

TITLE 5

MUNICIPAL FINANCE AND TAXATION¹

CHAPTER

1. MISCELLANEOUS.
2. REAL PROPERTY TAXES.
3. PRIVILEGE TAXES.
4. WHOLESALE BEER TAX.
5. PURCHASING POLICY AND PROCEDURES.

CHAPTER 1

MISCELLANEOUS

SECTION

5-101. Official depository for city funds.

5-101. Official depository for city funds. The Bank of Nioota, Tennessee, is hereby designated as the official depository for all city funds. (1978 Code, § 6-101)

¹Charter references

Collection of: § 26.

Delinquency penalties: Priv. Acts 1949, ch. 206, § 14.

Due date: Priv. Acts 1949, ch. 206, § 14.

Tax collection: § 26.

CHAPTER 2

REAL PROPERTY TAXES

SECTION

5-201. When due and payable.

5-202. When delinquent--penalty and interest.

5-201. When due and payable.¹ Taxes levied by the city against real property shall become due and payable annually on the first Monday of October of the year for which levied. (1978 Code, § 6-201)

5-202. When delinquent--penalty and interest.² All real property taxes shall become delinquent on and after the first day of March next after they become due and payable and shall thereupon be subject to such penalty and interest as is authorized and prescribed by the state law for delinquent county real property taxes.³ (1978 Code, § 6-202)

¹State law references

Tennessee Code Annotated, §§ 67-1-701, 67-1-702 and 67-1-801, read together, permit a municipality to collect its own property taxes if its charter authorizes it to do so, or to turn over the collection of its property taxes to the county trustee. Apparently, under those same provisions, if a municipality collects its own property taxes, tax due and delinquency dates are as prescribed by the charter; if the county trustee collects them, the tax due date is the first Monday in October, and the delinquency date is the following March 1.

²Charter and state law reference

Tennessee Code Annotated, § 67-5-2010(b) provides that if the county trustee collects the municipality's property taxes, a penalty of 1/2 of 1% and interest of 1% shall be added on the first day of March, following the tax due date and on the first day of each succeeding month.

³Charter and state law references

A municipality has the option of collecting delinquent property taxes any one of three ways:

- (1) Under the provisions of its charter for the collection of delinquent property taxes.
- (2) Under Tennessee Code Annotated, §§ 6-55-201--6-55-206.
- (3) By the county trustee under Tennessee Code Annotated, § 67-5-2005.

CHAPTER 3**PRIVILEGE TAXES****SECTION**

5-301. Tax levied.

5-302. License required.

5-301. Tax levied. Except as otherwise specifically provided in this code, there is hereby levied on all vocations, occupations, and businesses declared by the general laws of the state to be privileges taxable by municipalities, an annual privilege tax in the maximum amount allowed by state laws. The taxes provided for in the state's "Business Tax Act" (Tennessee Code Annotated, § 67-4-701, et seq.) are hereby expressly enacted, ordained, and levied on the businesses, business activities, vocations, and occupations carried on within the city at the rates and in the manner prescribed by the act. (1978 Code, § 6-301)

5-302. License required. No person shall exercise any such privilege within the city without a currently effective privilege license, which shall be issued by the recorder to each applicant therefor upon such applicant's compliance with all regulatory provisions in this code and payment of the appropriate privilege tax. (1978 Code, § 6-302)

CHAPTER 4

WHOLESALE BEER TAX**SECTION**

5-401. To be collected.

5-401. To be collected. The recorder is hereby directed to take appropriate action to assure payment to the city of the wholesale beer tax levied by the "Wholesale Beer Tax Act," as set out in Tennessee Code Annotated, title 57, chapter 6.¹ (1978 Code, § 6-401)

¹State law reference

Tennessee Code Annotated, title 57, chapter 6 provides for a tax of 17% on the sale of beer at wholesale. Every wholesaler is required to remit to each municipality the amount of the net tax on beer wholesale sales to retailers and other persons within the corporate limits of the municipality.

