

## CITY OF NICHOLSON PURCHASING POLICY

Adopted this 12th day of September, 2016

### OBJECTIVE

The City of Nicholson is funded by public funds and tax revenue. As such, the city purchasing policies and procedures have been established to ensure maximum efficiency and protection of the public trust. Where appropriate, the city uses competitive means for the purchase of all products and services, and believes in open and fair competition. The city also prefers working relationships that are local, to keep in line with the “buy local” motto of Jackson County and its cities. The purchasing levels in this policy are subject to periodic review and may be changed with City Council approval based on inflation and other factors.

It is the policy of the City that all public funds (SPLOST & General Fund) cannot and will not be co-mingled. When making purchases, the expenditures will be dispersed from their designated account, and all revenues received by the City shall be deposited and held in the appropriate account fund to which they are designated.

#### 1. Capital Improvements

##### a. \$0 to \$1000.00

For purchases of \$1,000.00 or less, any director or department head or their designed appointee may complete purchases for any necessary item without the necessity of the City Council approval or competitive bid processes.

##### b. \$1,000.01 to \$9,999.99

Except in situations requiring emergency repairs or purchases covered in Section 8 hereunder, any purchase in excess of \$1000.00 but below \$10,000.00 must have a minimum of three (3) bids sought by the City Clerk, the Mayor or a Department Head. Bids must be in writing or recorded by the City Clerk, including the date, time, and person providing the estimate, and are subject to approval of the City Council prior to purchase.

##### c. \$10,000.01 - \$19,999.99

Except in situations requiring emergency repairs or purchases covered in Section 8 hereunder, any purchase in excess of \$10,000.00 must undergo a public bidding process including adoption of a formal request for proposals advertised in the official organ of Jackson County, Georgia. All bids must be written and maintained for no less than three (3) years. The purchase will require council approval.

d. \$20,000.00+

Any capital project (any purchase other than for city inventory) in excess of \$20,000.00 requires a formal bid process, which will include proper specifications of the project before bids are sought, for a fair and equivalent bid opportunity. The required service and/or materials will be formally bid upon, and all bids will be presented to the City Council at the Council Work Session for discussion, review, and analysis. After scrutiny, the City Council will vote to accept or reject the proposals at the formal Council Meeting. If a bid is approved, ONLY then will the project move forward.

2. Purchases for City Inventory

The City Clerk, Mayor, and Department Heads will strive to obtain as many bids as possible for purchases of city inventory (equipment, vehicles, etc.) over \$10,000.01; however, the City recognizes that many items will be “one of a kind”, or a vehicle that can only be found at one place. In such instances, approval of the purchase can be considered with only one bid. The bid or bids will be presented to the City Council at the Council Work Session; any changes or recommendations they make will be acted upon to their satisfaction. The City Council will vote to accept or reject the bid for the item at the formal Council Meeting.

3. Source Selection Process

This process will be utilized for special projects where the final selection is of a complex or highly technical nature, not simply a matter of accepting the lowest bid. For these types of projects, an open objective and unbiased selection process may be designed. Individuals from various disciplines and areas of expertise may be consulted, with the goal of developing specifications, if necessary.

4. Trade In

Requests for trade-ins will be considered if the equipment cannot be transferred to another department, or sold for more than the trade-in value. If a trade-in is allowed, the department should show on a report a description of the equipment to include the year of manufacture, model number, serial number, and condition.

5. Maintenance and Service Agreements

Maintenance contracts are negotiated as new equipment is acquired and may be renewed on a yearly basis. It is the responsibility of the City Clerk or the Department Head to review and renew this contract. It is not an automatic process.

Service agreements, such as pest control and security systems, are similar. It is the Director or Department Head to provide a copy of the maintenance and/or service agreement to the City Clerk. A copy must be on file with the City Clerk.

6. Vehicle and Equipment Maintenance Purchases

Day to day vehicle and equipment maintenance purchases are a function of the city shop. The Maintenance Supervisor or his designee is authorized to purchase any parts, labor and other services that may be required for the repair and maintenance of city vehicles, equipment, and city structures. All receipts must be returned to the City Clerk. The City Maintenance Supervisor is authorized to make decisions for maintenance work that fall within the scope of this purchasing policy and remain within the city budget for day to day maintenance, and/or, work necessitated for safety reasons or hazardous situations. SEE EMERGENCY PURCHASING PROCEDURES

7. Criteria for Bid Selection.

When the City Council reviews and considers competitive bids, the City Council may consider the following criteria in selecting the winning or acceptable bid.

- a. Price.
- b. The bidders' ability to perform within the specified time limits.
- c. Bidders experience and reputation including past performances for the city.
- d. Quality of the materials and services specified in the bid.
- e. Bidders' ability to meet other terms and conditions, insurance and bond requirements.
- f. They Payment Terms required by contractor.
- g. Bidders' financial responsibility.
- h. Bidders' availability to provide future service, maintenance, and support.
- i. Preference may be given to local bidders.
- j. Any other factors that the city determines are relevant and appropriate in connection with a given project or service.

The city reserves the right at its sole discretion to reject any and all bids, wholly or in part, to waive any informalities or any irregularities therein, to accept any bid even though it may not be the lowest bid, to call for rebids, to negotiate with any bidder, and to make any award which in its sole and absolute judgement will best serve the cities' interest. The city reserves the right to investigate the financial responsibility of any and all bidder's to determine the ability of the bidder to assure service throughout the term of the contract.

8. Emergency Purchasing Procedures

An emergency purchase is described as a purchase of goods or services required to remedy a sudden unexpected situation or fortuitous event demanding immediate action. In such instances, the department head or director shall contact the City Clerk and/or the Mayor, and explain the nature of the emergency.

If the situation is deemed an emergency by the City Clerk and/or the Mayor, the City Clerk or the Mayor may proceed with the purchase without the approval of council, but must report the expense, along with a detailed explanation of the emergency to the City Council at the next Council Work Session or formal Council Meeting, whichever is first.

9. Purchasing Ethics.

In applying this purchasing policy, the Mayor, City Council, and City employees and personnel shall strive to:

- a. Uphold the constitution, laws and regulations of the United States, State of Georgia and City of Nicholson.
- b. Act within the scope, or the individual authorizations and powers, as set forth in the City Charter, Code of Ordinances, and Personnel Policy.
- c. Never use information gathered in the performance of government duty for private gain.
- d. Expose corruption whenever uncovered.
- e. Never discriminate by dispensing special favors or privileges to anyone.
- f. Never accept favors or benefits under circumstances that may be construed as influencing the performance of government duties.
- g. Have a personal financial interest in a contract with the City, unless the interest is disclosed and that person is recused from participating in the decision-making process. Further, city officers, employees or public body members with a financial interest in a contract may not attempt to influence any City employee or decision maker who has influence or decision making power over the contract.

This code of ethics is designed to protect the ethics of the City of Nicholson. Employees must discharge the required duties impartially and in such manner to assure fair and competitive access to the city by responsible vendors.