

TITLE 5**MUNICIPAL FINANCE AND TAXATION****CHAPTER**

1. MISCELLANEOUS.
2. REAL AND PERSONAL PROPERTY TAXES.
3. PRIVILEGE TAXES.
4. MERCHANTS' AD VALOREM TAXES.
5. PURCHASING AND PROPERTY DISPOSAL.

CHAPTER 1**MISCELLANEOUS****SECTION**

- 5-101. Official depository for town funds.
- 5-102. Processing fee and other charges; customers paying with cards.

5-101. Official depository for town funds. The Bank of Crockett and Bancorp South are hereby designated as the official depositories for all town funds. (1965 Code, § 6-401, modified)

5-102. Processing fee and other charges; customers paying with cards. (1) The Town of Alamo is hereby establishing a processing fee of two and three-quarters percent (2.75%) of the total payment collected, for those customers using credit or debit cards as the method of payment for monthly and other utility charges.

(2) In the event that the credit or debit card company issuing the card does not honor payment of the charge, the city shall collect the same fee that it normally charges for returned checks, and this fee shall be in addition to the normal fee for using a credit or debit card for payment of utility bills.

(3) Any notice to the customer owing the utility charge shall state the percentage of the processing fee for use of a credit or debit card. (Ord. #2017-03, June 2017)

CHAPTER 2**REAL AND PERSONAL PROPERTY TAXES****SECTION**

5-201. When due and payable.

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

5-201. When due and payable. Taxes levied by the town against real property shall become due and payable annually on the first day of October of the year for which levied. (1965 Code, § 6-101)

5-202. When delinquent--penalty and interest.¹ 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. (1965 Code, § 6-202)

¹Charter reference
Delinquent taxes: § 4.02(2).

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. (1965 Code, § 6-301)

5-302. License required. No person shall exercise any such privilege within the town without a currently effective privilege license, which shall be issued by the recorder to each applicant therefor upon the applicant's compliance with all regulatory provisions in this code and payment of the appropriate privilege tax. (1965 Code, § 6-302)

CHAPTER 4

MERCHANTS' AD VALOREM TAXES

SECTION

5-401. Tax payable--merchants included.

5-402. Administration, collection, etc.

5-401. Tax payable--merchants included. Merchants shall pay an ad valorem tax upon the capital invested in their businesses at the same rate as that levied on real property. The term "merchant" includes all persons, copartnerships, agents, or corporations engaged in trading or dealing in any kind of goods, wares, and/or merchandise, and confectioners, and others, whether such goods, wares, or merchandise be kept on hand for sale or the same be purchased and delivered for profit as ordered. (1965 Code, § 6-201)

5-402. Administration, collection, etc. The merchants' ad valorem tax shall be administered and collected in accordance with the provisions of *Tennessee Code Annotated*, title 67, chapter 47, by the recorder, who shall have such powers and duties as are prescribed therein for the county court clerk. The required tax return shall be made on such form as the recorder shall prescribe. (1965 Code, § 6-202)

CHAPTER 5

PURCHASING AND PROPERTY DISPOSAL

SECTION

- 5-501. Definitions.
- 5-502. Conflict of interest.
- 5-503. Purchasing from employees or elected officials.
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- 5-506. Mayor as purchasing agent.
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- 5-508. Sealed bid requirements – \$10,000.00 or greater.
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- 5-510. Rejection of bids.
- 5-511. Purchases and contracts costing less than \$2,000.00.
- 5-512. Bid deposit.
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- 5-514. Record of bids.
- 5-515. Considerations in determining bid awards.
- 5-516. Award splitting.
- 5-517. Award in case of tie bids.
- 5-518. Emergency purchases.
- 5-519. Waiver of the competitive bidding process.
- 5-520. Goods and services exempt from competitive bidding.
- 5-521. Procedures upon taking delivery of purchased items.
- 5-522. Additional forms and procedures.
- 5-523. Excluded purchases.
- 5-524. Unclaimed property.

5-501. Definitions. For the purpose of implementing this chapter, the following definitions shall apply.

(1) "Acknowledgment." Written confirmation from the vendor to the purchaser of an order implying obligation or incurring responsibility.

(2) "Award." The presentation of a contract to a vendor; to grant; to enter into with all required legal formalities.

(3) "Bid bond." An insurance agreement in which a third party agrees to be liable to pay a certain amount of money should a specific vendor's bid be accepted and the vendor fails to sign the contract as bid.