CHAPTER 5

PURCHASING POLICY AND PROCEDURES

SECTION

- 5-501. Finance officer; powers.
- 5-502. Purchasing cost and requirements.
- 5-503. Finance officer's responsibilities (city recorder).
- 5-504. Using department's responsibilities (commissioner or designee).
- 5-505. Purchase requisition.
- 5-506. Material receiving report form.
- 5-507. Emergency purchases.
- 5-508. Bids of \$10,000 or more.
- 5-509. Federal excise tax.
- 5-510. Supply standardization requirements.
- 5-511. Inspection of deliveries.
- 5-512. Correspondence with suppliers.
- 5-513. Claims.
- 5-514. Public inspection of records.
- 5-515. Finance officer or department head designees.
- 5-516. Definitions.

5-501. Finance officer; powers. The finance officer shall act as finance officer for the city, with power, except as set out in these procedures, to purchase materials, supplies, equipment; secure leases and lease-purchases; and dispose of and transfer surplus property for the proper conduct of the city's business. All contracts, leases, and lease-purchase agreements extending beyond the end of any fiscal year must have prior approval of the governing body. (as added by Ord. #9-08-14, Sept. 2014)

5-502. Purchasing cost and requirements. (1) The finance office shall have the authority to make purchases, leases, and lease purchases based on the following schedule:

Purchasing Cost and Requirements

\$500 or less	Purchases may be made with purchase requisition but three (3) prices (quotes) are not required; it is recommended that at least two (2) prices are obtained
\$501-\$2,500	A minimum of three (3) competitive prices shall be obtained via telephone, written quotation, internet, faxed quotations, etc. and either noted on the requisition or attached to the requisition and approval of the mayor and board of commissioners

- \$2,501-\$10,000 A minimum of three (3) competitive prices shall be obtained via written quotations or faxed quotations and the quotations attached to the requisition and approval of the mayor and board of commissioners
- Over \$10,000 No purchase shall be made at any time in an amount which in total will exceed ten thousand dollars (\$10,000.00) unless bids have been requested in at least a newspaper of general circulation and written invitations to bid made available not less than fourteen (14) days prior to the opening of bids.

(2) Competitive bids or quotations for the purchase of items that cost less than five hundred dollars (\$500.00) are desirable but not mandatory. All competitive bids or quotations received shall be recorded and maintained in the office of the finance officer for a minimum of seven (7) years after contract expires. When requisitions are required, the competitive bids or quotations received shall be listed upon that document prior to the issuance of the purchase order. Awards shall be made to the lowest and best responsive bidder unless a majority of the governing body deems it necessary to do otherwise in the best interest of the city.

(3) A description of all projects or purchases, except as herein provided, that require the expenditure of city funds of ten thousand dollars (\$10,000.00) or more shall be prepared by the finance officer and submitted to the governing body for authorization to call for bids or proposals. After the determination that adequate funds are budgeted and available for a purchase, the governing body may authorize the finance officer to advertise for bids or proposals. The award of purchases, leases, or lease-purchases of ten thousand dollars (\$10,000.00) or more shall be made by the governing body to the lowest and best bid unless a majority of the governing body deems it necessary to do otherwise in the best interest of the city.

(4) Purchases amounting to ten thousand dollars (\$10,000.00) or more, which do not require public advertising and sealed bids or proposals, may be allowed only under the following circumstances and, except as otherwise provided herein, when such purchases are approved by the governing body:

(a) Sole source of supply or proprietary products as determined after complete search by using the department and the finance officer, with governing body approval.

(b) Emergency expenditures with subsequent approval of the governing body.

(c) Purchases from instrumentalities created by two (2) or more cooperating governments.

(d) Purchases from nonprofit corporations whose purpose or one (1) of whose purposes is to provide goods or services specifically to municipalities.

(e) Purchases, leases or lease-purchases of real property.

(f) Purchases, leases, or lease-purchases, from any federal, state, or local governmental unit or agency, of second-hand articles or equipment or other materials, supplies, commodities, and equipment.

(g) Purchases through other units of governments as authorized by the Municipal Purchasing Law of 1983.

