

TITLE 5**MUNICIPAL FINANCE AND TAXATION¹****CHAPTER**

1. MISCELLANEOUS.
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3. PRIVILEGE AND BUSINESS TAXES GENERALLY
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CHAPTER 1**MISCELLANEOUS****SECTION**

- 5-101. Official depository for city funds.
- 5-102. Credit or debit card payments of public taxes, license fees, etc.

5-101. Official depository for city funds. The First National Bank of Manchester, Tennessee, is hereby designated as the official depository for all city funds. (1972 Code, § 6-801)

5-102. Credit or debit card payments of public taxes, license fees, etc. (1) The City of Manchester and any and all of its departments accept credit card and debit card payments for any taxes, licenses, fine, fee or other money due the city.

(2) Added to each payment so made is a processing fee equal to the amount paid to the city's third-party processor, not to exceed five percent (5%).

(3) A service charge of thirty dollars (\$30.00) shall be imposed on any transaction that is not honored by the credit card company issuing the card or entity upon which the funds are drawn unless the card and cardholder are present and the declination is communicated to the officer at the time the transaction is processed.

¹Charter reference: § 7.

(4) Any notice to the person owing the tax, fine, fee or other money state the percentage or amount of the processing fee.

(5) All arrangements for acceptance of credit or debit cards be made through the finance director.

(6) The mayor and finance director are authorized to execute any agreements to effect the intent of this section. (as added by Ord. #1469, Sept. 2015)

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 as prescribed by the charter. (1972 Code, § 6-101)

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 (1972 Code, § 6-102)

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,

(continued...)

CHAPTER 3**PRIVILEGE AND BUSINESS TAXES GENERALLY****SECTION**

5-301. Tax levied.

5-302. License required.

5-303. Finance director's fee.

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 in Manchester, Tennessee, at the rates and in the manner prescribed by the said act. Provided, however, that all other persons described or enumerated in classification 4 of § 5 of the "Business Tax Act," other than persons engaged in the business of constructing roads, shall pay a minimum tax of \$15.00 per annum. The proceeds of the taxes herein levied shall accrue to the general fund. (1972 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 finance director to each applicant therefor upon the applicant's compliance with all regulatory provisions in this code and payment of the appropriate privilege or business tax. (1972 Code, § 6-302, as amended by Ord. #808, Jan. 1998)

5-303. Finance director's fee. The finance director is entitled to demand and receive a five dollar (\$5.00) fee for issuing the license and collecting and recording amounts received from the business tax. (1972 Code, § 6-303, as amended by Ord. #808, Jan. 1998)

(...continued)

§ 67-5-2005.

CHAPTER 4

WHOLESALE BEER TAX

SECTION

5-401. To be collected.

5-401. To be collected. The finance director 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 (1972 Code, § 6-401, as amended by Ord. #808, Jan. 1998)

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

HOTEL/MOTEL TAX

SECTION

5-501. Tax levied.

5-502. Method of collection.

5-503. Distribution of proceeds.

5-501. Tax levied. Except as otherwise specifically provided in this code, there is levied a privilege tax upon the privilege of occupancy in any hotel of each transient in the amount of six percent (6%) of the consideration charged by the operator. (1972 Code, § 6-201, as amended by Ord. #934, June 2001)

5-502. Method of collection. Such tax is a privilege tax upon the transient occupying such room and is to be collected as provided by Priv. Acts 1981, ch. 52, as contained in the charter of the City of Manchester, Tennessee. (1972 Code, § 6-202)

5-503. Distribution of proceeds. One-sixth of the proceeds derived from said tax shall be collected by the finance director and placed in the general fund of the city, to be expended as directed by the board of mayor and aldermen. The remaining five-sixths of the proceeds collected shall be distributed as follows: One-half of the remaining five-sixths of the proceeds derived from such tax shall be collected by the finance director and placed in a separate account or accounts and two-thirds of those proceeds shall be expended on recreation in such ways and manners as the board of mayor and aldermen may decide by resolution or ordinance and the remaining one-third of those proceeds shall be expended on tourism. The remaining one-half of the remaining five-sixths of the proceeds of such tax shall be placed in the general fund, to be expended on capital equipment or capital improvements in such ways and manners as the board of mayor and alderman may decide by ordinance. (1972 Code, § 6-203, as amended by Ord. #808, Jan. 1998, and replaced by Ord. #934, June 2001)

CHAPTER 6

CITY SALES TAX¹

SECTION

- 5-601. Tax levied.
- 5-602. When collection to begin.
- 5-603. State to collect.
- 5-604. Contract with state authorized.
- 5-605. Resolution to be furnished to state and published.

