

## **APPENDIX**

- A. ETHICS PROVISIONS PROVIDED BY STATUTE.
- B. DOWNTOWN CENTRAL BUSINESS IMPROVEMENT DISTRICT.
- C. PURCHASING POLICIES AND PROCEDURES MANUAL.

## Appendix A

### 1. Campaign finance.

All candidates for the Chief Administrative Office (Mayor), any candidates who spend more than \$500, and candidates for other offices that pay at least \$100 a month are required to file campaign financial disclosure reports. Civil penalties of \$25 per day are authorized for late filings. Penalties up to the greater of \$10,000 or 15 percent of the amount in controversy may be levied for filings more than 35 days late. It is a Class E felony for a multicandidate political campaign committee with a prior assessment record to intentionally fail to file a required campaign financial report. Further, the treasurer of such a committee may be personally liable for any penalty levied by the Registry of Election Finance (Tennessee Code Annotated §§ 2-10-101 – 2-10-118).

Contributions to political campaigns for municipal candidates are limited to:

- a. \$1,000 from any person (including corporations and other organizations);
- b. \$5,000 from a multicandidate political campaign committee;
- c. \$20,000 from the candidate;
- d. \$20,000 from a political party; and
- e. \$75,000 from multicandidate political campaign committees.

The Registry of Election Finance may impose a maximum penalty of \$10,000 or 115 percent of the amount of all contributions made or accepted in excess of these limits, whichever is greater (Tennessee Code Annotated §§ 2-10-301 – 2-10-310).

Each candidate for local public office must prepare a report of contributions that includes the receipt date of each contribution and a political campaign committee's statement indicating the date of each expenditure (Tennessee Code Annotated §§ 2-10-105 – 2-10-107).

Candidates are prohibited from converting leftover campaign funds to personal use. The funds must be returned to contributors, put in the volunteer public education trust fund, or transferred to another political campaign fund, a political party, a charitable or civic organization, educational institution, or an organization described in 26 U.S.C. 170(c) (Tennessee Code Annotated § 2-10-114).

### 2. Conflicts of Interest.

Municipal officers and employees are permitted to have an "indirect interest" in contracts with their municipality if the officers or employees publicly

acknowledge their interest. An indirect interest is any interest that is not "direct," except it includes a direct interest if the officer is the only supplier of goods or services in a municipality. A "direct interest" is any contract with the official himself or with any business of which the official is the sole proprietor, a partner, or owner of the largest number of outstanding shares held by any individual or corporation. Except as noted, direct interests are absolutely prohibited (Tennessee Code Annotated § 6-2-402, Tennessee Code Annotated § 6-20-205, Tennessee Code Annotated § 6-54-107 – 6-54-108, Tennessee Code Annotated § 12-4-101 – 12-4-102).

### 3. Disclosure conflict of interests.

Conflict of interest disclosure reports by any candidate or appointee to a local public office are required under Tennessee Code Annotated §§ 8-50-501, et seq. Detailed financial information is required, including the names of corporations or organizations in which the official or one immediate family member has an investment of over \$10,000 or 5 percent of the total capital. This must be filed no later than 30 days after the last day legally allowed for qualifying as a candidate. As long as an elected official holds office, he or she must file an amended statement with the Tennessee Ethics Commission or inform that office in writing that an amended statement is not necessary because nothing has changed. The amended statement must be filed no later than January 31 of each year (Tennessee Code Annotated § 8-50-504).

### 4. Consulting fee prohibition for elected municipal officials.

Any member or member-elect of a municipal governing body is prohibited under Tennessee Code Annotated § 2-10-124 from "knowingly" receiving any form of compensation for "consulting services" other than compensation paid by the state, county, or municipality. Violations are punishable as Class C felonies if the conduct constitutes bribery under Tennessee Code Annotated § 39-16-102. Other violations are prosecuted as Class A misdemeanors. A conviction under either statute disqualifies the offender from holding any office under the laws or Constitution of the State of Tennessee.

"Consulting services" under Tennessee Code Annotated § 2-10-122 means "services to advise or assist a person or entity in influencing legislative or administrative action, as that term is defined in § 3-6-301, relative to the municipality or county represented by that official." "Consulting services" also means services to advise or assist a person or entity in maintaining, applying for, soliciting or entering into a contract with the municipality represented by that official. "Consulting services" does not mean the practice or business of law in connection with representation of clients by a licensed attorney in a contested case action, administrative proceeding or rule making procedure;

"Compensation" does not include an "honorarium" under Tennessee Code Annotated § 2-10-116, or certain gifts under Tennessee Code Annotated § 3-6-305(b), which are defined and prohibited under those statutes.

The Attorney General construes "Consulting services" to include advertising or other informational services that directly promote specific legislation or specifically target legislators or state executive officials. Advertising aimed at the general public that does not promote or otherwise attempt to influence specific legislative or administrative action is not prohibited. Op. Atty.Gen. No. 05-096, June 17, 2005.