(4) "Bid file." A folder containing all of the documentation concerning a particular bid. This documentation includes the names of all vendors to whom the invitation to bid was mailed, the responses of the vendors, the bid tabulation forms and any other information as may be necessary.

(5) "Bid opening." The opening and reading of the bids, conducted at the time and place specified in the invitation for bids and in the presence of anyone who wishes to attend.

(6) "Competitive bidding." Bidding on the same undertaking or material items by more than one (1) vendor.

(7) "Discount for prompt payment." A predetermined discount offered by a vendor for prompt payment.

(8) "Evaluation of bid." The process of examining a bid to determine a bidder's responsibility, responsiveness to requirements, qualifications, or other characteristics of the bid that determine the eventual selection of a winning bid.

(9) "Goods." All materials, equipment, supplies, and printing.

(10) "Invitation for bid." All documents utilized for soliciting bids.

(11) "Invoice." A written account of merchandise and process, delivered to the purchaser; a bill.

(12) "Lead time." The period of time from the date of ordering to the date of delivery, which the buyer must reasonably allow the vendor to prepare goods for shipment.

(13) "Life cycle costing." A procurement technique that considers the total cost of purchasing, maintaining, operating, and disposal of a piece of equipment when determining the low bid.

(14) "Local bidder." A bidder who has and maintains a business office located within the corporate town limits of Alamo, Tennessee.

(15) "Performance bond." A bond given to the purchaser by a vendor or contractor guaranteeing the performance of certain services or delivery of goods within a specified period of time. The purpose is to protect the purchaser against a cash loss, which might result if the vendor did not deliver as promised.

(16) "Pre-bid conference." A meeting held with potential vendors a few days after an invitation for bids has been issued to promote uniform interpretation of work statements and specifications by all prospective contractors.

(17) "Procurement or purchasing." Buying, renting, leasing, or otherwise obtaining supplies, services, construction, insurance or any other item, it also includes functions that pertain to the acquisition of such supplies, services, construction, insurance and other items, including descriptions of requirements, selection and solicitation of sources, preparation and award of contracts, contract administration, and all phases of warehousing and disposal.

(18) "Responsive bidder." One who has submitted a bid which conforms in all materials respects to the invitation for bids.

(19) "Specifications." Any description of the physical or functional characteristics of a supply, service, or construction item, it may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

(20) "Town." The Town of Alamo, Tennessee. (Ord. #2017-16, Sept. 2017)

5-502. Conflict of interest. All employees who participate in any phase of the purchasing function are to be free of interests or relationships which are actually or potentially hostile or detrimental to the best interests of the Town of Alamo and shall not engage in or participate in any purchasing decision or commercial transaction involving the town, in which they have a significant interest. (Ord. #2017-16, Sept. 2017)

5-503. Purchasing from employees or elected officials. It shall be the policy of the town not to purchase any goods or services from any employee or elected official of the town, regardless of value, or close relative of any town employee or elected official, or from any business in which an employee or elected official of the town has a financial interest without the prior approval of the board of mayor and aldermen and a full disclosure of the nature of the conflict, including the town's attorney's recommendation, as to why the purchase is in the best interest of the town. (Ord. #2017-16, Sept. 2017)

5-504. Purchasing agent. The purchasing agent shall not purchase from or accept the bid of a vendor or contractor who is delinquent on the payment of taxes, licenses, fees or other monies of whatever nature that may be due the town by said vendor or contractor. (Ord. #2017-16, Sept. 2017)

5-505. Schools. The Alamo Town Schools has its own purchasing procedure. All school purchases over ten thousand dollars (\$10,000.00) are subject to the ten thousand dollar (\$10,000.00) sealed bid requirement. (Ord. #2017-16, Sept. 2017)

5-506. Mayor as purchasing agent. The mayor shall be the purchasing agent for the municipality. Except as otherwise provided in this policy, all supplies, materials, equipment, and services (except professional) of any nature shall be verified to see that all requirements for purchase have been completed. Once such requirements have been verified, the purchase may be approved and acquired by the purchasing agent or his representative (Ord. #2017-16, Sept. 2017, modified)

5-507. General procedures prior to bidding. The following guidance shall be followed by all town employees when purchasing goods or services on behalf of the town. (1) Items expected to cost more than ten thousand dollars (\$10,000.00):

(a) The department head of the using departments shall deliver to the purchasing agent a purchase request for the item(s) to be purchased. Such request shall include a brief description of the item(s) to be purchased, specifications (as needed) for the item being purchased, the estimated cost of the items, and shall indicate whether the item(s) have been approved in the annual budget.

