

## Competitive Bids/Proposals (CM-Comm.)

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Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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**Reference Number:** MTAS-1641

Competitive prices for all purchases and public improvements must be obtained whenever possible in accordance with regulations established by ordinance. Acquisitions and contracts must be given to the lowest and best bidder, and a municipality may reject any bids.

Formal sealed bids must be taken in all transactions involving an expense amount to be set by ordinance. The amount must not be less than \$2,500 or more than \$10,000. A written contract must be entered into once the deal is made.

The charter authorizes the board of commissioners, upon written recommendation of the city manager and by unanimous resolution of those present at the meeting, to authorize noncompetitive contracts where it is clearly to the advantage of the municipality not to contract with competitive bidding.

The city manager may reject all bids and assign public improvements or any other municipal work to a municipal department.

"Competitive sealed bids" generally means both sealed bids and sealed proposals.

The charter authorizes the board of commissioners to delegate by ordinance to the city manager the authority to enter into binding contracts on behalf of the city, without specific board approval, in routine matters and matters not having substantial long-term consequences (fiscal year expenditures less than \$10,000).

Sealed proposals should be used if the criteria for vendor selection can be clearly defined, the selection process will benefit the municipality, and the process is approved by the municipality's board of commissioners.

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*DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.*

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