5-601. Tax levied. The resolution of the Board of Mayor and Aldermen of the City of Manchester, Tennessee, imposing a local sales and use tax as authorized under the provisions of Tennessee Code Annotated, § 67-6-701, adopted by the Board of Mayor and Aldermen of the City of Manchester at a regular meeting of the board of mayor and aldermen of record in Resolution Book, page ____, is amended to levy a local sales and use tax at a rate of one-half of the state rate, as provided in the Retailers' Sales Tax Act under TCA, title 67, chapter 6, as the same may be amended and authorized, and to increase the maximum tax on the sale or use of any single item to the bases provided in the first paragraph of Acts 1983, ch. 278, and any future increases in the base beginning on the dates specified in that paragraph. (1972 Code, § 6-501)

5-602. When collection to begin. If a majority of those voting in the election² required by TCA, § 67-6-706, vote for the increase in the tax imposed by this resolution, collection of the increased tax levied by this resolution shall begin on the first day of the month occurring 30 or more days after the county election commission makes its official canvass of the election returns. (1972 Code, § 6-502)

5-603. State to collect. The Department of Revenue of the State of Tennessee shall collect the additional tax imposed by this resolution concurrent

¹This chapter is taken from the resolution adopted by the board of mayor and aldermen April 7, 1970, and added to the ordinance book as "Ordinance #256."

The Chancery Court of Coffee County, Tennessee, in an opinion dated August 31, 1970, held that the resolution "did in fact levy a ½ cent city sales tax for the City of Manchester" over and above the 1¢ levy already enacted by Coffee County. The opinion was rendered in the case of Nina Moffitt, Recorder of the City of Manchester v. The City of Manchester, et. al., docket No. 670.

²The tax was approved at an election held May 2, 1970.

with the collection of the state tax and the local tax now being collected for the City of Manchester, in accordance with rules and regulations promulgated by the said department. (1972 Code, § 6-503)

5-604. Contract with state authorized. The mayor and finance director are hereby authorized to contract with the department of revenue for the collection of the additional tax imposed by this resolution, and to provide in said contract that the department may deduct from the tax collected a reasonable amount or percentage to cover the expense of the administration and collection of said tax. (1972 Code, § 6-504, as amended by Ord. #808, Jan. 1998)

5-605. Resolution to be furnished to state and published. A copy of this resolution shall be transmitted to the said department of revenue and shall be published one time in a newspaper of general circulation in Manchester, Coffee County, Tennessee, prior to the election called for in § 5-602. (1972 Code, § 6-505)

CHAPTER 7

BID POLICY FOR PURCHASES OR CONTRACTS ENTERED INTO BY THE CITY

SECTION

- 5-701. Definitions.
- 5-702. Local vendor purchasing preference.
- 5-703. Purchasing authority.
- 5-704. Exceptions to standard purchasing procedures.
- 5-705. Bid withdrawal, bid revision and bid rejection.
- 5-706. Protested bids
- 5-707. Tie binds.
- 5-708. Split invoices.
- 5-709. Purchases from the sales to city officials and employees.
- 5-710. Prohibited transactions.
- 5-711. Record keeping.
- 5-712. Requisition.
- 5-713. Notice inviting sealed proposals.
- 5-714. Contract-out vs. in-house.
- 5-715. Purchase order.
- 5-716. Credit card purchase.
- 5-717. Petty cash.
- 5-718. Amendment to purchase order.
- 5-719. Receiving of goods/equipment.
- 5-720. Disposal of surplus property.
- 5-721. Performance guarantee.
- 5-722. Labor and materials guarantee.
- 5-723. Public liability insurance.
- 5-724. Property damage insurance.
- 5-725. Worker's compensation insurance.

5-701. Definitions. For the purpose of implementing this chapter, the following definitions shall apply.

(1) "Quote" - Verbal or written promise from the vendor/contractor guaranteeing the cost of specific goods, supplies, or services.

(2) "Bid" - Written offer, more formal than a quote, to furnish supplies, equipment, vehicles, services in conformity with the specifications, delivery terms, and conditions required at a guaranteed maximum cost.

(3) "Lowest responsible bidder" - A bidder who, in addition to lowest price, is financially responsible and possesses the resources, judgment, skills, ability, capacity, and integrity necessary to perform the contract according to its terms.

(4) "Continuing performance" - A continuing activity or service which extends over a period of time not involving solely the delivery of goods or materials.

(5) "Professional services" - Professional or specialized services such as, but not limited to, those rendered by architects, attorneys, engineers, technicians, etc.

