Sec. 2-209. - Purchases.

(a) All purchasing decisions made on behalf of the city shall take into consideration such factors as price, quality, past performance and economy. The provisions set forth in this section are intended to insure that such factors are considered. Whenever bids are required under the provisions herein, the city shall reserve the right to reject any or all bids, to waive any informalities or irregularities in a bid received and to accept any bid which it determines to be for the best interest of the city. The objective of the bid process shall be to select the overall lowest and best bid.

(b) All transactions involving expenditures of $10,000.00 or more (including recurring purchases of like items or services in which the aggregate amount exceeds $10,000.00 in any 12-month period) shall require the approval of the board of commissioners. Furthermore, pursuant to the authority granted by T.C.A. § 6-56-306, public advertisement and competitive bidding shall be required for all such transactions involving expenditures of $10,000.00 or more, except as otherwise provided in this section.

(c) All transactions involving expenditures between $4,000.00 and $10,000.00 (including recurring purchases of like items or services in which the aggregate amount falls between $4,000.00 and $10,000.00 in any 12-month period) shall be approved by the city manager. Furthermore, pursuant to the authority granted by T.C.A. § 6-56-305, competitive bidding without public advertisement shall be required for such transactions involving expenditures between $4,000.00 and $10,000.00, except as otherwise provided in this section.

(d) For all transactions for which competitive bidding is required under this section, at least three competitive bids shall be obtained whenever possible. For transactions involving expenditures between $4,000.00 and $10,000.00, the requirement to obtain competitive bids may be met by obtaining pricing from catalogs, electronic data bases or other published materials, if such sources generally offer the best pricing available for local government purchases. Otherwise, all competitive bids shall be submitted by bidders in a sealed envelope or package, unless the bid solicitation specifically permits bids to be received by electronic means (as authorized by T.C.A. § 12-3-704.) For transactions involving expenditures of $10,000.00 or more, the submission of bids by electronic means shall be allowed only if the city manager has approved procedures for receiving bids by such means. Bids for transactions
involving expenditures of $10,000.00 or more shall be publicly announced or revealed at a date, time and place set forth in the invitation to bid.

(e) For all transactions for which public advertisement is required under this section, an announcement that bids are to be received shall be publicly advertised in a newspaper of general circulation within the city.

(f) For recurring purchases of like items or services in an aggregate amount exceeding $4,000.00 during any 12-month period, competitive bids shall not be required for each such purchase, but shall be obtained periodically. For such recurring purchases of like items or services in which the aggregate amount exceeds $10,000.00 during any 12-month period, public advertisement shall also be required before competitive bids are received. Bids for purchases of like items or services may be received for extended periods, provided that:

1. Bids may be obtained to periods of up to three years, if bidders guarantee the bid prices for such an extended period.

2. A bid covering an extended time period may include automatic cost adjustments, if the timing and method for determining the adjustments are clearly described in the bid.

3. The city may re-bid the items or services at any time at the city's option, unless precluded from doing so by the terms of a duly approved and executed contract.

(g) The exceptions to public advertisement and competitive bidding included in T.C.A., Title 6, Chapter 56, Part 3 (known as the "Municipal Purchasing Law of 1983"); Title 12, Chapter 3, Part 10; and all other applicable exceptions included in state law shall apply to all purchases made on behalf of the city. All transactions which are exempted from competitive bidding requirements shall comply with all other requirements of state law and this section.

(h) All expenditures shall be reviewed and approved by the department head of the department for which the expenditure is incurred and, except as otherwise provided in this section, requisitions shall be submitted to the finance director or his designee if such expenditures are expected to exceed $4,000.00. Except as otherwise provided in this section, no expenditure exceeding $4,000.00 shall be incurred by any department until the expenditure has been approved by the city manager and the authorizing purchase order has been issued by the finance director or his designee.
A requisition and purchase order shall not be required when the expenditure and vendor have been approved by the board of commissioners. Supporting documentation evidencing the approval of the board of commissioners shall be submitted with the invoice or request for payment.

Requisitions and purchase orders shall not be required in advance for expenditures made pursuant to actual emergencies arising from unforeseen causes. A report of any emergency purchase in an amount exceeding $4,000.00 shall be made by the department head of the department for which such purchase was made and shall specify the amount paid, the items purchased, from whom the purchase was made and the nature of the emergency. The report shall be submitted as soon as practicable to the city manager and the finance director or his designee. If the amount paid is $10,000.00 or greater, the report shall also be submitted to the board of commissioners.

Requisitions and purchase orders shall not be required for utility services, including electric, gas, water, sewer and telephone services, and other recurring service charges which are billed on a monthly basis after initial authorization has been received for provision of such services.

Pursuant to T.C.A., § 12-3-1006, any department may purchase new or secondhand materials, supplies, commodities or equipment on behalf of the city without public advertisement and competitive bidding at a publicly advertised auction, provided that prior approval to make bids at such auction has been granted by the city manager for purchases of items exceeding $4,000.00 in price and by the board of commissioners for purchases of items of $10,000.00 or more in price. A report of any such purchases which exceed $4,000.00 in price shall be made to the city manager, itemizing the items purchased, the purchase price, the auction where such items were purchased, and the vendor from whom the purchase was made. If the amount paid is $10,000.00 or more, the report shall also be submitted to the board of commissioners.

The term "purchase," as used in this section, shall include leases and lease-purchase arrangements. The term "bid," as used in this section, shall include proposals.

The city shall establish, by resolution, a bid protest policy. An actual or prospective bidder, offeror or contractor who is aggrieved in connection with the solicitation or
award of a bid or contract may submit a written protest to the city in accordance with the adopted bid protest policy.

(Code 1978, § 6-104; Ord. No. 92-6, §§ 1, 2, 3-9-92; Ord. No. 97-08, § 1, 3-24-97; Ord. No. 2000-24, § 1, 8-28-2000; Ord. No. 2006-19, § 1, 8-28-2006; Ord. No. 2011-02, § 1, 4-11-2011)