or exceeding \$50,000.

For contractual purchases with an anticipated total annual expenditure less than \$50,000, the Purchasing Agent may procure such contracts in accordance with the applicable purchasing limits and requirements of this policy.

Contracts established under this section shall:

- define a contract term
- include a not-to-exceed amount or estimated annual expenditure
- be awarded in a manner that promotes competition and best value to the City

The use of contractual purchases shall not eliminate the requirement to comply with purchasing limits, approval thresholds, or other provisions of this policy.

Contract Term

Unless otherwise approved by the Board of Mayor and Aldermen, all contracts for goods or services shall be limited to a term not to exceed three (3) years, with the option for up to two (2) additional one (1) year renewals.

The total potential contract term, including all renewal options, shall be considered in determining compliance with this policy.

All contract renewals shall require approval by the Board of Mayor and Aldermen, regardless of dollar amount.

Renewals shall be exercised at the sole discretion of the City and shall be contingent upon satisfactory vendor performance, availability of funds, and continued need for the goods or services.

Lease and Lease-Purchase Agreements

The City may enter into lease or lease-purchase agreements for equipment, property, or services when it is determined to be in the best interest of the City.

The Purchasing Agent is authorized to approve and execute lease or lease-purchase agreements with a total value less than \$50,000, provided that the term of the agreement does not exceed one (1) year.

Lease or lease-purchase agreements that:

- have a total value equal to or exceeding \$50,000, or
- extend beyond a term of one (1) year
- shall require approval by the Board of Mayor and Aldermen prior to execution.

All lease and lease-purchase agreements shall:

- be subject to the availability of funds
- comply with all applicable provisions of this Purchasing Policy
- clearly define payment terms, duration, and any renewal provisions

Lease agreements shall not be structured in a manner that circumvents the requirements of this policy, including purchasing thresholds or approval authority.

As-Needed Contracts

The City may establish contracts for goods or services to be provided on an “as-needed,” “on-call,” or indefinite delivery basis when it is determined to be in the best interest of the City.

Such contracts shall be procured in accordance with the requirements of this Purchasing Policy, including applicable competitive solicitation thresholds.

The existence of an as-needed contract does not authorize unlimited expenditures. All purchases made under such contracts shall:

- comply with the purchasing limits and approval thresholds established in this policy
- be supported by an approved purchase order or other authorized procurement method
- remain within the total contract amount or not-to-exceed value approved

Individual purchases made under an as-needed contract that exceed applicable purchasing thresholds may require additional approval by the Board of Mayor and Aldermen.

Blanket Purchase Orders

A Blanket Purchase Order (BPO) is a purchase order issued to a vendor for the provision of goods or services on an as-needed basis over a specified period of time.

Blanket Purchase Orders may be used when:

- there is a recurring need for goods or services
- exact quantities or timing of purchases cannot be determined in advance
- pricing has been established through a contract, quotation, or other approved procurement method

Requirements

All Blanket Purchase Orders shall:

- specify a not-to-exceed amount
- be issued for a term not to exceed one fiscal quarter. Blanket Purchase Orders shall not automatically renew and must be reissued for each subsequent quarterly period.
- identify the scope of goods or services
- be issued in accordance with the purchasing requirements of this policy

Approval

All Blanket Purchase Orders shall require approval by the Board of Mayor and Aldermen, regardless of dollar amount.

Use and Control

All purchases made under a Blanket Purchase Order shall:

- reference the applicable purchase order number
- remain within the authorized not-to-exceed amount
- be limited to goods or services within the defined scope

Departments shall monitor usage to ensure that the authorized amount is not exceeded.

Blanket Purchase Orders shall not be used to circumvent competitive bidding requirements.

Exceeding Authorized Amount

If expenditures under a Blanket Purchase Order are expected to exceed the approved amount:

- an amendment or new Blanket Purchase Order shall be required
- such amendment or new Blanket Purchase Order shall be submitted for approval by the Board of Mayor and Aldermen

Documentation

The Purchasing Agent shall maintain records of all Blanket Purchase Orders, including:

- total authorized amount
- expenditures to date
- remaining balance
- term of the purchase order

XV. Contract Execution and Signatory Authority

All contracts, agreements, purchase orders, and other instruments obligating the City shall be executed only by individuals authorized in accordance with this policy and applicable law.

The following signatory authority shall apply:

- The Purchasing Agent is authorized to execute and sign contracts, agreements, purchase orders, and amendments on behalf of the City when such actions are authorized by this policy, within the approved budget, and not otherwise reserved for approval by the Board of Mayor and Aldermen.
- All contracts, agreements, amendments, or other obligations equal to or exceeding \$50,000 shall require prior approval by the Board of Mayor and Aldermen.
- Execution of any contract equal to or exceeding \$50,000 by the Purchasing Agent shall occur only after such approval has been granted by the Board of Mayor and Aldermen.
- No City employee shall execute any contract, agreement, or obligation on behalf of the City unless specifically authorized by this policy or by action of the Board of Mayor and Aldermen.

Any contract, agreement, or obligation executed without proper authority shall be considered unauthorized and non-binding upon the City.