(6) "Public works project" - Specific, planned undertaking for the creation, improvement and/or repair of buildings and works, including parks; for the construction and installation of streets and sewers; for the general benefit of the citizenry (e.g., street lights, drains, etc.).

(7) "Materials" - Basic ingredients in a relatively raw, unrefined, or unmanufactured state that may be worked into a more finished form (e.g., sand, wood, asphalt).

(8) "Supplies" - Goods in a manufactured state kept in the ordinary course of business for regular use or consumption (e.g., pencils, light bulbs, street signs). (Ord. #754, Jan. 1996, as replaced by Ord. #899, Sept. 2000, and Ord. #1055, April 2004)

5-702. Local vendor purchasing preference. Local preference is the practice of procurement from certain suppliers/contractors because they are also local taxpayers. Local preference is desirable because it stimulates the local economy. All orders/contracts are awarded on the basis of quality, previous performance, ability to meet the contract requirements, availability of service and parts, delivery schedule, and payment terms/discounts. When all these factors are equal except price, a preference will be given to local vendors equal to 2% of the quoted price when general government monies are used. The rationale is that 2% of the sales tax returns to the city general fund as revenue, effectively reducing the cost. (1972 Code, § 1-1902, as amended by Ord. #808, Jan. 1998, Ord. #870, Feb. 2000, and Ord. #989, June 2002, and replaced by Ord. #1055, April 2004)

5-703. Purchasing authority. There are four levels of authority for normal purchases: departmental award, mayor award, committee award, and board of mayor and aldermen award. Generally, authority is established by the dollar amount of the purchase.

Except as permitted by § 5-704 regarding "Exceptions," a formal purchase order, approved by the requesting department head and the mayor, is required for all purchases where any single item exceeds \$1,499.

For purchases where no single item exceeds \$1,499, a formal purchase order is not required. However, purchase orders may be issued regardless of amount when required by the vendor, or when the complexity of the contract demands a formal document for clarity.

(1) Department award: Up to \$1,499. The department head or authorized representative may authorize the purchase of supplies, equipment,

or services as needed for his/her area of responsibility for purchases up to \$1,499.

(2) Mayor award: \$1,500 to \$9,999. Purchases of \$1,500 to \$9,999 must be approved by the mayor prior to issuance of a purchase order number.

When seeking goods or services exceeding \$1,499, and specific to the department's operation, the department completes the purchase requisition form and submits it, including specifications, three quotes from available vendors and other supporting data, to the finance department for review. Upon approval of the mayor, a purchase order will be issued. Goods and services needed for general government or functions shall be processed by the finance director or his designee.

(3) Committee award: \$10,000 to \$24,999. The committee award procedure shall be utilized for all purchases, contracts, or agreements of more than \$9,999 as follows:

When seeking goods or services exceeding \$9,999 the department completes the purchase requisition form and submits it, including specifications to the finance department for review prior to the issuance of a notice inviting sealed proposals. Upon approval, the notice inviting sealed proposals will be prepared by the finance department for publication.

All formal bid opening dates will be at a time, date, and location specified in the notice inviting sealed proposals. The finance director, or a designee, will publicly open and declare the content of bids received at the time and place specified in the notice inviting sealed proposals. Bid results will be made available to all interested parties as soon as possible following the bid reading. The department head of the initiating department shall report the results of the bidding to the committee, commission or board along with recommendations regarding results and award. The committee, commission or board will declare the outcome of bids at public session. Upon approval of the committee, commission or board a purchase order will be issued. It is the board of mayor and aldermen policy to require a minimum of two bids however, if only one bid is obtained, the initiating department shall consult with the finance director and may exercise the option to extend the bid period up to 30 days, without opening the submitted bid, to allow for additional bids. If the determination is made to open the sole original bid, or if no additional bids are received during the bid extension, the oversight committee may;

(a) Re-advertise;

(b) Order the work done by city employees;

(c) Award the contract to the sole bidder based on a cost analysis evidencing the relationship of the one bid to expected market price;

(d) Negotiate a contract to the best advantage of the city.

(4) Board of mayor and aldermen award: Over \$35,000. The board of mayor and aldermen award procedure shall be utilized for all purchases, contracts, or agreements of more than \$35,000 as follows:

When seeking goods or services exceeding \$35,000 the department completes the purchase requisition form and submits it, including specifications to the finance department for review prior to the issuance of a notice inviting sealed proposals. Upon approval, the notice inviting sealed proposals will be prepared by the finance department for publication.

