

Public Advertisement (Mayor-Ald.)

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://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-1633

According to the 1983 Municipal Purchasing Law, purchases, leases and lease-purchases of less than \$2,500 do not have to be publicly advertised.

Municipal purchases, leases, and lease-purchases of more than \$1,000 but less than \$2,500 do not require public advertisement but do require, whenever possible, at least three competitive quotes. The municipal governing body may, by ordinance, increase this \$1,000 limit to a maximum of 40% of the amount established under TCA 6-56-306 for purchases requiring public advertisement and competitive bidding.

Unless specifically exempt, all purchases, leases, and lease-purchases of like or related items usually bought alone or by two or more purchases totaling \$2,500 or more during the fiscal year must be publicly advertised. The amount may be lowered or increased up to \$10,000 by the municipality's governing body. ^[1]

The municipality may exempt perishable goods from public advertisement requirements when the items are bought in the open market. Whoever authorizes the purchase must prepare a record specifying the amount paid, the items purchased and the vendor. This record must be provided at least monthly to the chief executive officer and the municipality's governing body.

The municipality also may exempt fuel and fuel products from advertising requirements when the items are bought in the open market. Fuel and fuel products may be bought from the state general services contract where available. Purchases of natural gas and propane for re-sale do not have to be advertised.

[1] Cities with populations of not less than 40,000 nor more than 42,500 or populations over 150,000, according to the 2000 federal census or any subsequent census may increase the minimum dollar amount required for public advertisement and competitive bidding to \$25,000, provided that purchases between \$10,000 and \$25,000 are based upon three competitive bids (quotes).

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.

Source URL (retrieved on 09/23/2019 - 5:06am): <https://www.mtas.tennessee.edu/reference/public-advertisement-mayor-ald>