(b) The purchasing agent shall review the purchase request for completeness and accuracy as required by this chapter. The request shall then be forwarded to the board of mayor and aldermen for final review and approval. The board shall have the authority to adjust or eliminate various specifications for goods and services, or may disapprove the purchase request, to comply with town policy, the annual budget, or for any other reason it deems in the public interest.

(c) All approved purchase requests shall be signed by the mayor and returned to the purchasing agent who shall proceed with procurement in compliance with this chapter.

(2) Items expected to cost two thousand dollars (\$2,000.00) to ten thousand dollars (\$10,000.00):

(a) The department head of the using department shall deliver to the purchasing agent a purchase request for the item(s) to be purchased. Such request shall include a brief description of the item(s) to be purchased, specifications (as needed) for the item(s) being purchased, the estimated cost of the item(s), and shall indicate whether the item(s) have been approved in the annual budget.

(b) The purchasing agent shall review the purchase request for completeness and accuracy. The request shall then be forwarded to the mayor for final review and approval. The mayor shall not approve the purchase of any item not approved in the annual budget or for which there are not sufficient funds in the town treasury, unless the purchase relates to equipment needed to comply with a specific state or federal requirement or otherwise significantly impairs the ability of the town to discharge its mission to the public. The mayor shall have the authority to adjust or eliminate various specifications for goods or services to comply with town policy, the annual budget, or to avoid depletion of the town treasury.

(c) All approved purchase requests shall be signed by the mayor and returned to the purchasing agent who shall proceed with procurement in compliance with this chapter. (Ord. #2017-16, Sept. 2017)

5-508. Sealed bid requirements – \$10,000.00 or greater. (1) On all purchases and contracts estimated to be in excess of ten thousand dollars (\$10,000.00), except as otherwise provided in this chapter, formal sealed bids shall be submitted at a specified time and place to the purchasing agent. The purchasing agent shall submit all such bids for award by the board of mayor and aldermen at the next regularly scheduled board meeting or special-called meeting together with the recommendation as to the lowest responsive bidder.

(2) Notice inviting bids shall be published at least once in a newspaper of general circulation in Crockett County, and at least five (5) days preceding the last day to receive bids. The newspaper notice shall contain a general

description of the article(s) to be secured, and the date, time, and place for opening bids.

(3) In addition to publication in a newspaper, the purchasing agent may take other actions deemed appropriate to notify all prospective bidders of the invitation to bid, including, but not limited to, advertisement in community bulletin boards, the town's official website, metropolitan newspapers, professional journals, and electronic media. (Ord. #2017-16, Sept. 2017)

5-509. Competitive bidding – \$2,000.00 to \$10,000.00. (1) All purchases of supplies, equipment, services, and contracts may be by price quotes and may be awarded to the lowest responsive bidder, or purchased without competitive bid subject to determination by the mayor or purchasing agent.

(2) In the purchasing agent's absence, the mayor shall designate a suitable substitute to perform the purchasing agent's duties. (Ord. #2017-16, Sept. 2017)

5-510. Rejection of bids. The purchasing agent or mayor shall have the authority to reject any and all bids, parts of bids, or all bids for any one (1) or more supplies or contractual services included in the proposed contract, when the public interest will be served thereby. The purchasing agent shall not accept the bid of a vendor or contractor who is delinquent on the payment of taxes, licenses, fees or other monies of whatever nature that may be due the town by said vendor or contractor. (Ord. #2017-16, Sept. 2017)

5-511. Purchases and contracts costing less than \$2,000.00. The department head is expected to obtain the best prices and services available for purchases and contracts estimated to be less than two thousand dollars (\$2,000.00), but is exempted from the formal bid requirements specified in §§ 5-507 and 5-508. Routine operational purchases under one hundred dollars (\$100.00) are excluded. (Ord. #2017-16, Sept. 2017)

5-512. Bid deposit. When deemed necessary, bid deposits or an equivalent bond may be prescribed and noted in the public notices inviting bids. The deposit shall be in such amount as the purchasing agent shall determine and unsuccessful bidders shall be entitled to a return of such deposits within ten (10) calendar days of the bid opening. (Ord. #2017-16, Sept. 2017)

5-513. Performance bond. The purchasing agent may require a performance bond before entering into a contract, in such amount as he shall find reasonably necessary to protect the best interests of the town and furnishers of labor and materials in the penalty of not less than the amount provided by *Tennessee Code Annotated*. (Ord. #2017-16, Sept. 2017)

5-514. Record of bids. (1) The purchasing agent shall keep a record of all open market orders and bids submitted in competition thereon, including a list of the bidders, the amount bid by each, and the method of solicitation and bidding, and such records shall be open to public inspection and maintained in the town recorder's office.

