

## **CHANGES AND UPDATES TO THE PURCHASING POLICY MANUAL**

**ORIGINALLY APPROVED APRIL 2011**

- 1) Table of Contents has been adjusted to accommodate new page numbers resulting from additions, edits and deletions.
- 2) Page 4: Introduction Add “from the right supplier”.
- 3) Pages 5 - 7: Changes to Definitions
  - a) Account Number - definition modified to include MUNIS financial software and ties to General Ledger
  - b) Bid Authority Form - updated timeline and added Budget Officer to approval list.
  - c) Change Order - Further defines what a Change Order can do.
  - d) Closed Out - Deleted - no longer needed
  - e) Contract - Added "The completed Purchase Order is considered a contract when no other contract is signed."
  - f) Contractor/Supplier - Added "/Vendor"
  - g) Formal Sealed Bid Limit - Added "and/" or and added financial requirement of Bid award "of \$50,000.00 or more require approval by Mayor and Council except Public Works Construction Projects less than \$100,000 as permitted by state law."
  - h) Gratuity – Add “or creating an expectation of preferential treatment.”
  - i) Add definition: “Public Works Contracts Bidding – Pursuant to O.C.G.A. 36-91-2 Definitions – ‘Public works construction’ means the building altering, repairing, improving or demolishing of any public structure or building or other public improvements of any kind to any real property other than those projects covered by Chapter 4 of Title 32. Such term does not include the routine operation, repair, or maintenance of existing structures, buildings or real property.”
  - j) Purchase Requisition: Added definition of first step in any purchase regardless of dollar amount.
  - k) Sole Source/Sole Brand Purchase - Added new State definition of requiring a specific supplier or brand and what documentation is required.
  - l) Surplus Property – Added “It is rarely real property.”
  - m) Voucher for Payment - Deleted - no longer used

4) Pages 8- 13- Policy:

- a) Purchasing Thresholds: Purchasing Methods and Dollar Thresholds
  - i) deleted "Following completion of the appropriate purchasing method," - no longer applies
  - ii) Added second paragraph explaining Purchasing using the Tyler MUNIS system. All goods and services must have a purchase requisition and this is explained.
  - iii) Changed: "The only exceptions are purchases made with city-issued State Purchasing cards which are paid and reconciled monthly via the Bank of America Works system with oversight by the finance department after required departmental approvals. All receipts must be scanned into the system."
  - iv) Changed next paragraph, last sentence to read: "The Purchasing Manager is the final reviewer for all Requisitions over \$5,000." Formerly \$2,500.00.
- b) Specific dollar threshold changes: (to reflect new dollar amounts and new processes)
  - i) Less than \$5,000: deleted "voucher submitted to Accounting for payment" and added "Purchase Requisition created in the system." Added explanation of new Requisition process. Deleted irrelevant language concerning daily reports from Accounting.

NOTE: change to \$5,000.00 does not eliminate the state requirement for all services work over \$2,500.00 or more to require the collecting of an e-Verify Contractor's Affidavit or SAVE document; completed, signed and notarized, with the original sent to Purchasing.
  - ii) \$5,000 to less than \$10,000: Changed dollar thresholds. Deleted information on old process and Added "The Purchasing Manager reviews all requisitions to ensure proper documentation has been included and the correct process followed."
  - iii) \$10,000 to less than \$50,000: Changed dollar thresholds. Added: "Upon Departmental request" and deleted "with assistance from the operating department" to read: "Upon Departmental request, Purchasing will solicit and receive these written quotes. Purchasing will review all quotations and make a recommendation. The department will issue a Purchase Requisition, collect all required documents ( COI, W-9, Contractor's Affidavit or SAVE) and the same process is followed as with all other purchases. The Formal Sealed Bid process is not required."
  - iv) Over \$50,000 - Formal Sealed Bid Limit: Changed dollar thresholds from \$20,000 to \$50,000 in all references. Changed "received from" to "signed by the Department Director, Budget Officer, Finance Director and the City Administrator". Added "Requisition/"Order to reflect new terminology.
  - v) Added new policy: "Public Works Construction Contracts under \$100,000 – Pursuant to O.C.G.A. § 36-91-22 (a), formal sealed bids are not required for certain

types of Public Works Construction Projects as defined by the law; however, three written quotes and all required documentation and bonding are still required. For Public Works Construction Projects over \$100,000, state law requires, advertising, competitive sealed bidding and bonding.