5. Bribery offenses.

a. A person who is convicted of bribery of a public servant, as defined in Tennessee Code Annotated § 39-16-102, or a public servant who is convicted of accepting a bribe under the statute, commits a Class B felony.

b. Under Tennessee Code Annotated § 39-16-103, a person convicted of bribery is disqualified from ever holding office again in the state. Conviction while in office will not end the person's term of office under this statute, but a person may be removed from office pursuant to any law providing for removal or expulsion existing prior to the conviction.

c. A public servant who requests a pecuniary benefit for performing an act the person would have had to perform without the benefit or for a lesser fee, may be convicted of a Class E felony for solicitation of unlawful compensation under Tennessee Code Annotated § 39-16-104.

d. A public servant convicted of "buying and selling in regard to offices" under Tennessee Code Annotated § 39-16-105, may be found guilty of a Class C felony. Offenses under this statute relevant to public officials are selling, resigning, vacating, or refusing to qualify and enter upon the duties of the office for pecuniary gain, or entering into any kind of borrowing or selling for anything of value with regard to the office.

e. Exceptions to 1, 3, and 4, above include lawful contributions to political campaigns, and a "trivial benefit" that is "incidental to personal, professional, or business contacts" in which there is no danger of undermining an official's impartiality.

6. Official misconduct, official oppression, misuse of official information.

a. Public misconduct offenses under Tennessee Code Annotated §§ 39-16-401 – 39-16-404 apply to officers, elected officials, employees,

candidates for nomination or election to public office, and persons performing a governmental function under claim of right even though not qualified to do so.

b. Official misconduct under Tennessee Code Annotated § 39-16-402 pertains to acts related to a public servant's office or employment committed with an intent to obtain a benefit or to harm another. Acts constituting an offense include the unauthorized exercise of official power, acts exceeding one's official power, failure to perform a duty required by law, and receiving a benefit not authorized by law. Offenses under this section constitute a Class E felony.

c. Under Tennessee Code Annotated § 39-16-403, "Official oppression," a public servant acting in an official capacity who intentionally arrests, detains, frisks, etc., or intentionally prevents another from enjoying a right or privilege commits a Class E felony.

d. Tennessee Code Annotated § 39-16-404 prohibits a public servant's use of information attained in an official capacity, to attain a benefit or aid another which has not been made public. Offenses under the section are Class B misdemeanors.

e. A public servant convicted for any of the offenses summarized in sections 2-4 above shall be removed from office or discharged from a position of employment, in addition to the criminal penalties provided for each offense. Additionally, an elected or appointed official is prohibited from holding another appointed or elected office for ten (10) years. At-will employees convicted will be discharged, but are not prohibited from working in public service for any specific period. Subsequent employment is left to the discretion of the hiring entity for those employees. Tennessee Code Annotated § 39-16-406.

## 7. Ouster law.

Some Tennessee city charters include ouster provisions, but the only general law procedure for removing elected officials from office is judicial ouster. Cities are entitled to use their municipal charter ouster provisions, or they may proceed under state law.

The judicial ouster procedure applies to all officers, including people holding any municipal "office of trust or profit." (Note that it must be an "office" filled by an "officer," distinguished from an "employee" holding a "position" that does not have the attributes of an "office.") The statute makes any officer subject to such removal "who shall knowingly or willfully misconduct himself in office, or who shall knowingly or willfully neglect to perform any duty enjoined upon such officer by any of the laws of the state, or who shall in any public place be in a state of intoxication produced by strong drink voluntarily taken, or who shall

engage in any form of illegal gambling, or who shall commit any act constituting a violation of any penal statute involving moral turpitude" (Tennessee Code Annotated § 8-47-101).

Tennessee Code Annotated § 8-47-122(b) allows the taxing of costs and attorney fees against the complainant in an ouster suit if the complaint subsequently is withdrawn or deemed meritless. Similarly, after a final judgment in an ouster suit, governments may order reimbursement of attorney fees to the officer targeted in a failed ouster attempt (Tennessee Code Annotated § 8-47-121).

The local Attorney General or City Attorney has a legal "duty" to investigate a written allegation that an officer has been guilty of any of the mentioned offenses. If he or she finds that "there is reasonable cause for such complaint, he shall forthwith institute proceedings in the Circuit, Chancery, or Criminal Court of the proper county." However, with respect to the City Attorney, there may be an irreconcilable conflict between that duty and the City Attorney's duties to the City, the Mayor, and the rules of professional responsibility governing attorneys. Also, an Attorney General or City Attorney may act on his or her own initiative without a formal complaint (Tennessee Code Annotated §§ 8-47-101 – 8-47-102). The officer must be removed from office if found guilty (Tennessee Code Annotated § 8-47-120).

