

ORDINANCE NO. 1802

AN ORDINANCE ESTABLISHING PURCHASING POLICY AND PROCEDURE FOR THE CITY OF TALLADEGA, ALABAMA; AND REPEALING ORDINANCE NUMBER 1644 AND ORDINANCE NUMBER 1660.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TALLADEGA, ALABAMA, AS FOLLOWS:

SECTION I. Statement of Purpose:

It is the purpose of this purchasing policy and procedure to provide for a uniform, systematic method of purchasing the goods and services needed by the City of Talladega. It is also intended to define the responsibilities and authority of the Purchasing Director and to advise of the purchasing requirements and limitations imposed by the State of Alabama Competitive Bid Law.

SECTION II. Purchasing Policy and Procedure:

The City of Talladega is responsible for the payment of purchases made only through the approved purchasing procedures. These procedures shall be followed for the acquisition of all materials, supplies, equipment, repairs, leases, services, and all other transactions which obligate the City of Talladega, excluding those services exempt from the Competitive Bid Law under § 41-16-51 and § 41-16-51.1 of the Code of Alabama, 1975.

SECTION III. Authorization for Purchases:

As authorized by the City Council or City Manager of the City of Talladega, all purchases by or on behalf of the City shall be made by the Purchasing Director as provided hereinafter. This action shall be initiated from the head of the department on a requisition form approved by the City Manager clearly setting forth the type of goods or services required. The Purchasing Director is subject to the administrative supervision of the City Manager pursuant to the authority granted in §11-43A-28 of the Code of Alabama, 1975 as amended.

Section IV. Adequate Funding Determination:

Before any action is taken by any Department Head on any request for purchases, the Department Head will determine that adequate funds are available in the departmental budget; and thereafter, the Department Head shall obtain a certification by the Finance Director that adequate funds are available and unencumbered for the requested purpose.

Section V. Consolidating Purchases:

The Purchasing Director shall provide for the consolidation of purchases whenever possible to obtain volume discounts and to assure legal requirements are met.

Section VI. Full Compliance:

All purchases shall be made in full compliance with the Alabama State Competitive Bid Law as codified at §§ 41-16-50 through 41-16-63 of the Code of Alabama, 1975 as amended.

Section VII. Records Open to Inspection:

All purchasing records of the City will be open to inspection by any person at all reasonable times and under reasonable regulations, except where prohibited or restricted by law. Records will be made available upon completion of a records request form available in the Purchasing Director's Office. A reasonable charge may be assessed for the cost of reproduction of requested records.

Section VIII. Requisition Form:

The requisition form attached as Exhibit A will be used by the departments of the City to inform the Purchasing Director of the needs of the requesting department and enable the Purchasing Director to buy all goods, services, materials, and equipment used by the City.

Section IX. Department Head Approval Required:

Preparation of a requisition may be delegated to various department personnel by the Department Head; however, the Department Head must approve and sign all requisitions. In the absence of the Department Head, requisitions will be approved and signed by the designated supervisor(s).

Section X. Advance Preparation Required:

Requisitions should be prepared far enough in advance to allow adequate time for the requisition to be processed. Purchase orders will be issued within five (5) business days after a completed requisition is forwarded to Purchasing Director.

Section XI. Requisitions Subject to Review:

All requisitions will be subject to a budget review by the Finance Director. In the event adequate funds are not available, the requisition will be rejected and returned to the requesting department noting that no funds are available.

Section XII. Information Required on Requisition Form:

Department Heads will request the items to be purchased by completing a requisition form. The department requesting the item will prepare the requisition completing the following information:

1. Date: Enter date requisition is completed.
2. Requested Delivery Date: Enter date items are needed.
3. Ship To: Enter location to which items are delivered.

4. Item: Enter numerical order sequence of items.
5. Description: Enter complete description of item desired giving suppliers stock or model number if available.
6. Quantity: Enter quantity desired.
7. Unit. Enter ordering unit of items desired.
8. Unit Price: Enter unit price if known.
9. Approved By: To be signed by Department Head. Capital equipment or non-budgeted requisitions will require advance approval from the City Manager.
10. Account No.: Enter line item to be charged.