(h) Purchases directed through or in conjunction with the state Department of General Services.

(i) Purchases from Tennessee state industries.

(j) Professional service contracts as provided in Tennessee Code Annotated, § 12-4-106.

(k) Tort liability insurance as provided in Tennessee Code Annotated, § 29-20-407.

(l) Purchases of fuels, fuel products or perishable commodities.

(m) Purchases of natural gas and propane gas for re-sale.

(5) The finance officer shall be responsible for following these procedures and the Municipal Purchasing Law of 1983, as amended, including keeping and filing required records and reports, as if they were set out herein and made a part hereof and within definitions of words and phrases from the law as herein defined.

(6) The finance officer is a service agency for all other departments of the city. The purchasing function is a service, and for the mutual benefits gained to go toward the good of the city, all departments must work in harmony. This manual is a guide to help the departments know their buying responsibilities. (as added by Ord. #9-08-14, Sept. 2014)

5-503. Finance officer's responsibilities (city recorder). (1) To aid and cooperate with all departments in meeting their needs for supplies, equipment, and services.

(2) To process all requisitions with the least possible delay.

(3) To procure a product that will meet the department's requirements at the least cost to the city.

(4) To assist in preparation of specifications and to maintain specification and historical performance files.

(5) To prepare and advertise requests for bids and maintain bid files.

(6) To be aware at all times, and make departments and the governing body aware of any purchase requests that are outside the approved appropriations for the current fiscal year. (as added by Ord. #9-08-14, Sept. 2014)

5-504. Using department's responsibilities (commissioner or designee).

- (1) To allow ample lead time for the finance officer to process the requisition and issue the purchase order, while permitting the supplier time to deliver the needed items.
- (2) To prepare a complete and accurate description of materials to be purchased.
- (3) To help the finance officer by suggesting sources of supply.
- (4) To plan purchases in order to eliminate avoidable emergencies.
- (5) To initiate specification preparation on items to be bid.
- (6) To inspect merchandise upon receipt, and complete a receiving report noting any discrepancies in types, numbers, condition, or quality of goods.
- (7) To advise the finance officer of defective merchandise or dissatisfaction with vendor performance.
- (8) To advise the finance officer of surplus property.
- (9) To know the department's budget and not exceed its appropriations.
- (10) To know the sources and availability of needed products and services and maintain current vendor files.
- (11) To obtain prices on comparable materials after receipt of departmental requisition.
- (12) To select vendors, prepare purchase orders, and process and maintain order and requisition files.
- (13) To search for new, improved sources of supplies and services.
- (14) To keep items in store in sufficient quantities to meet normal requirements of the city for a reasonable length of time within space availability.
- (15) To investigate and document complaints about merchandise and services for future reference.
- (16) To transfer or dispose of surplus property. (as added by Ord. #9-08-14, Sept. 2014)

5-505. Purchase requisition. (1) Purpose. A purchase requisition lets the finance officer know, in detail, what the using department needs. A requisition is required for purchases, requesting price information, initiating a bid request, and for requesting governing body approval on major expenditures.

(2) When prepared. Requisitions shall be prepared far enough in advance that the finance officer can ensure the vendor has enough time to make the delivery.

(3) Who prepares the requisition. Requisitions shall originate in the using department and must be signed by the commissioner and the department head. The department head shall file with the finance officer a certified memorandum listing those who are authorized to sign a requisition.

(4) How to prepare. A properly processed purchase requisition must contain the following information:

- (a) Date issued. The date the requisition is prepared.
- (b) Date wanted. State a definite delivery date. "At Once", "ASAP," and "Rush" are vague instructions and don't give the finance officer sufficient information. Prepare far enough in advance to avoid emergencies.
- (c) Requisition number. Place the sequential number in this area if your department keeps a numerical requisition file.
- (d) Department. The complete name of using department.
- (e) Requisitioned. Signature of the person initiating the purchase request.
- (f) Department head. Signature of the department head.
- (g) Suggested vendors. If there are more than three (3) suggested vendors, the department head should list on a separate sheet.
- (h) To be delivered to. Be specific. If vague or indefinite, confusion may result in costly delays.
- (i) Item number. Numerical order of items listed.
- (j) Quantity. The number required.
- (k) Unit. Dozen, lineal feet, gallons, etc.
- (l) Description. Give a clear description of the items, including size, color, type, etc. If the purchase is of a technical nature, specifications should be attached to the requisition. If the item cannot be described without a great amount of detail, a brief description should be given, followed by a trade name and model number of an acceptable item "or approved equal." Requisitions must not give specifications that will favor one supplier to the exclusion of any others. NOTE: Incomplete information in this area will result in the requisition being returned to the using department for clarification.
- (m) Account to be charged. Complete budgetary code.
- (n) Unit price. Price for each individual item.
- (o) Amount. A total of quantity times unit price.

(5) General information. A requisition must be completed before a purchase is made, except when stated otherwise:

- (a) The using department obtains prices for any needed item after receiving a departmental requisition. All requests for prices will be processed in this manner.
- (b) Suggested vendors will be of great assistance to the finance officer and will be given full consideration. This information will allow the department to process the requisition quickly.
- (c) Approximate cost of items will help buyers know if bids are required.

(d) If a requisition is incomplete or improperly prepared, the finance officer shall return it to the using department for completion. An incomplete requisition can cause unnecessary delays.

(e) The requisitioner shall not split orders to avoid any provision of the city code or charter, this manual, or any policy established by the city, nor shall requisitions be submitted for the sole purpose of using up budgetary balances.

(6) Insufficient funds. If the finance officer says there is not enough in the budget account, he/she will notify the department head. (as added by Ord. #9-08-14, Sept. 2014)

5-506. Material receiving report form. (1) Purpose. The material receiving report form is designed to let the finance officer know that an item(s) of a particular order has been received.

(2) When prepared. The bill is immediately sent to the finance officer upon receipt of materials, supplies, or services.

When any item(s) is not in satisfactory condition, a statement about the condition of the item(s) must be made in the description column. There is no need to write anything in this column if the item is undamaged.

(3) Who prepares. The person receiving the merchandise. (as added by Ord. #9-08-14, Sept. 2014)

5-507. Emergency purchases. (1) Purpose. Emergency purchases are to be made by departments only when normal functions and operations of the department would be hampered by submitting a requisition in the regular manner, or when property, equipment, or life are endangered through unexpected circumstances and materials, services, etc., and are needed immediately.

(2) Who makes emergency purchases. Emergency purchases, either verbal or written, may be made directly by the using department without competitive bids, provided sufficient funds are available and necessary approvals have been secured.

(3) Who authorizes emergency purchases. Three (3) members of the governing body need to be notified before authorizing any emergency purchase.

(4) General information. Emergency purchases are costly and should be kept to a minimum. Avoiding emergency orders will save the city money. (as added by Ord. #9-08-14, Sept. 2014)

5-508. Bids of \$10,000 or more. Sealed bids are required on purchases of ten thousand dollars (\$10,000.00) or more. Bids must be advertised in a local newspaper of general circulation not less than fourteen (14) days before bid opening date.

- (1) Finance officer's responsibilities.
 - (a) Prepare bid requests;
 - (b) Establish date and time for bid opening;