**Appendix B****Downtown Central Business Improvement District**

SITUATE in the Fifth (5th) Civil District of Sevier County, Tennessee, and within the corporate limits of the City of Sevierville, Tennessee, said area being the same as, and identical to, the (C-1) Central Business District as established by the "Zoning Map of the City of Sevierville, Tennessee" dated October 10, 1981, as provided by Ordinance No. 414, and being more particularly described as follows:

BEGINNING at a point marking the intersection of the southerly edge of the right of way of Main Street with the easterly edge of the right of way of the Sevierville By-Pass, said point being the northwesternmost corner of the property herein described; thence from said point of beginning, continuing with the easterly edge of the right of way of the Sevierville By-Pass in a southerly to southeasterly direction the following approximate distances: 315 feet to a point in the center of the right of way of Commerce Street at its intersection with the Sevierville By-Pass; thence 280 feet to a point in the center of Bruce Street at its intersection with the Sevierville By-Pass; thence 1340 feet to a point in the center of Prince Street Extended at its intersection with the Sevierville By-Pass and thence 1150 feet to the point of intersection with the easterly edge of the right of way of the Sevierville By-Pass with the northerly edge of the right of way of Tennessee Highway No. 71 (a/k/a the Gatlinburg Highway); thence leaving the easterly edge of the right of way of the Sevierville By-Pass and with the northerly or westerly edge of the right of way of Tennessee Highway No. 71 in a northerly direction the following distances: 200 feet to a point in the center of Court Avenue at its intersection with Tennessee Highway No. 71; thence 1055 feet to a point in the center of Prince Street at its intersection with Tennessee Highway No. 71; thence 230 feet to a point in the center of Church Street at its intersection with Tennessee Highway No. 71; thence 220 feet to a point in the center of Cedar Street at its intersection with Tennessee Highway No. 71; thence 200 feet to a point in the center of Joy Street at its intersection with Tennessee Highway No. 71; thence 270 feet to a point in the center of Bruce Street at its intersection with Tennessee Highway No. 71; thence 575 feet to a point at the intersection of Tennessee Highway No. 71 with the southerly edge of the right of way of Main Street; thence leaving Tennessee Highway No. 71 and continuing with the southerly edge of the right of way of Main Street in a westerly direction the following distances: 640 feet to a point in the center of Court Avenue at its intersection with Main Street; thence 265 feet to a point in the center of County Avenue at its intersection with Main Street; thence 470 feet to the point of beginning. This description being taken from the records contained in the Sevier County, Tennessee, Tax Assessor's Office.

## APPENDIX C

*(as added by Ord. #2021-017, Oct. 2021*

*Ch6\_02-07-22)*

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# **PURCHASING POLICY & PROCEDURES MANUAL**

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October 4, 2021

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**Forms – Located on Staffnet – Forms or Policy Tabs** <http://staffnet.sevierville.priv/>

Bid Tabulation Form <http://staffnet.sevierville.priv/Forms/Current Forms/Bid Tabulation.pdf>

Board Memorandum Template <http://staffnet.sevierville.priv/Forms/Blank Form - Board Memorandum - Master - Updated 7-30-21.docx>

Budget Transfer Form <http://staffnet.sevierville.priv/Forms/Current Forms/Budget Transfer Form.pdf>

Business Tax and License Affidavit <http://staffnet.sevierville.priv/Forms/Business Tax License Affidavit.pdf>

Fixed Asset Catalog <http://staffnet.sevierville.priv/Forms/Fixed Asset Catalog.pdf>

Fixed Asset Disposal Log <http://staffnet.sevierville.priv/Forms/Fixed Asset Disposal.pdf>

Fixed Asset Transfer Log <http://staffnet.sevierville.priv/Forms/Fixed Asset Transfer.pdf>

Qualification Based Selection <http://staffnet.sevierville.priv/Forms/Qualification Based Selection Appendices.pdf>

Resolution R2005-007 Petroleum Fuel <http://staffnet.sevierville.priv/Policies/Fuel Purchasing.pdf>

TDOT Consultation Selection <http://staffnet.sevierville.priv/Internal Support/documents/TDOT Consultant Selection Policy.pdf>

Title IV <http://staffnet.sevierville.priv/Forms/Title VI Information.pdf>

Travel Authorization Form <http://staffnet.sevierville.priv/Forms/Travel Authorization updated 06232021.pdf>

Uniform Policy <http://staffnet.sevierville.priv/Policies/Uniform Policy.pdf>

Vendor Information Form <http://staffnet.sevierville.priv/Forms/vendor information form update 03292021.pdf>

## Did You Know?

**Purchases totaling less than \$5,000** – Pre-authorized purchase order not required but must be entered once known.

**Purchases \$5,000 - \$9,999.99** – Three (3) quotes required on purchase order to be approved – Departments retain quote documents.

**Purchases \$10,000 - \$24,999.99** – Three (3) written quotes and prior approval by Board of Mayor and Aldermen before a purchase order entered and approved.

**Purchases \$25,000 or more** – Sealed bids, contact Purchasing Agent.

**Commodities** – Purchased based on spot pricing current market, limited to budgeted amounts, authorized purchase order before placing order, quotes listed on purchase order, Department retains quote documents.

**Ethics** – Good stewardship to the City, no gratuities, gifts should be nominal amount or returned.

**Budget Transfers** – Approved by City Administrator, no Department may exceed total budget.

**Emergency Purchases** – Critical functions, **MUST** have City Administrator approval.

**Travel** - Pre-Approved by City Administrator, per diem rates [www.gsa.gov](http://www.gsa.gov) and both MTAS and State of Tennessee policies found on <http://staffnet.sevierville.priv/Policies/policies.html>

**Lodging** – Receipts are required and must itemize room charges and taxes by date. Sales tax exempt within Tennessee.

**Conference Lodging** – If documentation is provided by a conference brochure or registration, a higher rate will be allowed.