All formal bid opening dates will be at a time, date, and location specified in the notice inviting sealed proposals. The finance director, or a designee, will publicly open and declare the content of bids received at the time and place specified in the notice inviting sealed proposals. Bid results will be made available to all interested parties as soon as possible following the bid reading. The department head of the initiating department shall report the results of the bidding to the committee, commission or board along with recommendations regarding results and award. The committee, commission or board will recommend to the board of mayor and aldermen the recommended bid and a resolution will be forwarded to the board of mayor and aldermen for consideration. Upon approval of the resolution by the board of mayor and aldermen, a purchase order will be issued.

It is the policy of the board of mayor and aldermen for a minimum of two bids however, if only one bid is obtained, the initiating department shall consult with the finance director and may exercise the option to extend the bid period up to 30 days, without opening the submitted bid, to allow for additional bids. If the determination is made to open the sole original bid, or if no additional bids are received during the bid extension, the committee, commission or board may;

- (a) Re-advertise;
- (b) Order the work done by city employees;
- (c) Award the contract to the sole bidder based on a cost analysis evidencing the relationship of the one bid to expected market price;
- (d) Negotiate a contract to the best advantage of the city.

(5) In addition to the requirements set forth in subsections (1), (2) and (3), all proposed purchases of information technology equipment and/or software, including but not limited to, computers, servers, routers, computer-related equipment, computer-related services, radios and radio equipment, cameras, copiers, printers, electronic devices, phone systems, cellular phones, televisions, video equipment, video monitors and all similar equipment, must be approved by the IS director before purchase under subsection (1); obtaining quotes under subsection (2) and/or and submission to the finance department for review prior to the issuance of a notice inviting sealed proposals under subsection (3).

Proposed purchases falling under code § 5-703(4) shall be submitted to the IS director for review prior to submission to the finance department for review prior to the issuance of notice inviting sealed proposals. (1972 Code, § 1-1903, as amended by Ord. #808, Jan. 1996, replaced by Ord. #1055, April 2004, and amended by Ord. #1339, Oct. 2012, and Ord. #1540, Aug. 2017)

5-704. Exceptions to standard purchasing procedures.

(1) Emergency conditions. An emergency is defined as a breakdown in machinery or equipment resulting in the interruption of an essential service, or a distinct threat to public health, safety, or welfare. In the case of an emergency requiring the immediate purchase of supplies, materials, equipment or contractual services, the mayor may authorize the department head or his designee to secure in the open market, at the lowest obtainable price, any supplies, materials, equipment, or contractual services required, regardless of the amount of the expenditure.

During an emergency condition, the user department may purchase any supplies, materials, equipment, or contractual services. This may be done only after the department head has concluded that the purchase is essential to prevent delays which may affect the life, health, or safety of citizens. The head of the user department shall, as soon as possible, provide a completed purchase requisition to the finance director or his designee, as well as a full written explanation of the circumstances. Upon approval a purchase order will be issued.

In the case of a disaster or for civil defense, nothing contained in this document shall limit the authority of the mayor to make purchases and take such other emergency steps as are, or may be, authorized by the board of mayor and aldermen.

(2) Limited availability. Occasionally, required supplies, material, equipment, or services are of a proprietary nature, or are otherwise of such specific design or construction, or are specifically desired for purposes of maintaining cost effective system consistency, as to be available from only one source. After reasonable efforts to find alternative suppliers, the mayor or his designee may dispense with the requirement of a minimum of two bids and recommend making the purchase from the sole source. Standard approval procedures as defined in § 5-703 of this chapter and documentation will be adhered to.

(3) Cooperative purchasing. The mayor or his designee shall have the authority to join with other public jurisdictions in cooperative purchasing agreements. The City of Manchester may also buy directly from a vendor at a price established by competitive bidding by another public jurisdiction in substantial compliance with this document, even if the city has not joined with that public agency in a formal agreement. The City of Manchester may also purchase from the United States of America or any state, municipality or other public corporation or agency without following formal purchasing procedures as defined in this document.

(4) Utility contracts. The city shall purchase or contract for all telephone, telegraph, electric light, gas, power and other services for which a rate for the use thereof has been established by a public authority deemed to be in the best interest of the City of Manchester. Each such purchase or contract shall be made on a competitive basis whenever possible, unless it has been

determined that such purchase is sole source. (1972 Code, § 1-1904, as amended by Ord. #808, Jan. 1998, and replaced by Ord. #1055, April 2004)

5-705. Bid withdrawal, bid revision and bid rejection. Before bid opening, a vendor may be permitted to withdraw a bid entirely and/or submit a substitute bid. The vendor making such a request must submit suitable identification. After bid opening, a vendor will be permitted to withdraw a bid only where there is obvious clerical error in the bid such as a misplaced decimal point, or where enforcement of the bid would impose unconscionable hardship due to an error in the bid resulting in a quotation substantially below the other bids received. Withdrawal will be considered only upon written request from the vendor. In cases of errors in the extension of prices in the bid, the unit price will govern.