- (2) As a minimum, the bid file shall contain the following information:
 - (a) A copy of the bid advertisement;
 - (b) A copy of the bid specifications;
 - (c) A list of bidders and their responses; and
 - (d) A copy of the invoice. (Ord. #2017-16, Sept. 2017)

5-515. Considerations in determining bid awards. The following criteria shall be considered in determining all bid awards:

- (1) Lowest bid;
- (2) The ability of the bidder to perform the contract or provide the material or service required, in a prompt timely manner without delay or interference;
- (3) The character, integrity, reputation, judgement, 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 quality of performance of previous contracts or services, including the quality of such contracts or services in other municipalities, or performed for private sector contractors;
- (6) The sufficiency of financial resources and the ability of the bidder to perform the contract or provide the service;
- (7) The ability of the bidder to provide future maintenance and service for the use of the supplies or contractual service contracted;
- (8) Compliance with all specifications in the solicitation for bids;
- (9) The ability to deliver and maintain any requisite bid bonds or performance bonds;
- (10) Total cost of the bid, the life cycle cost or value of the goods or services, as applicable; and
- (11) Local bidders may be given preference as deemed appropriate to the town. (Ord. #2017-16, Sept. 2017)

5-516. Award splitting. Award splitting may be made among two (2) or more bidders as deemed advantageous for the town. (Ord. #2017-16, Sept. 2017)

5-517. Award in case of tie bids. When two (2) or more vendors have submitted the low bid, the following criteria shall be used to award the bid.

- (1) If all bids received are for the same amount, quality of service being equal, the purchase contract shall be awarded to the local bidder.

(2) If two (2) or more local bidders have submitted the low bid, quality of service being equal, the purchase contract shall be awarded by a coin toss or drawing lots.

(3) If no local bids are received and two (2) or more out-of-town bidders have submitted the low bid, quality of service being equal, the purchase contract shall be awarded by a coin toss or drawing lots.

(4) When the award is to be decided by coin toss or drawing lots, representatives of the bidders shall be invited to observe. In no event shall such coin toss or drawing lots be performed with less than three (3) witnesses. (Ord. #2017-16, Sept. 2017)

5-518. Emergency purchases. When in the judgement of the purchasing agent or mayor an emergency exists, the provisions of this chapter may be waived; provided, however, the purchasing agent shall report the purchases and/or contracts to the board of mayor and aldermen at the next regular board meeting stating the item(s) purchased, the amount(s) paid, from whom the purchase(s) was made, and the nature of the emergency. (Ord. #2017-16, Sept. 2017)

5-519. Waiver of the competitive bidding process. Upon the recommendation of the mayor, and the subsequent approval of the board of mayor and aldermen, that it is clearly to the advantage of the town not to contract by competitive bidding, provided it complies with state law, the requirements of competitive bidding may be waived provided that the following criteria are met and documented in a written memo to the board of mayor and aldermen, and incorporated into the minutes.

(1) Single source of supply. The availability of only one (1) vendor of a product or service within a reasonable distance of the town as determined after a complete and thorough search by the using department and the purchasing agent.

(2) State department of general services. A thorough effort was made to purchase the product or service through or in conjunction with the state department of general services or via a state contract, such effort being unsuccessful.

(3) Purchase from other governmental entities. A thorough effort was made to purchase the product or service through or in conjunction with other municipalities or from any federal or state agency. These purchases may be made without competitive bidding and public advertisement.

(4) Purchases from non-profit organizations. A thorough effort was made to purchase the goods or services from any non-profit organization whose sole purpose is to provide goods and services specifically to municipalities.

(5) Purchases from Tennessee state industries. A thorough effort was made to purchase the goods or services from Tennessee state industries (prison industries).

(6) Purchases from instrumentalities created by two (2) or more co-operating governments. An effort was made to purchase the goods or services from a co-op or group of governments which was formed to purchase goods and services for their members. (Ord. #2017-16, Sept. 2017)

5-520. Goods and services exempt from competitive bidding. The following goods and services need not be awarded on the basis of competitive bidding; provided, however, that the purchasing agent and/or the department head shall make a reasonable effort to assure that such purchases are made efficiently and in the best interest of the town.

(1) Certain insurance. The town may purchase tort liability insurance or obtain bonds without competitive bidding. All other insurance plans, however, are to be awarded on the basis of competitive bidding.