**Per Diem for Incidentals** – Are intended to include miscellaneous costs associated with travel.

**Meals for One Day Travel** – Per diem is not permitted for employees on one day travel status with no overnight stay. See policy for additional information.

**Meeting Meals** – Are reimbursable if not on travel status. Example: During an MTAS class a break is programmed into the day and a meal is provided with the cost not included in the class. The meal is purchased by the employee it is a reimbursable expense.

**Policies and Forms** – Located on: <http://staffnet.sevierville.priv/>

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## Purchasing Methods and Policies

### Purchase Orders

#### Limits and Authorization

The City Administrator or his designee 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 purchase are as follows:

- 1) **Purchases Totaling less than \$5,000.00** – An authorized purchase order is not required prior to a purchase of less than five thousand dollars (\$5,000.00). However, a purchase order must be entered once the cost of goods/services is known.
- 2) **Purchases Totaling \$5,000.00 to \$9,999.99** – All purchases between five thousand (\$5,000.00) and nine thousand nine hundred ninety-nine dollars and ninety-nine cents (\$9,999.99) require a minimum of three (3) competitive quotes. Requisitioners are encouraged to obtain as many quotes as practical. A bid tabulation sheet [http://staffnet.sevierville.priv/Forms/Current\\_Forms/Bid\\_Tabulation.pdf](http://staffnet.sevierville.priv/Forms/Current_Forms/Bid_Tabulation.pdf) can be used in compiling the information from various vendors. Three (3) competitive quotes must be recorded on the purchase order before approval will be granted.
- 3) **Purchases Totaling \$10,000.00 to \$24,999.99** – All purchases between ten thousand dollars (\$10,000.00) and twenty-four thousand nine hundred ninety-nine dollars and ninety-nine cents (\$24,999.99) must receive prior approval by the Board of Mayor and Aldermen. Once the three (3) written competitive quotes have been compiled, the request to purchase the items shall be forwarded with a Board Memorandum [http://staffnet.sevierville.priv/Forms/Blank\\_Form - Board Memorandum - Master - Updated 7-30-21.docx](http://staffnet.sevierville.priv/Forms/Blank_Form_-_Board_Memorandum_-_Master_-_Updated_7-30-21.docx) to the Administration Department for addition to the agenda of an upcoming Board of Mayor and Aldermen meeting. Once the Board of Mayor and Aldermen has approved the purchase, a purchase order shall then be created. The date of Board approval must appear on the purchase order description section of the purchase order. An authorized purchase order is required before placing an order for goods/services. Departments must retain quote information in accordance with MTAS policy.
- 4) **Purchases Totaling \$25,000.00 or More** - Sealed bids are required on all purchases of twenty-five thousand dollars (\$25,000.00) 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 Purchasing Agent 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. A more detailed account of the sealed bid process is in Section 2 of this policy.
- 5) **Concessions Purchases** – Concessions will be purchased considering price, quality, and desired menu offerings, and these criteria will be reviewed annually as the basis of purchases.

- 6) **Commodities** – Items that are designated as commodities will be purchased considering the current market price at the time the purchase is necessary, limiting the purchase to the budgeted amounts. Board of Mayor and Aldermen must approve commodity designation. The commodity designation may be approved for up to three (3) years. The date of Board 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/service.

Petroleum fuels for vehicle use will be purchased primarily by the Fleet Department following guidelines set forth in Resolution NO. R2005-007 [http://staffnet.sevierville.priv/Policies/Fuel\\_Purchasing.pdf](http://staffnet.sevierville.priv/Policies/Fuel_Purchasing.pdf) passed by the Board of Mayor and Aldermen on May 2, 2005.

## General Purchasing Guidelines and Ethics

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 requirements. Purchases for which reimbursement is anticipated must comply with all purchasing requirements. Anticipated reimbursement documentation must be forwarded to accounts receivable. Only emergency purchases approved by the City Administrator may be made before obtaining standard authorization.

### Responsibility to the City

- Follow the lawful instruction or laws of the City and Tennessee law.
- Understand the authority granted by the City and Tennessee law.
- Avoid activities which would compromise or give the perception of compromising the best interests of the City.
- Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition.
- Obtain the maximum benefit for funds spent as agents of the City.

### Conflict of Interest

- Avoid any private or professional activity that would create a conflict between your personal interest and the interests of the City.
- Take care when engaging in personal business with any company that is a supplier to the City. In situations where engaging in personal business with a supplier is unavoidable the employee shall make clear to the supplier that he is not allowed and cannot accept preferential treatment from the company.
- Avoid lending money to/or borrowing money from any supplier.

No appointed, or elected official shall have any financial interest in the profits of any contract, service or other work performed for the City. He shall not personally profit directly or indirectly from any contract, purchase, sale or service between the City and any person or company. Any employee having a direct or indirect interest must confirm in writing that they have no influence in the decision making or conflict of interest with the award of the contract. Any employee violating provisions of this rule shall be subject to appropriate disciplinary action including dismissal.

“Direct Interest”, means any purchase or contract with the employee himself or with any business in which the employee is sole proprietor, a partner, or the person having at least 5% ownership interest in the business.

“Indirect Interest”, means any purchase or contract in which the employee has no direct interest, however a

spouse or relative has an interest in the contract. A conflict of interest exists if a spouse or relative co-mingles their assets.

