

Gatlinburg Tennessee

PURCHASE, SALE, AND INVENTORY OF CITY PROPERTY

5-901. City manager to authorize purchases. The purchasing agent, as directed by the city manager, for the city shall oversee all purchases of supplies, materials, equipment and services as authorized by the commission in the manner prescribed by this chapter and subject to the limitations imposed by law. (1976 Code, § 1-1501)

5-902. Terms, conditions and procedures for purchasing. The following terms, conditions and procedures shall be followed by the purchasing agent and/or the city manager and suppliers in the procurement of goods and services for the City of Gatlinburg.

(1) All purchases of supplies, materials and equipment and services shall be pursuant to a written requisition from the head of the office, department or agency whose appropriation will be charged therewith, and such supplies, materials, equipment and services shall conform with specifications approved, established and enforced by the purchasing agent and/or the city manager.

(2) No purchase order shall be issued or contract executed, nor shall any other agreement purporting to obligate the city be entered into, without the written approval of the director of finance, that there is a sufficient unencumbered appropriation and allotment balance to cover the obligation.

(3) Competitive bids on all supplies, materials, equipment and services, except those specified elsewhere in this chapter, and contracts for public improvements shall be obtained, whenever practicable, and the purchase or contract awarded to the lowest responsible bidder, provided that any or all bids may be rejected as prescribed in this chapter.

(4) "Split-bidding" is prohibited. The practice of "split bidding" is hereby defined to be the device of submitting multiple requisitions for the same supplies, materials, equipment or services where the sum of the cost of the several requisitions is equal to current state law requirements and splitting the department's requirements into several requisitions would thereby avoid the necessity for the city manager to require competitive sealed bids or quotations. The practice of "split-bidding" is hereby declared to be improper, illegal and against the public interest, and the head of the office, department or agency shall state on each requisition that such requisition represents the entire quantity presently known to be required and that the requisition is not a part of a device or scheme to avoid purchasing on competitive bidding or to otherwise evade the established purchasing procedures of the city.

(5) The city manager shall not accept the bid of any vendor or contractor who is in default on the payment of any taxes, licenses, fees or other monies of whatever nature that may be due the city by such vendor or contractor.

(6) A bidder, to qualify for an award of contract, shall have available experienced personnel to give adequate service on any equipment bid on, and maintain a supply of essential repair parts. (1976 Code, § 1-1502)

5-903. Notice inviting bids. Notice inviting bids shall be published at least once in a local newspaper as the city manager may direct and may be published in other publications. Such notice shall include a general description of the articles to be purchased, shall state where bid blanks and written specifications may be secured, and the time and place for opening bids. Additional notice of such invitations to bid shall be posted on the public bulletin board in the municipal building. (1976 Code, § 1-1503)

5-904. Submittal and opening of bids. Bids shall be submitted sealed as prescribed in bid specifications and shall be identified as bids on the envelope. Such bids shall be opened in public in the presence of at least three (3) persons at the time and place stated in the public notice, and a tabulation of all bids so received shall be made available upon request. (1976 Code, § 1-1504)

5-905. Acceptance or rejection of bids. The city manager shall have and hereby is granted the authority to reject any or all bids, parts of all bids, or all bids for any one or more supplies or contractual services included in the proposed contract, when the public interest will be served thereby; shall have the right to reject any bid in any instance where there are not at least two bidders on the same invitation to bid; however, this shall not prevent the city manager from accepting a bid and presenting it to the commission to award a contract where there is only one bidder, if, in his opinion, the best interest of the city will be served by doing so. No contract shall then be awarded without commission's approval. The city manager is hereby authorized to execute contracts on behalf of the City of Gatlinburg without the board of commissioners' approval if the amount of the contract is less than twenty thousand dollars (\$20,000.00). All contracts for an amount in excess of \$20,000 shall be approved by the board of commissioners and executed either by the mayor or the city manager as authorized in the approval. All change orders to contracts approved by the board of commissioners shall likewise be approved by the board of commissioners prior to execution. Change orders to contracts not approved by the board of commissioners may be administratively approved and executed by the city manager provided the change order is in an amount less than seven thousand five hundred dollars (\$7,500.00) and the funds for same have been approved by the board of commissioners. The city manager shall notify the board of commissioners of such change orders but their previous approval of same is not required. The city manager is further authorized to execute purchase orders on behalf of the city for such items or goods as approved and funded in the budget, without regard to amount. (1976 Code, § 1-1505, as amended by Ord. #2189, Sept. 1999)

5-906. Determination of lowest responsible bidder. In determining the lowest responsible bidder, as referred to in § 5-902(3), in addition to price, the city manager shall consider:

- (1) The ability, capacity and skill of the bidder to perform the contract or provide the services required.
- (2) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
- (3) The character, integrity, reputation, judgment, experience and efficiency of the bidder.