(2) Certain investments. The town may make investments of municipal funds in, or purchases from, the pooled investment fund established pursuant to *Tennessee Code Annotated*, § 9-17-105.

(3) Motor fuel, fuel products, or perishable commodities. Such commodities may be purchased without competitive bidding, except when the mayor or purchasing agent determines it is in the best interest of the town to do so.

(4) Professional service contracts. Any services of a professional person or firm, accountants, physicians, architects, engineers, and other consultants required by the town, may be hired without competitive bidding. In those instances where such professional service fees are expected to exceed ten thousand dollars (\$10,000.00) or contingent on a favorable outcome to the town, or approved in the budget of the town, a written contract shall be developed and approved by the board of mayor and aldermen prior to the provision of any goods or services. Contracts for professional services shall not be awarded on the basis of competitive bidding; rather, professional service contracts shall be awarded on the basis of recognized competence and integrity. (Ord. #2017-16, Sept. 2017)

5-521. Procedures upon taking delivery of purchased items. Before accepting delivery of purchased equipment, supplies, materials and other tangible goods, the department head of the using department shall:

- (1) Inspect the goods to verify that they are in acceptable condition;
- (2) Verify that the goods received match the order;
- (3) Verify that all operating manuals and warranty cards are included in the delivery of the goods, if applicable;
- (4) Verify that the number of items purchased has been delivered; making special note when part or all of a particular purchase has been back ordered;
- (5) Record serial numbers on appropriate forms for all capital items, notifying the town recorder of same; and

(6) Notify the purchasing agent with the information in subsections (1) to (5) above. (Ord. #2017-16, Sept. 2017)

5-522. Additional forms and procedures. The purchasing agent is hereby authorized and directed to develop such forms and procedures as are necessary to comply with this chapter. (Ord. #2017-16, Sept. 2017)

5-523. Excluded purchases. Routine operational purchases under five hundred dollars (\$500.00) are excluded; routine water department purchases under one thousand dollars (\$1,000.00) excluded; emergency water department expenses under one thousand five hundred dollars (\$1,500.00) are excluded. (Ord. #2017-19, Dec. 2017)

5-524. Unclaimed property. (1) (a) All unclaimed personal property which comes into the possession of any department of the Town of Alamo (except police) shall, if it remains unclaimed for a period of sixty (60) days, be delivered to the purchasing agent to be forfeited and disposed of as surplus property. Prior to disposal of the unclaimed personal property, the purchasing agent shall make reasonable efforts to notify the owner, including mailing notice to the owner of such personal property by certified mail to such owner's last known address if such has not been done by the department that came into possession of such unclaimed/abandoned property before delivery to the purchasing agent.

(b) All unclaimed/abandoned personal property from any citizen or business which comes into the possession of the Alamo Police Department (except for evidence) and which remains unclaimed for a period of sixty (60) days thereafter shall be declared abandoned and all rights, interests, and/or ownership shall be forfeited by the owner. Items held as evidence shall be surplus one-year following disposal of the case. The chief of police shall declare such unclaimed personal property abandoned and may dispose of such property by the following means:

(i) Internet auction;

(ii) Destruction; or

(iii) May be diverted to town property. Any articles declared by the chief of police to be sold at auction shall have a complete inventory list prepared which shall be delivered to the town purchasing agent. Prior to disposal of the unclaimed personal property, the purchasing agent shall make reasonable efforts to notify the owner, including mailing notice to the owner of such personal property by certified mail to such owner's last known address if such has not been done by the department that came into possession of such unclaimed/abandoned property before delivery to the purchasing agent.

(2) The purchasing agent shall dispose of unclaimed/abandoned personal property which comes into the possession of the police department, town court and/or other departments of the town, by any method of disposal authorized by ordinance. Methods of disposal shall include sales at public auction, publicly advertised and held; sale under sealed bids, publicly advertised, opened and recorded; sale by internet auction; negotiated contract for sale, at arm's length; but only in those instances in which the availability of the property is recurring or repetitive in character, such as marketable waste products, for disposal of the property as it is generated in the most economically feasible, fiscally sound, and administratively practicable method for the town.

(3) (a) Any money received from the sale of unclaimed personal property shall be deposited in the general fund of the Town of Alamo, unless otherwise directed by law.

(b) If the owner of any article of unclaimed/abandoned personal property sold shall, present satisfactory proof to the town that he was the owner of any article sold within a period of thirty (30) days after the sale, he shall be entitled to the proceeds of the sale thereof, less his proportionate share of the expenses of the sale.