### **Gratuities**

- Never solicit or accept money, loans, credits or prejudicial discounts, gifts, entertainment, favors or services from your present or potential suppliers which might influence or appear to influence purchasing decisions.
- Never solicit gratuities in any form for yourself or the City.
- Items of nominal value offered by suppliers for public relations purposes are acceptable when the value of such items has been established by the City and would not be perceived by the offeror, receiver or others as posing an ethical breach.
- Gifts offered exceeding nominal value should be returned with an explanation or if perishable either returned or donated to a charity in the name of the supplier. Nominal value is fifty dollars (\$50.00).
- In the case of any gift, care should be taken to evaluate the intent and perception of acceptance to ensure that it is legal, that it will not influence your buying decisions, and that it will not be perceived by your peers and others as unethical.

### **Business Meals**

- There are times when during the course of business, it may be appropriate to conduct business during meals. The meal should be for a specific business purpose. Purchase order should identify attendees and business purpose. Alcohol shall never be purchased with City's monies.
- Avoid meals with suppliers unless necessary.
- The purchasing professional should pay for meals as frequently as the supplier.
- Budgeted funds should be available for such purpose, as necessary.

### **Relationship with the City**

- Remain focused on the best interests of the City.
- Buyers should not engage in activities if there are significant personal/financial interests.
- Exercise discretionary authority on behalf of the City.
- All involvement and transactions shall be handled in a professional manner with the interest of the City taking precedent.

### **Relationship with Professional Purchasing Organizations and Associations**

- It is the responsibility of the Buyer through affiliation with the City to represent the City in a professional and ethical manner.
- A Buyer shall not use his position to persuade an individual or firm to provide a benefit to the City.

### **Budget Transfers and Amendments**

A budget transfer form [http://staffnet.sevierville.priv/Forms/Current\\_Forms/Budget\\_Transfer\\_Form.pdf](http://staffnet.sevierville.priv/Forms/Current_Forms/Budget_Transfer_Form.pdf) must be prepared by the Department and signed by the City Administrator. Finance will then process the budget transfer. Budget transfer forms are required for unbudgeted items ten thousand dollars (\$10,000.00) or greater.

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. Upon approval of the purchase order and receipt of goods or services, the documentation may be submitted to the Finance Department for payment.

- Avoid providing insufficient description or too much abbreviation.
- Avoid failing to enter all the required line items in the financial software.
- Enter written description of item being purchased.
- Avoid incorrect vendor information.
- Enter quantity and per unit price when available.
- Multiple items or invoices may be entered on one purchase order, with each invoice on a separate line.
- Person signing the purchase order acknowledges receipt of items or goods. **No person shall sign for receipt who does not have personal knowledge of receipt.**

## Emergency Purchases

Emergency purchases are costly and should be kept to a minimum. Emergency purchases are defined as when critical functions and operations of the Department would be hampered by proceeding in the regular manner or where property, equipment, or life are endangered through unexpected circumstances and materials and labors, etc., are needed immediately. 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.

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. Follow the following steps to handle emergency purchases:

1. The using Department shall always 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 or service rendered as well as the words "EMERGENCY PURCHASE" shall appear on the purchase order, along with a brief description of the emergency. Date of City Administrator approval shall be entered on the purchase order.
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 totals ten thousand dollars (\$10,000.00) or more the Department must seek ratification by the Board of Mayor and Aldermen.

## 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 found on [http://staffnet.sevierville.priv/Policies/MTAS\\_Travel\\_Policy.pdf](http://staffnet.sevierville.priv/Policies/MTAS_Travel_Policy.pdf). All current publications may be also found at [www.mtas.tennessee.edu](http://www.mtas.tennessee.edu). Any exceptions to this policy are outlined below. Travel is governed by State of Tennessee Travel Regulations state travel policy [http://staffnet.sevierville.priv/Policies/State of TN Travel Regulations.pdf](http://staffnet.sevierville.priv/Policies/State_of_TN_Travel_Regulations.pdf) Out of state travel per diem rates are found at [www.gsa.gov](http://www.gsa.gov). Travel must be approved by Department Head and City Administrator before purchase order is entered. Itinerary, registration, and approved travel authorization form [http://staffnet.sevierville.priv/Forms/Travel Authorization updated 06232021.pdf](http://staffnet.sevierville.priv/Forms/Travel_Authorization_updated_06232021.pdf) should be attached to purchase orders. Per diem is allowed with overnight travel only. It is the responsibility of the employee to be familiar with and adhere to the established travel policies. Deliberate disregard of these regulations while traveling on City business or the filing of intentionally misleading or fraudulent travel claims is grounds for disciplinary action including termination of employment.