- (c) Select possible sources of supply;
 - (d) Prepare specifications (unless of a technical nature, such as architectural, engineering, etc.) using department's input and assistance.
 - (e) Mail bid requests and advertise as appropriate. If delivered by hand, a receipt of the bid request should be signed by the vendor;
 - (f) Receive and open bids;
 - (g) Evaluate bids using department's assistance;
 - (h) Prepare bids and make a recommendation on award to governing body for approval;
 - (i) Process purchase order after governing body approval;
 - (j) Maintain all specification and bid data files.
- (2) Using department's responsibilities. (a) Prepare requisition to begin bid process. This should contain specific information about items needed. For example, quantity, size, brand preferred, performance requirements, etc.
- (b) Submit requisition to begin bid request to the finance officer at least three (3) weeks prior to the date bids are to be opened.
 - (c) Assist in specification preparation if needed.
 - (d) Assist in evaluation of bid results.
- (3) General information--non emergency purchases. The following policies shall apply to sealed bids:
- (a) No telephone bids will be accepted.
 - (b) Bid or proposal opening. Bids will be opened at the time and date specified on the bid request. All bids are opened publicly and read aloud, with a tabulation provided to all vendors participating. Proposals for extensive systems, complicated equipment, or construction projects, with prior approval of the governing body, may be opened privately in cases where the disclosure of the contents of the proposal could not readily be evaluated and would have a negative impact on both the vendor and the city.
 - (c) Electronic bids. The invitation for bids shall be distributed electronically and bids shall be considered when they are received in hand at the designated office if by the time and date set for receipt of bids. Such electronic bids or proposals shall contain specific reference to the invitation for bids; the items, quantities, and prices for which the bid is submitted; the time and place of delivery; and a statement that the bidder agrees to all the terms, conditions, and provisions of the invitation for bids.
 - (d) Late bids. No bids received after closing time will be accepted. All late bids will be returned unopened to the vendor. Bids postmarked on the bid opening date but received after the specified time will be considered late and will be returned unopened.
 - (e) Bid opening schedule. The finance officer is responsible for setting bid opening dates and times.

(f) Bid form. The finance officer sends a copy of bid request forms or request for proposal form to each bidder. Bids will be accepted according to the directions in the bid request or proposal form.

(g) Acceptance of bids. The city reserves the right to reject any or all bids, to waive any irregularities in a bid, to make awards to more than one (1) bidder, to accept any part or all of a bid, or to accept the bid (or bids) that in the judgment of the governing body is in the best interest of the city.

(h) Shipping charges. Bids are to include all shipping charges to the point of delivery. Bids will be considered only on the basis of delivered price, except as otherwise authorized by the governing body.

(i) Sample product policy. The finance officer may request a sample product as part of a bid. If this is stated on the bid proposal form, the vendor is required to comply with this request or have the bid removed from consideration.

(j) Approved equal policy. Specifications in the request for bid are intended to establish a desired quality or performance level or other minimum requirements that will provide the city with the best product available at the lowest possible price. When a brand name 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, along with complete specifications and descriptive literature and, if requested, a sample for testing. Brands or models other than those designated as "equal to" products shall receive equal consideration.

(k) Alternate bids. Should it be found, after bids have been opened, that a product has been offered with an alternative specification and that this product would be better for the city to use, all bids for that item may be rejected and specifications redrawn to allow all bidders an equal opportunity to submit bids on the alternate item.

(l) Vendor identification. Potential suppliers are selected from existing vendor files using department's suggestions and any and all sources available to locate vendors related to a specific product or service. New suppliers are added to the bid list as they are found.

(m) Tie bids. A tie bid is one in which two (2) or more vendors bid identical items at the same unit cost. The winning bidder among tie bids may be determined by one of the following factors:

- (i) Discount allowed;
- (ii) Delivery schedule;
- (iii) Previous vendor performance;
- (iv) Vendor location;
- (v) Trade-in value offered.

(n) Cancellation of invitation for bid or request for proposal. An invitation to bid, a request for proposal, or other solicitations may be canceled, or any or all bids or proposals may be rejected in part as may

be specified in the solicitation when it is in the best interest of the city. The reasons shall be made a part of the bid or proposal file.

(o) Public advertisement. In addition to publication in a newspaper of general circulation as required by law, the finance officer may make any other efforts to let all prospective bidders know about the invitation to bid. This may be accomplished by delivery, verbally, mail, 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 state clearly the purchase to be made.

(p) Mistakes in bids. Mistakes in bids detected prior to bid opening may be corrected by the bidder withdrawing the original bid and submitting a revised bid prior to the bid opening data and time. Bidder mistakes detected by the bidder after the bids have been opened based on miscalculation may be withdrawn only with the approval of the finance officer. The finance officer shall determine if all or a portion of any bid bond shall be surrendered to the city as liquidated damages for any costs associated with the bid withdrawal.