A bid may not be revised after bid opening. However, after evaluation is complete and the successful bidder/proposer selected, negotiations may occur which serve to alter the bid/proposal in a way favorable to the city.

When it becomes necessary to reject all bids, the reason for such rejection will be set out in complete detail and made available to all bidders who submitted a bid. (1972 Code, § 1-1905, as replaced by Ord. #1055, April 2004)

5-706. Protested bids. Any actual bidder/proposer who claims to be aggrieved in connection with a specific solicitation process may submit a protest in writing to the finance director within seven (7) calendar days after he or she knows or should have known the facts giving rise to the protest.

The finance director has the authority to resolve the protest. If deemed necessary, the finance director may request a meeting with the protesting party to seek clarification of the protest issues. The final determination of the finance director shall be given in writing and submitted to the protesting party.

The protesting party may request that the final determination of the finance director be considered by the mayor. The request for consideration shall be made in writing to the mayor within seven (7) calendar days from the date of the final determination by the finance director. The mayor has the authority to review and resolve the protest. If deemed necessary, the mayor may request a meeting with the protesting party to seek clarification of the protest issues. The final determination of the mayor shall be given in writing and submitted to the protesting party.

The protesting party may request that the final determination of the mayor be considered by the board of mayor and aldermen. The request for consideration shall be made in writing to the mayor within seven (7) calendar days from the date of the final determination by the mayor. The determination of the board of mayor and aldermen is final and shall be given in writing and submitted to the protester.

Prior to the award of a contract, a proposer who has protested may submit to the finance director a written petition for stay of award. Such stay shall

become effective upon receipt by the finance director. The city shall not proceed further with the solicitation process or the award of the contract until the protest has been resolved in accordance with this section, unless the mayor makes a written determination that continuation of the solicitation process or the award of the contract without delay is necessary to protect substantial interests of the city. It shall be the responsibility of the finance director to seek such determination by the mayor. (1972 Code, § 1-1906, as replaced by Ord. #1055, April 2004)

5-707. Tie bids. A tie bid exists when two or more bidders offer products that meet all specifications, terms and conditions at identical prices, including cash discount offered. In such case, a tie bid will be broken by the following methods, in descending order of preference:

- (1) In-city business will be given preference.
- (2) Small and minority-owned businesses will be given preference.
- (3) Award item(s) to vendor who was low bidder on other item(s) being bid per the same requisition.
- (4) Best delivery.
- (5) By lot or coin toss (properly witnessed and documented). (as added by Ord. #1055, April 2004)

5-708. Split invoices. Departments are not allowed to split invoices. A "split" invoice results when a total charge of \$1,500 or more is divided into more than one invoice from the same vendor or from multiple vendors, to avoid the necessity of obtaining a purchase order. The city will not assume responsibility for "split" invoices. (as added by Ord. #1055, April 2004)

5-709. Purchases from and sales to city officials and employees. The City of Manchester cannot buy from nor sell to a city official or employee other than by public auction that has been properly advertised, or from a source in which such person has ten percent (10%) or more ownership interest during his term of employment or tenure in office or for six (6) months thereafter. In any sale of surplus personal property by the city by any method other than a public auction, the city should require the prospective purchaser to execute a statement certifying that he/she is not a city employee, has not been a city employee within the six (6) month period preceding the purchase and is not purchasing the property on behalf of any city employee. The signed statement should be maintained with the other documents on the sale as required by the policy. (as added by Ord. #1055, April 2004)

5-710. Prohibited transactions. (1) No personal items shall be purchased through the city or from funds of the city for any employee of the city or any relative of any employee.

(2) No employee of the city responsible for initiating or approving requisitions shall accept or receive, directly or indirectly, from any person, firm or corporation to whom any contract may be awarded, by rebate, gift or otherwise, any money or anything of value whatsoever, or any promise, obligation or contract for future awards or compensation.

(3) Purchases cannot be made C.O.D. payment and may not be made in advance of the receipt of goods (exceptions: registration fees, vendor minimum billing amounts and other similar items). In cases where the advance payment must be made, the requisition should have a request for payment form attached.

(4) Purchases cannot be made on the installment basis.