Section XIII. Issuance of Purchase Order:

After the department requisition has been received and reviewed by the Purchasing Director to determine that all pertinent information has been included and proper approving authority has signed the requisition, a purchase order will be issued within five (5) business days to cover the desired items. The purchase order is a contract between the City and vendor, and is the vendor's authorization to ship materials or perform specified services. Only the Purchasing Director or the Purchasing Director's designee is authorized to prepare and issue a purchase order. A purchase order will be issued only after a properly prepared and authorized requisition has been received in the Purchasing Director's Office. All orders to any vendor must have a purchase order completed at the time of placing the order. The following procedure will be used when issuing purchasing orders:

1. The purchase orders will be issued in numerical order. All of the following information will be complete on each purchase order:

- a. Payment Made By: Enter departmental charge code number.
- b. Item Number: This is for consecutive numbering of items on each order.
- c. Schedule of Supplies: Enter description of supplies or services desired.
- d. Quantity: Enter quantity being ordered.
- e. Unit: Enter unit of packaging.
- f. Unit Price: Enter unit prices if available.
- g. Amount: Enter extended price. This will be quantity time's unit price.
- h. Date of purchase order.
- i. City Department.

2. After completing the purchase order, it will be returned to the designated department. No orders will be placed from the Purchasing Director's Office.

3. The purchasing copy will be retained in the accounts payable open file until the order is received completely.

4. Upon receiving the order, the receiving personnel of the department will verify that items and quantities received are the same as items and quantities ordered. If the order is complete and accurate, the receiving personnel will place a check mark by quantity ordered, enter the date received on a copy of the requisition, and forward it to accounts payable. It is important that all receiving information is accurate.

5. If the order is complete, the purchasing copy will be placed with the invoice in the accounts payable files. These files will be maintained in alphabetical order by vendor name.

Section XIV. Emergency Purchases:

The only exception to this purchase order policy will be valid emergencies where there is insufficient time to complete the requisition procedure. For this purpose, an emergency will be defined as a situation which adversely affects the life, health, or convenience of the citizens of Talladega. This exception is not the type of exception that constitutes an exception under the Emergency Doctrine under the Competitive Bid Law (§41-16-50, *et seq.* Code of Alabama, 1975). The Purchasing Director has authority to declare an emergency and authorize a purchase for an amount up to \$15,000.00. In the event of an emergency, a requisition signed by the Department Head will be submitted to Purchasing Director within twenty-four (24) hours after the purchase is made. If purchase is made during the weekend or on a holiday, the requisition will be submitted to Purchasing Director by the close of the next business day.

Any emergency purchase in excess of \$15,000.00 may be approved by the City Council as an exception under the Emergency Doctrine under the Competitive Bid Law. The determination of what particular fact situation constitutes an emergency rests solely within the discretion of the City Council. After investigation, the City Council shall make a finding setting forth the facts of the situation that constitute a danger to the public health, safety or convenience which would result from delay occasioned by advertising for sealed bids; declare these findings in writing; and make these findings and the decision of the City Council a part of the public record. Thereafter, the purchase requisition process shall proceed as above set forth.

Section XV. Bid Solicitation:

All purchases of \$15,000.00 or more will be purchased on a sealed competitive bid basis, except where exempted by law. The bid process takes a minimum of four (4) weeks for advertising, bid opening, formal Council approval and actual placement of the order with successful bidder. This process should be taken into consideration by the Department Head when preparing a requisition for an expenditure of

this nature. The first step in acquiring items through the bid process is to obtain Council approval to solicit bids. After approval is granted to solicit bids, the Department Head must furnish the bid specifications to the Purchasing Director who will advertise, receive and open bids at the specified time. After bids are tabulated and reviewed by the appropriate personnel, the Council will consider the award of the bid. Thereafter, a requisition for the purchase of the bid item(s) must be sent by the Department Head to the Purchasing Director. If the requesting department has any questions concerning item description, delivery items, or probable cost, the Purchasing Director should be consulted. Upon approval to solicit bids, the Purchasing Director's Office will accomplish the following procedures:

1. The Finance Department will verify that funds are available to pay for the purchase. For capital equipment requests, the Finance Department will review the capital outlay budget to determine if the item was approved and return a certification of funds available with the requisition to the requesting department.
2. Complete invitation for bid, filling in the following information:
 - a. Date
 - b. Date bids are to be opened.
 - c. Location of bid opening.
 - d. Description of items or services desired.
 - e. Quantity desired.
 - f. Information concerning Bid and Performance Bonds (if applicable)
3. Distribute copies of Invitation for Bid to eligible vendors on the bid list. Note: Vendors must submit a request in writing to be included on the bid list. This request must state item or items for which the vendor wishes to submit bids.
4. File unopened sealed bids received, together with original copy of Invitation for Bid until date specified for opening.
5. On the designated date and time, open bids in a public forum.
6. Bids will be reviewed by the Purchasing Director and appropriate Department Head to determine lowest responsible bidder.
7. At next scheduled City Council meeting, bids will be presented for formal consideration.
8. After approval by the City Council, requisitions will be submitted by Department Heads and a purchase order will be issued.

Section XVI. Bid Specifications:

It is the responsibility of the requesting department to submit bid specifications for items or services needed to the Purchasing Director. Specifications are a clear and complete description of the essential qualities which products or services must have if they are to meet the requirements of the requesting department. A vendor must meet or exceed specification requirements if the vendor's goods or services are to be considered a purchase. Specifications may be in the form of written descriptions, drawings, commercial designations, industry standards, or other descriptive references and are an integral part of the purchase order to contract. Specifications will not be written in such a manner as to discriminate against any vendor. In the event it is necessary to use brand names, catalog or model numbers as a guide to the vendor as to the type or quality of materials desired, the words "or equivalent" will always be added.

Section XVII. Written to Encourage Competition:

Specifications will be written to encourage competition and give all vendors on the bid list an equal opportunity to submit a quotation for their merchandise.

Section XVIII. Invoices:

All invoices for materials and services utilized by the City of Talladega will be received by the Finance Office. The Accounts Payable Office will enter the correct department account number on the face of the invoice and transmit the invoice with the open purchase order to the Purchasing Offices for verification by the Purchasing Office as to the accuracy of the quantities, prices, and discounts. After verification by the Purchasing Director, the invoices will be forwarded to the Accounts Payable Office for payment. Invoices for construction projects will be approved by the Department Head and the Purchasing Director after the Purchasing Director has verified that quality and quantity of the work performed meets the specifications of the contract. After verification by the Department Head and the Purchasing Director, the invoices will be forwarded by the Purchasing Director to the Accounts Payable Office for payment.

Section XIX. Fixed Assets:

The Finance Director for the City of Talladega is responsible for properly maintaining records of all general fixed assets, including all personal (movable) property of the City. Any item having a purchase price of \$5,000.00 or greater will be noted as a fixed asset for the City of Talladega. Unneeded fixed assets will be disposed of according to the provisions of § 11-47-20, Code of Alabama, 1975 or § 11-43-56, Code of Alabama, 1975, whichever is applicable. Accurate property records are necessary in order to reduce losses of property due to negligence or theft, prevent the acquisition of unneeded, duplicate assets, and identify surpluses and shortages in various departments in order to transfer equipment between departments.

Section XX. Surplus Property:

In the event that a piece of equipment becomes surplus to the needs of a department, or unserviceable, the equipment will be reported to the Council and approved as a surplus. The manner of disposition (traded in, sold at auction, etc.) will be noted on the records along with the disposition date. When property is transferred from one department to another, the Inventory Transfer Form (attached exhibit) must be completed at the time of transfer and disbursed as follows:

- a. Copy to the receiving department
- b. Copy to releasing department
- c. Copy Purchasing Director's Office
- d. Original to Finance Director's Office

Section XXI. Inventory:

Any items, other than materials and supplies, with a value less than \$5,000.00 will be a part of the inventory of the City of Talladega and will be so noted with appropriate markings such as an inventory sticker or engraving. Each new item received that is to be placed on the inventory list will issued an inventory sticker from the Finance Director's Office within thirty days of receiving such item(s).

Any transfer of inventory items among departments will be accompanied by a completed inventory transfer form. The form will be a three part form; one part shall be filed with the department releasing the item(s); one part filed to the receiving department; and the original part delivered to the Finance Director. Each Department Head will maintain their department's inventory list and transfer forms. Each Department Head will be requested to verify their department's inventory annually with the Finance Director.

Unneeded personal property or inventory items will be disposed of according to a resolution adopted by the City Council describing the procedure for disposition of personal property as authorized under the provisions of § 11-43-56, Code of Alabama, 1975.