### Exceptions:

- Travel Advances – Travel advances may be requested for one hundred percent (100%) of anticipated expenses. Purchase orders for travel advances must be turned in to the Finance Department no less than fifteen (15) days prior to the date of departure.
- Personally Owned Vehicle – Travel using a personally owned vehicle must be indicated on the travel authorization form and pre-approved by the City Administrator. No reimbursement for fuel or mileage will be provided should an employee elect to use a personal vehicle when a City vehicle is available for use. Exceptions may be made if NO City vehicles are available for the trip.
- Lodging – City employees are not required to share a room. If rooms are shared, the applicable maximum rate in the reimbursement rate schedule applies. Additional charges due to double occupancy may be approved.
- Per Diem Rates for Meals and Incidentals (M&I) – Travel on the day of departure and day of return shall be seventy five percent (75%) of the appropriate meals and incidentals rate. Any meals provided by the conference or meeting shall be deducted from the per diem for that day at the seventy five percent (75%) rate.
  - Example: Assume a first and last day travel rate of \$41.25 for the full day. If an employee departs after lunch is provided at the conference (at a full rate of \$14), per diem would be calculated as follows:  $\$41.25 - (\$14 \times 75\%) = \$30.75$
- Non-Standard Shift Hours – Employees who work non-standard shift hours will follow the same per diem rate structure as employees with standard shift hours. While traveling, employees will be compensated for up to an eight-hour (8) day unless nonrecreational activities exceed eight hours (8). Firefighter equivalent is up to a ten-hour (10) day.
- Extended Travel – Employees on extended travel status working out-of-state are authorized to take one trip to the home station once every two (2) weeks. On the day of departure and day of return only, employees may be reimbursed for fuel costs (unless using a personal vehicle) and receive per diem at a rate of seventy five percent (75%) of the appropriate M&I rate. Any meals already included shall be deducted from the per diem for that day at the seventy five percent (75%) rate. If employees elect to travel home more frequently, they may do so at their own expense.



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## Sealed Bids or Proposals

### Departmental Responsibility

Sealed bids are required on purchases and construction contracts estimated to be twenty-five thousand dollars (\$25,000.00) or more. Written notice of the invitation to bid shall be published on the City's webpage and once in a newspaper of general circulation in Sevier County, and at least five (5) days proceeding the last day set for 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. Note: Grants may have other publication requirements.

#### USING DEPARTMENT'S RESPONSIBILITY

1. Prepare and submit a request to initiate bid process to the Purchasing Agent. 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. Specifications should not be tailored to a specific product brand. Exceptions may be approved by the City Administrator when brand consistency creates greater overall efficiency and cost savings to the City.
3. Assist the Purchasing Agent in creating a list of vendors to whom bids should be distributed. This list should consist of vendor's name, mailing address, telephone number, contact person and email 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 Purchasing Agent for approval of the Board of Mayor and Aldermen to be placed on a 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.
7. Sole Source – competitive bidding laws may exempt contracts to “sole source” suppliers. “Sole Source” is applied when there are circumstances where only one person, institution or company has exclusive or predominant capability by reason of experience, specialized facilities, proprietary right, or technical competence to provide the needed services or supplies. This applies to work and/or the necessary special equipment or parts for which no other items are known to exist within the time required and at reasonable prices. For a company to be a supplier seeking to declare a sole source, they must provide documentation that other similar goods or services cannot perform the government's desired objective. Regional sole source – when competitive items can not be obtained within a reasonable distance. All sole sources must have Board of Mayor and Aldermen approval, the date of which must be entered on the purchase order.

#### PURCHASING AGENT'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. Proofread the final bid or proposal requests.
4. Prepare and advertise the request for bids or proposals.
5. Mail or email bid package to potential vendors.
6. Receive and open bids at appropriate bid opening date and time.
7. Give appropriate Department copies of the bid tabulations results.
8. Give completed Title VI forms <http://staffnet.sevierville.priv/Forms/Title VI Information.pdf> to the Title VI Coordinator.
9. Maintain all specifications, bid data files, and a list of potential bidders in accordance with MTAS guidelines, and bond and grant requirements 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 advertised date and time specified on the bid request.
2. **Late Bids** – All bids received after the advertised 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 Purchasing Agent is responsible for setting bid opening dates and times.
4. **Telephone and Facsimile Bids** – The Purchasing Agent will not accept any bid by telephone, electronic means or by facsimile. Bids received by electronic means or facsimile will be maintained in the bid file; however, electronic means or 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 form in a sealed envelope addressed to the Purchasing Agent.
6. **Unsigned Bids** – Failure of a vendor representative to sign the bid proposal may result in the removal of that bid from consideration.
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 judgment of the Board of Mayor and Aldermen is in the best interests 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 twenty-five thousand dollars (\$25,000.00) 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 Purchasing Agent. The Purchasing Agent 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 or Bond** – 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 similar 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 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 its authorized agent.
15. **Contractors Licensing** – On bids over twenty-five thousand dollars (\$25,000.00), the contractor's 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 alternative item.
17. **Vendor Information** – Potential suppliers are selected from existing vendor files and using Department's suggestions. New suppliers are added to the bid list as they are identified. A vendor information form [http://staffnet.sevierville.priv/Forms/vendor information form update 03292021.pdf](http://staffnet.sevierville.priv/Forms/vendor%20information%20form%20update%2003292021.pdf) and W-9 form [http://staffnet.sevierville.priv/Forms/W-9 Form.pdf](http://staffnet.sevierville.priv/Forms/W-9%20Form.pdf) 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 [http://staffnet.sevierville.priv/Forms/Title VI Information.pdf](http://staffnet.sevierville.priv/Forms/Title%20VI%20Information.pdf) will be provided in each bid specification packet. It is requested that the Title VI form [http://staffnet.sevierville.priv/Forms/Title VI Information.pdf](http://staffnet.sevierville.priv/Forms/Title%20VI%20Information.pdf) be completed and returned when submitting a bid.
18. **Bidders List** – The Purchasing Agent will keep an active bidders list on file. Vendors may request to add or remove their company to/from the bidder list. City employees shall forward all such requests to the Purchasing Agent. 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 qualified 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 Purchasing Agent 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 the City website and publication in a newspaper of general circulation as required by law, the Purchasing Agent 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 be included in the invitation to bid, however, this notice should clearly state 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. State contract number and expiration date should be included on purchase order.
25. **Purchasing Groups** – Is equivalent to State Contract and requires the same documentation. Must be approved by the Board of Mayor and Aldermen by Resolution. An example is: [nppgov.com R2016-003 NPPGOV Purchasing.pdf](http://nppgov.com/R2016-003%20NPPGOV%20Purchasing.pdf)
26. **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.
27. **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 shall find necessary.
28. **Multi-Year Award** – is a contract for a product or service that lasts for more than twelve months. Certain materials, supplies or services may be best awarded for a contract period exceeding one-year. These contracts are generally conditioned upon the prices, terms and conditions of the original bid remaining unchanged. Should it be determined at the end of any multi-year term that the bid is not renewable, the contract will be re-bid.