(q) Bid bond. The governing body may require that bidders submit a bid bond or other acceptable guarantee equal to five percent (5%) of the bid to ensure that the lowest responsible bidder selected by the board enters into a contract with the city. All or a portion of the bid bond shall be surrendered to the city as liquidated damages should the successful bidder fail to enter into a contract awarded by the board.

(r) Performance bond. The governing body may require and then include in the bid documents a requirement for the successful bidder to post a performance bond or other guarantee satisfactory to the city attorney that insures the faithful performance of all of the terms and conditions of the purchase contract.

(r) Sealed bids and sealed proposals. (i) The following is taken from the Model Procurement Code for State and Local Governments, American Bar Association, February, 1979, pages 21-22.

(A) "Competitive sealed bidding as defined in this code is the preferred method of procurement. Although the formal sealed bid process should remain a standard in public purchasing, there is a place for competitive negotiation" (State and Local Government Purchasing. The Council of State Governments (1975) at 2.2). The competitive sealed proposal method (similar to competitive negotiation) is available for use when competitive sealed bidding is either not practicable or not advantageous.

(B) Both methods assure price and product competition. The use of functional or performance specifications is allowed under both methods to facilitate consideration of alternative means of meeting (state) needs (with evaluation and where appropriate)

on the basis of total or life cycle costs. The criteria to be used in the evaluation process under either method must be fully disclosed in the solicitation. Only criteria disclosed in the solicitation may be used to evaluate the items bid or proposed.

(C) These two (2) methods of source selection differ in the following ways:

(1) Under competitive sealed bidding, judgmental factors may be used only to determine if the supply, service or construction item bid meets the purchase description. Under competitive sealed proposals, judgmental factors may be used to determine not only if the items being offered meet the purchase description, but may also be used to evaluate competing proposals. The effect of this different use of judgmental evaluation is that under competitive sealed bidding, once the judgmental evaluation is completed, award is made on a purely objective basis to the lowest responsive and responsible bidder. Under competitive sealed proposals, the quality of competing products or services may be compared and trade-offs made between price and quality of the products or services offered (all as set forth in the solicitation). Award under competitive sealed proposals is then made to the responsible offer or whose proposal is most advantageous to the (state).

(2) Competitive sealed bidding and competitive sealed proposals also differ in that, under competitive sealed bidding, no change in bids is allowed once they have been opened, except for correction of errors in limited circumstances. The competitive sealed proposal method on the other hand, permits discussions after proposals have been opened to allow clarification and changes in proposals provided that adequate precautions are taken to treat each other fairly and to ensure that information gleaned from competing proposals is not disclosed to other offers.

(ii) In addition to price, the following points should be considered when awarding a bid:

(A) The ability of the bidder to perform the contract or provide the material or service required.

(B) Whether the bidder can perform the contract or provide the material or service promptly or within the time specified, without delay or interference.

(C) The character, integrity, reputation, experience and efficiency of the bidder.

(D) The previous and existing compliance, by the bidder, with laws and ordinances relating to the contract or service.

(E) The ability of the bidder to provide future maintenance and service for the use of the subject contract.

(F) Terms and conditions stated in bid.

(G) Compliance with specifications or request for proposal.

(iii) Failure of a bidder to complete a contract, bid, or purchase order in the specified time agreed on, 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:

(A) Removal of a vendor from bid list for a period to be determined by the governing body.

(B) Allowing the vendor to find the needed item for the city from another supplier at no additional cost to the city.

(C) 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.

(D) Allowing monetary settlement.

(iv) Materials, supplies, or services that are needed constantly for city operations will be taken on a formal bid and will be awarded by the governing body for a contract period determined to be in the best interest of the city. This procedure shall be used in cases where the amount of the purchase of said materials, supplies, or services will be ten thousand dollars (\$10,000.00) or more within the fiscal year. For amounts below ten thousand dollars (\$10,000.00), the award will be made by the governing body.

