RESOLUTION 2023-588 AMENDING RESOLUTION 2019-524
PURCHASING POLICY & PROCEDURES

The Board of Mayor and Aldermen ("the Board") of the Town of Walden ("the Town") Tennessee, has established the following purchasing policy and procedures to assure that the Town purchases the most suitable materials, supplies, equipment, and services at the lowest possible prices and to assure that the purchasing procedures will be workable and still provide for necessary control over expenditures.

I. **Purchasing limits.** In accordance with Tennessee Code Annotated, § 6-56-301, the purchase of all materials, supplies, equipment and services purchased under the authority of this chapter shall, unless otherwise provided by law, be purchased in accordance with the following regulations:

A. **Purchases of five thousand dollars ($5,000.00) or less (not to exceed $5,000.00).** The Mayor, Town Administrator, Treasurer or any office staff employee first authorized by the Town Administrator are authorized to make the following purchases whose estimated costs do not exceed five thousand dollars ($5,000.00) without formal sealed bids, without three (3) quotes, and without written specifications for: commonly used items of material, supplies, equipment and services used in the ordinary course of maintaining and repairing the city's real or personal property; building or maintaining stocks of city material, supplies and equipment used in the ordinary course of city operations; and minor construction, repair or maintenance service.

1. Public Works employees are authorized to make purchases with a PRE-APPROVED Purchase Order produced by and signed by the Town Administrator or the Treasurer.

2. A record of all purchases shall be maintained describing the material, supplies, equipment or service purchased, the person or business from whom it was purchased, the date it was purchased, the purchase cost, and any other information from which the general public can easily determine the full details of the purchase. Each purchase shall be supported by invoices and / or receipts and any other appropriate documentation signed by the authorized purchasing agent giving payment.

3. With exception to pre-approved Purchase Orders as specified in paragraph (1) of subsection (A) of section I of Resolution #2023-588, each purchase will be reviewed and approved by the Town Administrator or the Treasurer PRIOR to being paid. Each payment will be reviewed and approved by the Town Administrator or the Treasurer, and one elected official.

B. **Purchases of five thousand dollars and one cent ($5,000.01) up to twenty-five thousand dollars ($25,000.00).** The Mayor, Town Administrator, and Treasurer are authorized to make the following purchases whose estimated costs do not exceed twenty-five thousand dollars ($25,000.00) without formal sealed bids and without written specifications by getting quotations by personal contact, phone, letter, or online documented price from three (3) suppliers or contractors, if possible. If three or more quotations are not available, then some evidence in writing of efforts made in seeking such quotations for such materials, supplies, equipment, and / or services must be supplied by the purchasing agent.

1. The quotations, and if less than three, a brief written statement of efforts made in seeking quotations shall be reviewed by the Mayor and Board for approval by a majority of the Board at the next regular or special called meeting of the Board.

2. The Town Administrator or the Treasurer shall approve for purchase or enter into contract with the vendor who provided the lowest or best quotation approved by the Board.

3. A record of all purchases shall be maintained describing the material, supplies, equipment or service purchased, the person or business from whom it was purchased, the date it was purchased, the purchase cost, and any other information from which the general public can easily determine the full details of the purchase. Each purchase shall be supported by invoices and / or receipts and any other appropriate documentation signed by the authorized purchasing agent giving payment.

4. Each purchase will be reviewed and approved by the Town Administrator or the Treasurer PRIOR to being paid. Each payment will be reviewed and approved by the Town Administrator or the Treasurer, and one elected official.

C. **Purchases in excess of twenty-five thousand dollars and one cent ($25,000.01).** With the approval of the Board, the Town Administrator is authorized to make purchases in excess of twenty-five thousand dollars and one cent ($25,000.01) in accordance with T.C.A. § 12-3-1212, based on written specifications, awarded by written contract to the lowest or best responsive and responsible bidder following advertisement for, and the submission of, sealed bids, provided that the Town may reject any and all bids.

   1. The bids, and if less than three, a brief written statement of efforts made in seeking bids shall be reviewed by the Mayor and Board for approval by a majority of the Board at the next regular or special called meeting of the Board.

   2. The Town Administrator shall approve for purchase or enter into contract with the bidder who provided the lowest or best bid approved by the Board.

   3. A record of all purchases shall be maintained describing the material, supplies, equipment or service purchased, the person or business from whom it was purchased, the date it was purchased, the purchase cost, and any other information from which the general public can easily determine the full details of the purchase. Each purchase shall be supported by invoices and/or receipts and any other appropriate documentation signed by the authorized purchasing agent giving payment.