29. **All Bid Items must be Reviewed by the Purchasing Agent before being placed on the Agenda -** On the Board Memorandum, all purchases and contracts must indicate the following applicable information: competitive pricing, sole source (specify if sole source for certain specifications or conditions), bid, request for proposal, multi-year contract (include end date and cost per year) and state contract (include SWC number, vendor contract number and expiration date).

### 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 City.
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 (using Department) will initiate action, either written or verbal as time allows, to investigate the delay. The using Department will advise the Purchasing Agent 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 twenty-five thousand dollars (\$25,000.00) or more within the fiscal year.

Contracts, applications for title, agreements, lease, and contracts for utilities shall not be signed by any City employee unless authorized in writing or email 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 twenty-five thousand dollars (\$25,000.00) and over should be reviewed by the City Attorney when necessary and 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 contract is 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. Section 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 a 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).
5. All contracts entered into by the City for the furnishing of work or services to the City shall contain a provision stating that the contractor, in providing the work or services, shall not discriminate against any person seeking employment with or employed by the contractor because of race, creed, color, national origin or disability.

## 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. This may also be integrated as a bid alternate.

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## 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 thousand dollars (\$5,000.00) 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 <http://staffnet.sevierville.priv/Forms/Fixed Asset Catalog.pdf> must be prepared by the Finance Department. 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 must be returned to the Finance Department within ten (10) days.
  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 <http://staffnet.sevierville.priv/Forms/Fixed Asset Transfer.pdf> must be completed in its entirety and returned to the Finance Department within ten (10) days of the transfer.
  3. **Fixed Asset Disposal Log** - Department Heads are responsible for identifying 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 <http://staffnet.sevierville.priv/Forms/Fixed Asset Disposal.pdf> and return the completed form to the Finance Department within ten days. 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. Departments will notify Police/Fleet Department for fixed assets to be sold on Govdeals.com. Proceeds from disposition shall be credited to the applicable fund. No employee may benefit from the sale of City property. Prior to disposal, fixed assets with a value in excess of five thousand (\$5,000.00) shall be approved as surplus by the City Administrator and that approval shall be forwarded to the Finance Department with the Fixed Asset Disposal Log. Donations of surplus items require Board of Mayor and Aldermen approval Date of Board approval listed on the disposal form.
- A. Disposal Worksheet sent to Police/Fleet and Finance Classifying the Asset as Follows:**
- Scrap – Any ferrous materials that can be used for melting to produce iron, steel, or its alloys.
  - Waste - All non-metallic refuse which has a market value.
  - Worn or Damaged – Either scrap or waste material that may be sold or used as trade-in.



- Excess – Any item that does not have a useful purpose for a particular Department. The items may have value however and may be utilized by another Department within the City.
  - Obsolete or Surplus – Any material that is of no use to the City.
- B.** The items shall be classified as one of the above categories and listed on the disposal form stating the apparent condition (excellent, good, fair, or poor) and estimated value, before sending to the Finance Department for disposal.
- Arrange the transfer of property to another department, location, or agency.
  - Prepare the property for sale or auction. Remove all markings related to the City (name, logo, or any references).
  - Report transfer information to the Finance Department (including any items removed that have a fixed asset tag).

### Credit Card Purchases

Store 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 Department should have purchasing privileges with the credit cards issued to the City of Sevierville (with the exception of bank credit cards which are determined by the Chief Financial Officer). The limits of the use of these credit cards are as follows:

1. No purchases over five thousand dollars (\$5,000.00) may 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 shall 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 attach all slips to purchase order and submit to Finance Department for payment promptly 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. Any employee violating provisions of these rules shall be subject to appropriate disciplinary action including dismissal.