(5) Whenever any contract is awarded contrary to the provisions of this chapter, the contract shall be void and of no effect, and if the violation was intentional, the employee responsible for the purchase shall be liable for any city funds paid contrary to these policies and procedures. (as added by Ord. #1055, April 2004)

5-711. Record keeping. The finance department is responsible for maintenance of purchasing records. These records will be maintained in the finance department indefinitely, or as prescribed by law. (as added by Ord. #1055, April 2004)

5-712. Requisition. When a purchase order is required, the request shall be presented to the finance department in written form. The requisition must contain sufficient information to insure acquisition of the correct item(s). Requests that will put an account over-budget must be accompanied by a request for transfer of funds so the proposed account will have sufficient funds for the purchase. The finance director may allow a budget over-ride as long as such action would not put the major category over-budget when reasonably projected to the end of the fiscal year. Requisitions will not be made utilizing accounts that are unrelated to the type of item or service being purchased. Original quotes or bids, specifications, and other documentation are to accompany the request. (as added by Ord. #1055, April 2004)

5-713. Notice inviting sealed proposals. The notice inviting sealed proposals is to be prepared by the finance department and is formal notification, through posting and advertisement by the finance director, that goods or services are being solicited by the city. This gives widespread exposure to the city's needs, expanding the vendor base, and fulfills the legal responsibility of giving fair access to supplying the city's needs. The notice inviting sealed proposals must contain sufficient information to define the work and other details to the reader, and the date and time at which the bids will be publicly opened and read. (as added by Ord. #1055, April 2004)

5-714. Contract-out vs. in-house. The city may, at the direction of the board of mayor and aldermen, elect to have certain public works projects performed by city employees. Generally, the decision to perform a public works project "in-house" is based on four factors:

- (1) A lack of available outside sources for the type of work to be done;
- (2) The assurance that the needs of the city will best be served both technically and financially; and,
- (3) Work will be performed within the time-frame normally associated with outside contracting;
- (4) City staff needs to be trained and qualified to perform the work in the event an emergency response may be required. (as added by Ord. #1055, April 2004)

5-715. Purchase order. The purchase order number is generated by the finance department upon final approval and acceptance of the purchase requisition. Upon completion of the purchase order, the finance department will distribute copies to the user department, purchasing file, and the vendor/contractor. (as added by Ord. #1055, April 2004)

5-716. Credit card purchase. For certain purchases, use of a credit card is expedient and sometimes even necessary. The finance department will maintain an account for use when required. When needed, the card will be supplied at the request of the department head to be used at his/her discretion. With approval from the department head, charges on a personal credit card may be reimbursed. In any case, use of a credit card is limited to purchases specifically related to city business for a maximum single-item purchase of \$1,500 or, for authorized travel and meeting purposes. Using the city credit card for personal purchases is not permitted. (as added by Ord. #1055, April 2004)

5-717. Petty cash. The high cost of payment processing makes it imperative that small-dollar purchases be made by cash. The exception is when the vendor is heavily patronized by the city and the vendor is willing to establish a credit account with the city. The finance department will maintain a petty cash fund and should use it for minor purchases of up to \$25.00 when buying from uncommon sources or vendors unwilling to establish a credit account with the city. (as added by Ord. #1055, April 2004)

5-718. Amendment to purchase order. It is sometimes necessary to change a purchase order after it has been let. The three most common changes are monetary, time extension, and scope of work. Only the mayor may approve a formal change to an existing purchase order. The requesting department must complete a contract change order or a request for change/amendment and submit it, with appropriate documentation, to the finance department for

approval. Upon approval, the requesting department and vendor will receive an amended purchase order reflecting the change(s). (as added by Ord. #1055, April 2004)

5-719. Receiving of goods/equipment. (1) Inspection and testing. All goods procured by the city shall be subject to inspection and/or testing upon receipt or completion by the department receiving the product to assure conformance with the specifications set forth in the order. If a product fails to meet specifications, it shall be identified as "on hold pending rejection," and a written report of the findings shall be forwarded to the finance department. If a product is determined to be unusable, it shall be rejected and returned to the vendor as the vendor directs, and at their expense, for credit or replacement. Items found not to specifications, but of limited usability, may be conditionally accepted but only after renegotiation of the original contract. The finance director or his designee shall have the authority to require chemical and physical tests or any other tests deemed necessary to assure full compliance with the specifications.

(2) Acceptance. When goods have been received or a project has been completed to the satisfaction of the user department and the specifications, the packing slip and/or other completion documentation shall be signed-off by the receiver/inspector. Information to be noted on the documents must include, as a minimum, the acceptor's signature and a legible rendering of their name and the date of receipt/completion. Any deviation from the exact ordering specifications must be noted on the receiving/acceptance documents. These receiving documents are to be forwarded to the finance department upon acceptance of the goods and/or services. (as added by Ord. #1055, April 2004)

5-720. Disposal of surplus property. Surplus personal property is property which is obsolete, unusable, or no longer needed by the city or property for which needs do not justify the cost of maintenance and/or storage. Surplus personal property is either usable property, which shall be transferred or sold, or unusable property, which may be destroyed, as hereafter provided. Personal property in which the federal government or other entity has a legal interest should be transferred to such entity when no longer needed.