(v) Contracts, applications for title, tax exemption certificates, agreements, and contracts for utilities shall not be signed by any city employee unless authorized in writing by action of the governing body.

(vi) When a department head decides there is excess equipment or material in the department, he or she shall notify the finance officer in writing. The commissioner will figure out the best way to dispose of items with an estimated value of less than one hundred dollars (\$100.00) and inform the department head. Items with an estimated value of more than one hundred dollars (\$100.00) shall be advertised for bidding, which will begin after the

finance officer has received approval from the governing body. Such equipment or materials will be sold to the highest bidder.

(vii) However, the finance officer may transfer surplus equipment or material from one (1) department to another. With approval of the governing body, equipment or material also may be sold at public auction.

(viii) When necessary, the department head may have all deliveries of supplies, materials, equipment, or contractual services inspected to be sure their performance meets specifications made in an order or contract.

(ix) The department head also may require chemical and physical tests of materials submitted with bids and delivery samples or after products have been delivered. These tests may be necessary to be sure the quality of materials meets the desired standards. When performing such tests, the finance officer may use the facilities of any outside lab. (as added by Ord. #9-08-14, Sept. 2014)

5-509. Federal excise tax. The city is exempt from the payment of excise taxes imposed by the federal government, and suppliers should be requested to deduct the amount of such taxes from their bids, quotations, and invoices. (as added by Ord. #9-08-14, Sept. 2014)

5-510. Supply standardization requirements. Standardizing supplies and materials that can be bought in large quantities can save a great deal of money. Thus, department heads should adopt as standards the minimum number of quantities, sizes, and varieties of commodities consistent with successful operation. Where practical, materials and supplies should be brought on the basis of requirements for a six-month period. (as added by Ord. #9-08-14, Sept. 2014)

5-511. Inspection of deliveries. No invoices for supplies, materials, or equipment shall be accepted for payment until such supplies, materials, etc., have been received and inspected by the department head. (as added by Ord. #9-08-14, Sept. 2014)

5-512. Correspondence with suppliers. Copies of any correspondence with suppliers concerning prices, adjustments, or defective merchandise shall be forwarded to the finance officer. All invoices, bills of lading, delivery tickets, and other papers relating to purchases shall be sent to the finance officer. (as added by Ord. #9-08-14, Sept. 2014)

5-513. Claims. The finance officer with department head notification shall prosecute all claims for shortages, breakages, or other complaints against

either shipper or carrier in connection with shipments. (as added by Ord. #9-08-14, Sept. 2014)

5-514. Public inspection of records. The finance officer shall keep a complete record of all quotations, bids, and purchase orders. Such records shall be open to public inspection. (as added by Ord. #9-08-14, Sept. 2014)

5-515. Finance officer or department head designees. When a position such as finance officer, or department head is mentioned, their assistants or designees are acceptable substitutes if they have written permission to do so. (as added by Ord. #9-08-14, Sept. 2014)

5-516. Definitions. (1) "Customarily purchased." Items that are purchased regularly under specific circumstances considered reasonable and appropriate.

(2) "Like items." Items that are similar and may be bought at the lowest common denominator, such as size, color, etc.

(3) "Lot." A single grouping of like items to be purchased at one time.

(4) "Single source of supply." When only one (1) vendor is available for a product or service within a reasonable marketable distance of the city.

(5) "Proprietary product." A brand-name product made and marketed by one having the exclusive right to manufacture and sell.

(6) "Within the limits of the approved budget." Purchases must stay within appropriation limits in funds requiring budgets either by law, regulation, or policy. Appropriation limits do not apply to nonexpendable funds not requiring budgets, such as enterprise funds, intra-governmental service funds, and nonexpendable trust funds.

(7) "Performance and bid bonds." Performance and bid bonds as may be determined by the governing body.

(8) "Architect or engineer required." Plans, specifications and estimates for any public works project exceeding twenty-five thousand dollars (\$25,000.00) must be prepared by a registered architect or engineer as required by Tennessee Code Annotated, § 62-2-107. (as added by Ord. #9-08-14, Sept. 2014)