### Leases

No employee shall enter into a lease agreement without approval from the Chief Financial Officer. Leases require special consideration regarding State and GASB regulations. All lease documents must be sent to the Chief Financial Officer for review prior to presentation to the Board of Mayor and Aldermen or any other form of commitment. Documents must include all terms and conditions, interest rate and reasons for which a lease or lease to purchase is preferable to other financing.

## 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 requests must be processed through 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 Finance Department to set the amount of the petty cash funds 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/service 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 requirement.

Avoid the use of personal funds unless necessary in an emergency. 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 sales 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 realized 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. Receipt is documented on the purchase order. **No person shall sign for receipt who does not have personal knowledge of receipt.** 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 Purchasing Agent shall keep a complete record of all bids. Such records shall be open to public inspection and maintained according to MTAS retention policy.
8. 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.
9. Like Items – Items that are similar and may be purchased at the lowest common denominator, such as size, color, etc.
10. Lot – A single grouping of like items, which are purchased at one (1) time.
11. Single (Sole) Source of Supply – A product or service must be unique; the uniqueness must be substantially related to the intended purpose, use and performance of the good or service being sought and the supplier seeking to be declared a sole source must show that other similar goods or services cannot perform the government's desired objective.
12. Proprietary Product – A brand-name product made and marketed by one (1) entity having the exclusive rights to manufacture and sell.
13. 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.
14. Performance and Bid Bonds – Performance and bid bonds as may be deemed appropriated by the Purchasing Agent or the governing body.
15. Architect or Engineer Required – Plans, specifications and estimates for any public works project exceeding fifty thousand dollars (\$50,000.00) 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 fifty thousand dollars (\$50,000.00). A qualification-based process or existing contract task order should be used.
16. The Brooks Act – (Public Law 92-582), A federal requirement, also known as Qualifications Based Selection (QBS), <http://staffnet.sevierville.priv/Forms/Qualification Based Selection Appendices.pdf>

which was enacted on October 18, 1972, that establishes the Federally funded procurement process by which Architects and Engineers are selected for design contracts with design and construction agencies. An attorney should be consulted for advice where The Brooks Act differs from the Tennessee Code.

17. Consultant Selection - Policy for Projects Funded in Whole or in Part with Funds Provided by the Federal Highway Administration or the Tennessee Department of Transportation adopted by the Board of Mayor and Aldermen August 7, 2017. [http://staffnet.sevierville.priv/InternalSupport/documents/TDOT Consultant Selection Policy.pdf](http://staffnet.sevierville.priv/InternalSupport/documents/TDOT%20Consultant%20Selection%20Policy.pdf)
18. Single Audit Requirements – All expenses for federally funded projects must meet single audit requirements. Consult the funding program for specific guidelines. Aggregate expenditures of federal award in excess of seven hundred and fifty thousand dollars (\$750,000) for the fiscal year in which the expenditure threshold is met are required to have a single audit.
19. Federal Grant Requirements – Departments may apply for federal grants. All grants have different compliance requirements. The applying Department has the responsibility to get Board of Mayor and Aldermen approval prior to applying for a grant. Carefully read grant guidelines and acceptable use policies. Understand what types of expenses are allowable.
20. Donations – Donations in excess of ten thousand dollars (\$10,000.00) or that require specific non-budgeted expenditures require Board of Mayor and Aldermen approval prior to acceptance.

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## 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 thousand dollars (\$5,000.00).

The Finance Department will 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 and signed by the Finance Director or Accounting Manager.

### New Vendors

Each Department is responsible for completing a vendor information form [http://staffnet.sevierville.priv/Forms/vendor information form update 03292021.pdf](http://staffnet.sevierville.priv/Forms/vendor%20information%20form%20update%2003292021.pdf) for new vendors. 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. Remittance Address
6. Phone
7. Contact Person
8. E-mail Address
9. Business Structure, e.g., 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 [http://staffnet.sevierville.priv/Forms/W-9 Form.pdf](http://staffnet.sevierville.priv/Forms/W-9%20Form.pdf) 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 and no default on the payment of any taxes, licenses, fees, or other monies of whatever nature that may be due the City by said vendor. If no business license number is provided, vendor must also return the Business Tax and License Affidavit [http://staffnet.sevierville.priv/Forms/Business Tax License Affidavit.pdf](http://staffnet.sevierville.priv/Forms/Business_Tax_License_Affidavit.pdf).

### 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 noon on Tuesday. 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.

## Acknowledgment of City of Sevierville's Purchasing Policy

I acknowledge that I have reviewed and understand the Purchasing Policy provided by the City of Sevierville. I understand it is my responsibility to comply with and implement all policies and procedures included in the City's purchasing policy.

**Please initial you have reviewed all the purchasing policy forms on Staffnet - Forms Tab:**

Bid Tabulation Form	_____
Board Memorandum Template	_____
Budget Transfer Form	_____
Business Tax and License Affidavit	_____
Fixed Asset Catalog	_____
Fixed Asset Disposal Log	_____
Fixed Asset Transfer Log	_____
Qualification Based Selection	_____
TDOT Consultation Selection	_____
Title IV	_____
Travel Authorization Form	_____
Uniform Policy (Policy Tab)	_____
Vendor Information Form	_____

**Please Sign:**

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department

\_\_\_\_\_  
Department Head