Section XXII. Vendor Relations:

It is one of the functions of the Purchasing Director and Department Heads to maintain a good relationship with vendors.

1. The Purchasing Director will forward to the Department Heads useful information obtained from interviews, direct mail, and advertising.
2. All departments will refrain from obligating the City to any vendor. All negotiations with the vendor pertaining to prices, terms, conditions, substitutes, deliveries, etc., are to be coordinated by or with the knowledge and consent of the Purchasing Director.
3. No City employee will accept gifts, entertainment, or other favors offered by vendors or their representatives according to the State of Alabama ethics law. This policy will be called to the attention to all vendors and their voluntary cooperation in refraining from offering such gifts or favors will be requested.

Section XXIII. Conflict of Interest:

No employee of the City of Talladega shall participate in selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following persons has a financial or other interest in the firm selected for the award:

- a. Elected Official or an employee of the City of Talladega;
- b. Any member of an Elected Official's or an employee's immediate family;
- c. Any person affiliated with an Elected Official or an employee in a business relationship; and,
- d. An organization which employs, or is about to employ, any of the above.

Section XXIV. Spending Limits:

All purchases will require review and approved by the Purchasing Director, the Finance Director and the appropriate Department Head.

All purchase amounts that equal to or exceed the amount established in Ala. Code 1975, Section 41-16-50, as amended, will require review by the Purchasing Director, the Finance Director, the appropriate Department Head and the City Manager prior to approval of the purchase by the City Council.

Section XXV. City Credit Card Usage:

The Purchasing Director may issue a city credit card to employees or elected officials traveling to conferences or training sessions and on other occasional instances. Alcoholic beverages of any kind shall not be purchased with a city credit card. Any purchases which are not made in accordance with the Travel Policy or the provisions of this Purchasing Manual will be paid by the employee or elected official, not with City funds. The employee or official to whom the credit card is issued must immediately present, upon returning to the regular workplace, itemized receipts of each purchase attached to a completed requisition form to the Purchasing Director. The City credit card must also be returned immediately to the Purchasing Director upon returning. A receipt showing only a total amount will not be in compliance with this policy and will be paid by the employee or official. All purchases made with the City credit card are exempt from sales tax and each person using the credit card is responsible for making the appropriate parties aware of the sales tax exemption. (The City is responsible for paying lodging taxes). If a credit card is used for purchasing of equipment or materials, a purchase order is required before items can be purchased.

Section XXVI. Excluded Parties List Verification:

Prior to the issuance of any purchase order, the Purchasing Office shall verify whether the contractor, subcontractors, and/or vendor named in the purchase order are named on the Excluded Parties List System (EPLS). Any contractor, subcontractor and/or vendor named on the EPLS shall be precluded from entering into any contract for services or sale of goods with the City. The verification of the review of the EPLS shall be documented by the Purchasing Office identifying the name of the contractor, subcontractor or vendor, the date of the verification and the results of the verification, recording said information in an applicable format either in print form or digital form at the election of the Purchasing Office.

Section XXVII. E-verify Compliance:

The Purchasing Office shall require verification of enrollment in the e-verify program from any contractor, subcontractor and/or vendor where there is the award of any contract competitively bid to said contractor, subcontractor and/or vendor that employs one or more employees within the State of Alabama.

The Purchasing Office shall require verification of enrollment in the e-verify program from any recipient of any award or any grant or incentive awarded by the City where said recipient employs one or more employees within the State of Alabama.

All contracts or agreements to which the City is a party shall contain the following language:

“By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.”

Section XXVIII.

The Purchasing Director shall adopt guidelines approved by the City Manager for the purpose of compliance by City employees in the enforcement of this Ordinance.

Section XXIX. Repeal:

Upon the effective date of this ordinance, Ordinance Number 1644 and Ordinance Number 1660 and any amendments thereto are hereby repealed in their entirety.

Section XXX. This ordinance shall take effect immediately upon its passage and publications as provided by law.

ADOPTED and APPROVED this the 21st day of September, 2015.

Councilman Jarvis Elston

Councilman Joe Ballow

Council President Ricky Simpson

Councilman Horace Patterson

Councilman Donnie Miller

City Manager Patrick Bryant

Attested to: Elizabeth Cheeks, City Clerk