(1) Procedures for disposal. (a) The mayor has the responsibility of declaring personal property to be surplus property. The finance director is designated as the individual at the city responsible for the disposal of surplus property and the communications and procedures concerning the disposal of surplus property.

(b) Items that must be replaced may be traded in on replacement property. In connection with the trade-in method of disposal, the following functions shall be performed:

(i) Invitations to bid are sent requesting bids with trade-in and without trade-in.

(ii) Evaluations of the condition and fair market value of the property to be discarded will be made.

(iii) Utilizing a comparison of the bid and the evaluation prepared, a determination will be made whether it is in the best interest of the city to dispose of the property by trade-in or another appropriate method.

(c) Upon declaration of the property to be surplus, notice shall be provided to the finance director and to appropriate departments and/or individuals within the city. The notice shall provide the name of the individual to contact for additional information or for inspection, a description of the property, and the original cost and fair market value of the property. The initial notification of available surplus property may be made at periodic intervals for purposes of consolidating notices on numerous items of such property for convenience.

(d) Following the initial notification of the availability of surplus property, such property shall remain available for thirty (30) days for transfer to another department requesting such property. The first department requesting available surplus property shall be entitled to receive such property.

(e) In the event no city department requests transfer of available personal property, the property may be sold by public auction or public bids, or sold to eligible governmental entities.

(i) When surplus property is sold by public bid or auction, notice of the sale shall be made by advertisement in at least one (1) newspaper of general circulation in the county, describing the property and specifying the date, time, place, manner and conditions of disposal. The advertisement shall be entered in the public notice or equivalent section of the newspaper and shall run not less than two (2) consecutive issues. The disposal shall not be held sooner than seven (7) days after the last day of publication nor later than fifteen (15) days after the last day of the publication of the required notice, excluding Saturdays, Sundays and holidays. Prominent notice shall also be conspicuously posted for ten (10) days prior to the date of disposal, excluding Saturdays, Sundays and holidays, in at least two (2) public places in the county. All notices of sales of such property shall provide that the property is to be sold "as-is." All sales by bid or auction shall be with reserve and where bids received are unreasonably below the fair market value, all bids shall be rejected, and the property shall be thereafter disposed in a manner which will ensure an adequate price.

(ii) Alternatively, personal property declared to be surplus under this section may be sold pursuant to agreements between the City of Manchester, Tennessee and various

alternative on-line sellers, approved by the mayor and finance director under the authority conferred by municipal code § 5-720(1)(a).

(iii) In addition, in any sale of surplus personal property by the city by any method other than public auction, the city requires the prospective purchaser to execute a statement verifying that he or she is not a city employee, has not been a city employee within the six (6) month period preceding the purchase, and is not purchasing the property on the behalf of any city employee. The signed statement should be maintained with the other documents on the sale required by the policy.

(f) In the event no department of the city requests transfer of surplus property designated as unusable property and has no or nominal value the property may be destroyed by an appropriate method, provided that where the surplus property is perishable food, it may be destroyed without delay or notification.

(g) Surplus materials such as scrap metals, paper and paper products, used lumber, bottles and glass and similar materials of nominal value classified as scrap may be sold by the department directly to dealers at the current market value without soliciting bids. The city shall keep a record of the volume and unit price of such materials sold on the scrap market.

(h) The finance director shall be responsible for the maintenance of accountability on all items of surplus property and shall ensure that adequate audit and inventory trails on all items of surplus property are maintained. A transfer document signed by the receiving department shall be maintained on all transferred surplus property.

(2) Limitations. City property cannot be sold by a department.

(3) Responsibilities. The department should notify the mayor by memorandum routed through the appropriate department head giving the location, description and condition of any property declared departmentally surplus. The mayor will then examine the property and decide to dispose of the property or to transfer the property to another city department. If the transfer is made internally, an acceptable agreement to both departments should be negotiated. A "change of accountability form" should be executed by both departments and sent to the finance director. Once an agreement is reached, the proper interdepartmental transfer will be initiated by the selling department.