- (4) The quality or performance of previous contracts or services.
- (5) The previous and existing compliances by the bidder with laws and ordinances relating to the contract or service.
- (6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
- (7) The quality, availability and adaptability of the supplies or contractual services to the particular use required.
- (8) The ability of the bidder to provide future maintenance and services for the use of the subject of the contract.
- (9) The number and scope of conditions attached to the bid.
- (10) All prices, quality, merchandise, or services being equal, the City of Gatlinburg will favor local suppliers when they are gross receipts taxpayers of the City of Gatlinburg. (1976 Code, § 1-1506)

5-907. Awards to other than lowest bidders. When the award is not recommended by the city manager to the lowest bidder, a full and complete statement of the reasons for placing the order elsewhere shall be prepared by the city manager and filed with all the other papers relating to the transaction. Award to other than the low bidder must be approved by the city commission. (1976 Code, § 1-1507)

5-908. Bid deposits. When deemed necessary, bid deposits shall be prescribed and noted in the public notices inviting bids. The deposit shall be in such amount as the city manager shall determine and unsuccessful bidders shall be entitled to return of the deposits where such has been required. A successful bidder shall forfeit any required deposit upon failure on his part to enter a contract within ten (10) days after the award, if a specified time is not stated in the bid specifications. (1976 Code, § 1-1508)

5-909. Performance bond. The city manager may and is hereby granted the authority to require a performance bond, before entering a contract, in such amount as he shall find reasonably necessary to protect the best interests of the city. (1976 Code, § 1-1509)

5-910. Purchases by the state. Notwithstanding the procedures as are set out in § 5-901 through § 5-909, the city manager is hereby authorized to request the Department of General Services of the state to purchase supplies and equipment for the city pursuant to Tennessee Code Annotated, § 12-3-401, when it is deemed that such purchases will result in a substantial savings to the city. (1976 Code, § 1-1510)

5-911. When competitive bids required. Competitive bids shall be required for all purchases costing more than \$5,000 provided, however, that no competitive bidding shall be required when purchasing from any federal, state, or local governmental unit or agency. (1976 Code, § 1-1511)

5-912. Inventory on property required. The city manager shall maintain an inventory of all public property and equipment. When possible, each item of such property shall be labeled, serially numbered, or identifiable in some way as city property. When such inventory is made, one copy thereof shall be filed in the office of the director of finance and such additional copies with other public officials as the commission may designate, so that the same may be made a part of the permanent records of the city. The inventory shall be adjusted annually as additional properties are acquired or disposed of by the city. (1976 Code, § 1-1512)

5-913. Transfer and sale of property. The city manager may transfer to or between departments supplies, materials and equipment. When it is determined by the city manager that material and/or equipment exists which is not needed by any city department, the city commission may authorize the city

manager to direct the sale thereof, and the proceeds from any sale or sales shall be deposited in the appropriate fund of the city. (1976 Code, § 1-1513)

5-914. Procedure for sales. The city manager, duly authorized, shall obtain competitive and formal quotations for the sale and disposal of surplus, obsolete, unused materials or equipment, when any one item or group of items offered for sale amounts to more than \$1,000.00 in appraised resale value.

(1) In such event, the city manager shall cause notice of sale to be published in a newspaper or newspapers of general circulation, giving a general description of the items to be sold, where bids are to be received and the time and place of the sale. The city manager may, in addition, solicit sealed or informal quotations, as the case may be, from prospective buyers, by telephone, by sending them copies of newspaper notices, or other methods designed to reach the greatest number of prospective buyers.

(2) When any separate item or items of such surplus to be offered for sale amounts to less than \$1,000.00, the city manager may accept informal bids or quotations for the sale of such item or items.

(3) Surplus is to be sold to the highest and best bidder with the right retained by the city to reject any or all bids or to waive any informalities or immaterial defects contained in said bids.

(4) At the time and place of sale of such surplus, sealed bids shall be submitted to the city manager, and shall be identified as bids on the envelope. Such bids shall be opened in public in the presence of at least (3) persons. Oral bids at a public auction may be considered by the city manager, after giving proper notice of such fact.

(5) Depending upon the nature of such surplus offered, the city manager may require that cash or a cashier's check in an amount equal to 10% of the price bid shall be deposited by the bidder at the time of making or submitting the bid. The person to whom property is sold, either by sealed bid or at public auction, shall consummate the purchase within five (5) days from and excluding the date of the award of such bid.

(6) The provisions of this section shall not apply when the city is selling surplus, obsolete, or unused materials or equipment to any other federal, state or local governmental unit or agency.

(7) In addition to any other procedure for the sale of surplus property set out in this section, the city is hereby authorized to dispose of surplus city property through sale using the internet. The city may conduct such sale itself or may employ a third-party provider for the purpose of said sale. The city is authorized to enter into an agreement with said third-party provider setting forth the process and procedures for such sale. The use of the internet for sales of surplus property shall be an additional means of doing so, and whether such process is used shall be administratively determined by the city manager. (1976 Code, § 1-1514, as amended by Ord. #2327, Feb. 2005)