4. Each purchase will be reviewed and approved by the Town Administrator or the Treasurer PRIOR to being paid. Each payment will be reviewed and approved by the Town Administrator or the Treasurer, and one elected official.

II. **Exceptions to bidding requirements.** The following purchases amounting to twenty-five thousand dollars and one cent ($25,000.01) or more, as a matter of state law do not require public advertising and sealed bids or proposals, may be allowed under the following circumstances, and except otherwise provided herein, only when such purchases are approved by the Board:

A. Sole source of supply or proprietary products as determined after complete search by using department and purchasing agent, with Board approval.

B. Purchases from instrumentalities created by two or more cooperating governments.

C. Purchases from nonprofit corporations whose purpose is to provide goods or services specifically to municipalities.

D. Purchases, leases or lease-purchases of real property.

E. Purchases, leases, or lease-purchases from any federal, state, or local governmental unit or agency, of second-hand articles or equipment or other materials, supplies, commodities, and equipment.

F. Investment in or purchases from the Local Government Investment Pool.

G. Purchases directed through or in conjunction with the State Department of General Services.

H. Purchases of natural gas and propane gas for re-sale.

I. Purchases from Tennessee State industries (T.C.A. § 41-22-119—121).

J. Professional service contracts (T.C.A. § 12-3-12019).

K. Energy-related service contracts (T.C.A. § 12-4-110).

L. Insurance (T.C.A. § 29-20-407).

M. Purchases for other local governmental units (T.C.A. § 12-3-1203).

N. Cooperative purchasing agreements (T.C.A. § 12-3-1205 & § 12-9-101 et. seq.).

O. Purchases of property at public auctions (T.C.A. § 12-2-421).

P. Reverse auctions (T.C.A. § 12-3-1208).

Q. Purchase of confiscated property from the State (T.C.A. § 12-2-1201).

III. **Routine periodic Town expenses.** The Board is authorized to designate to the Town Administrator and Treasurer, certain purchases constituting routine periodic expenditures.

A. The purchases may include, but shall not be limited to the following:

1. The current approved payroll for all of the Town's employees, including such payroll deductions as are required by law or approved by the Board.
2. The employer's and employee's portion of benefits, including social security, unemployment insurance, all health-related benefits, hospitalization and / or major medical insurance.
3. Utilities payable by the Town.
4. Fuel for vehicles operated by the Town.
5. Fees for services of municipal Judge.
6. Litigation taxes and other recurring expenses of the municipal court.
7. Fees for legal services rendered to the Town.
8. Fees for accounting services rendered to the Town.
9. Fees for engineering services rendered to the Town.
10. Fees for cleaning services rendered to the Town.
11. Fees for IT services rendered to the Town.
12. Fees for professional planning agency services rendered to the Town.
13. Fees for materials and services for regular routine maintenance of the Town.

B. A record of all purchases shall be maintained describing the material, supplies, equipment or service purchased, the person or business from whom it was purchased, the date it was purchased, the purchase cost, and any other information from which the general public can easily determine the full details of the purchase. Each purchase shall be supported by invoices and/or receipts and any other appropriate documentation signed by the authorized purchasing agent giving payment.

C. Each purchase will be reviewed and approved by the Town Administrator or the Treasurer PRIOR to being paid. Each payment will be reviewed and approved by the Town Administrator or the Treasurer, and one elected official.

IV. **Emergency purchases.** The normal rules for purchasing shall be waived in cases of emergency, but only when the health or safety of the public or the Town's employees, or the protection of the Town's property is in immediate danger. Emergency purchases may be made on approval of the Town Administrator or his/her authorized designee, and one member of the Board, up to a maximum of five thousand dollars ($5,000.00). Any emergency purchases of over five thousand dollars ($5,000.00) shall require review and approval of the majority of the Board at a regular or special called meeting of the Board.

V. **Surplus stock.** The Town Administrator will determine the best method of disposal of those items with an estimated value of less than five hundred dollars ($500.00). Items with an estimated value of five hundred dollars and one cent ($500.01) or more shall be advertised and bids reviewed by the Board at the next scheduled or special called meeting of the Board. Such equipment or material shall be sold to the highest responsive and responsible bidder. With approval of the Board, equipment or material owned by the Town may be sold at public auction.

This Resolution shall be effective upon passage.

03/14/23

Yea: 3

Nay: 0

Lee Davis

Lee Davis, Mayor

SE Stewart

Stacy E. Stewart, Recorder