(4) Income from sale of surplus property. All income received from the sale of city surplus property will be credited to the vehicle and equipment replacement fund with the exception of water and sewer department surplus which shall be credited to the water and sewer capital project fund. (as added by Ord. #1055, April 2004, and amended by Ord. #1087, Jan. 2005)

5-721. Performance guarantee. All contractors in "continuing performance" service on contracts over \$25,000, are required to submit a performance bond, letter of credit, or cash deposit equivalent to 100% of the contract within 10 working days following award of the contract, unless specifically exempted or modified by the mayor. (as added by Ord. #1055, April 2004)

5-722. Labor and materials guarantee. On all construction contracts over \$25,000, and all public works project contracts, are required to submit a labor and materials bond, letter of credit, or cash deposit equivalent to 50% of the contract within 10 working days following award of the contract, unless specifically exempted or modified by the mayor or city attorney. (as added by Ord. #1055, April 2004)

5-723. Public liability insurance. All contractors engaged in service on city property are required to maintain minimum public liability insurance of \$1,000,000 for each occurrence naming the City of Manchester as additional insured. Certain high-risk activities require higher limits. (as added by Ord. #1055, April 2004)

5-724. Property damage insurance. All contractors engaged in service on city property are required to maintain minimum property damage insurance of \$1,000,000 for each occurrence naming the City of Manchester as additional insured. Certain high-risk activities require higher limits. (as added by Ord. #1055, April 2004)

5-725. Worker's compensation insurance. All contractors engaged in service on behalf of the city are required to maintain worker's compensation insurance. (as added by Ord. #1055, April 2004)

CHAPTER 8

PROCEDURES FOR APPROPRIATING AND DISBURSING MUNICIPAL FUNDS TO NONPROFIT ORGANIZATIONS

SECTION

- 5-801. Nonprofit organizations defined.
- 5-802. Funding requests.
- 5-803. Appropriations.
- 5-804. Documentation by nonprofit organization.

5-801. Nonprofit organizations defined. For the purpose of this chapter, a nonprofit charitable organization is defined as one in which no part of the net earnings will benefit any private shareholder or individual, and which provides year round services benefiting the general welfare of the city, and a nonprofit civic organization is defined as one exempt from federal taxation pursuant to § 501(c)(4) or (c)(6) of the Internal Revenue Code of 1954, as amended. (Ord. #810, Feb. 1998)

5-802. Funding requests. Requests for appropriations from the city shall be in writing, on a form approved by the finance director, and shall contain the name of the organization, its nonprofit status, and the purpose for which funding is requested. (Ord. #810, Feb. 1998)

5-803. Appropriations. Funds shall only be appropriated by the annual budget ordinance of the city, or by an amendment to that ordinance, and those budget documents must be published in a newspaper of general circulation in the city, and must specify in detail each nonprofit organization by name, the specific appropriation made to it, and the purpose for which the appropriated funds will be spent. (Ord. #810, Feb. 1998)

5-804. Documentation by the nonprofit organization. Every nonprofit organization receiving financial assistance from the city must file an annual report of its business affairs and transactions with the finance director, which includes its annual audit report, an explanation of its programs which serve the city, and the proposed use of any appropriated funds, and that report shall be available for public inspection at all times during normal business hours. (Ord. #810, Feb. 1998)

CHAPTER 9

CITY CEMETERY

SECTION

- 5-901. City cemetery.
- 5-902. Purchase price of plots.
- 5-903. Interment fee.
- 5-904. Maintenance.
- 5-905. Rules and regulations.

5-901. City cemetery. The sale of plots and location of remains in the Manchester City Cemetery shall be managed by the finance department. (as added by Ord. #1326, May 2012)

5-902. Purchase price of plots. The purchase price for each plot or gravesite shall be three hundred dollars (\$300.00). (as added by Ord. #1326, May 2012)

5-903. Interment fee. No person or entity shall disturb any earth or seek to inter any remains in the city cemetery without first paying a fee of twenty-five dollars (\$25.00), obtaining the approval of and having the applicable plot marked by the finance director or his or her designee. Upon payment of said fee, the finance director or his or her designee will locate the plot available for the burial and designate it. The finance director or his or her designee shall also note in the city's records the name of the person whose remains are interred in said plot. Any person disturbing the earth or seeking to inter remains in the Manchester City Cemetery without complying with this provision shall be subject to a fine of fifty dollars (\$50.00) in addition to the fee imposed by this section. (as added by Ord. #1326, May 2012)

5-904. Maintenance. The public works department shall be responsible for the maintenance of the city cemetery. (as added by Ord. #1326, May 2012)

5-905. Rules and regulations. The board of mayor and aldermen, from time to time, shall be empowered to establish, by resolution, rules and regulations supplementary to the provisions of this chapter regarding use of cemetery property, activities thereon and other matters related thereto. Said rules and regulations shall be posted in a conspicuous place on the main entrance to the Manchester City Cemetery. (as added by Ord. #1326, May 2012)