- c) Page 10 - Purchasing Methods:
  - i) Contract Purchases / Professional Services: Changed: "Purchase transactions \$50,000 and greater" changing threshold. Deleted "or services performed" as repetitious. In second paragraph, added "licensed" to Professional Services
  - ii) Operating Department "Supplier Direct" Purchases: Changed threshold to \$5,000 from \$2,500. Added "by creating a Purchase Requisition" and "at the City Warehouse" to first sentence. Changed "maintain" to "scan into the system" and deleted "for a period of four (4) years plus current year".
- d) Purchase Order Purchases: Added "s" to Order(s); deleted "of \$2,500 and above" and added "regardless of dollar amount". Documented steps of purchase requisition and deleted last two sentences of first paragraph. Added explanation of new process in second paragraph and edited language about receipting goods. Deleted last sentence of paragraph two.
- e) Page 11 - Special Types of Purchase Transactions: Added: "Their use must be properly documented by notes in the purchase requisition/order in the General Notes folder".
  - i) Blanket or Open Purchase Orders: Added sentence "The bid number (RFP/RFQ) must be included in the Vendor/Sourcing notes section on the purchase requisition."
  - ii) Cooperative Procurement: Added sentence: "The agency or cooperative (such as U.S. Communities, Cobb County, etc.) and the contract number must be included on the purchase requisition in the Vendor/Sourcing Notes section."
  - iii) Emergency Purchases: Changed threshold to \$50,000 from \$20,000 in all references. Added sentence: " "Emergency Purchase" should be included as a note that prints on the Purchase Order, entered in the General Notes or Vendor/Sourcing Notes section of the Requisition."
  - iv) Original Equipment Manufacturer Purchases: Added sentence: "It should be noted on the purchase requisition that the purchase is from an original manufacturer."
  - v) Page 12 - Sole Source Procurement: Added sentence: "A copy of the Sole Source letter from the Vendor or the completed Sole Source/Brand form must be scanned into the requisition, along with the invoice."
  - vi) Split Bid Awards: Added sentence: "the RFP/RFQ number must be included in the requisition Notes."

- f) Additional Processes and Documentation: Removed Bid Bond/ Bid Guarantee paragraph. Bid bonds were defined but are rarely used. This was approved by the City Attorney previously.
- g) Added "Immigration Compliance Reporting" in compliance with recent changes to laws (HB 87 & SB 160).
- h) Performance Bond: Added: "For all Public Works construction projects and for other work over \$50,000". Changed "shall" to "may be required to" since some bids do not necessarily require these bonds such as some professional services. During the bidding process, the requirement of the Performance Bond is specified.
- i) Page 13 - Purchase Requisition: Deleted last sentence. Exhibit replaced by completed Purchase Order.
- j) Voucher for Payment: Changed too "Securing Payment" to define current process. Explained the new process of receipting purchase orders before Accounts Payable can process payment. Changed "The use of vouchers" to "All Purchases of any dollar amount" to adhere to new processes.
  - i) Material, Supplies, and Equipment Receipts: Added sentence "This packing list, bill of lading or other documentation for the items received must be scanned into the financial system during the PO Receipting process." Added: "A copy of this documentation must be scanned into the financial system during the PO Receipting process."
  - ii) Construction, Maintenance and other Service Receipts: Deleted "Voucher for Payment request shall be submitted" and started sentence "The Purchase Order Receipting process must be completed..."
  - iii) Recurring Charges: Deleted this paragraph and topic as it does not match the new process.
- 5) Page 14 - 20 - The Formal Sealed Bid Process- In the first sentence, change the threshold to \$50,000 from \$20,000. Add: "...and optional for solicitations greater than \$10,000 but less than \$50,000. Exceptions may be Public Works Construction Projects under \$100,000 per state law."
  - a) In second paragraph, added "responsible" to the lowest bidder. (page 14)
- 6) Page 16 - Bidding Process:
  - i) Bid Authority Form - Added Finance Director and Budget Officer to first sentence.
  - ii) Solicitation - Added item 9 "Contractor's/Subcontractor's Affidavits for Immigration Compliance or SAVE Documents; and added after Certificate of Insurance "with minimum coverage as required by City. Added item 10 "Any other special

requirements as outlined in the bid documents." Added to item 11 "affixed to the outside of the bid submission envelope."

iii) Public Posting – Changed threshold to "over \$50,000"; added "on the notices board at City Hall and may advertise through the legal organ of the county newspaper"

Added item (bullet) 2: "Public Works Projects over \$100,000 must be advertised in the official legal organ of the county."

On item 4, added "prior to the bid opening" time.

7) Page 17 - Pre-Qualified Suppliers - Added last sentence: "Registering as a Vendor does not guarantee a business opportunity."

i) Page 17 - Receipt and Evaluation of Sealed Bids - Added: "unless specified in the bid documents". item 1: Added "unless specified in the bid documents. Regardless of delivery methods, all bids must be presented in paper format to be considered." Item 3: Added "fully". Added: "Late bids are not opened." Item 5: Added - "and the submitted pricing. There are no awards made at the bid opening." Deleted item 6.

ii) Page 18 - Extension of the Due Date - Added "the" bid solicitation "process" to first sentence.

iii) Page 18 - Late Bids: Added last sentence: "Fully documented delivery failures will be taken into consideration as to when the package was entered into the delivery service system."

8) Page 20 – Added bullet "Public Works Construction Projects valued at less than \$100,00 may be awarded by Public Works in collaboration with Purchasing. These do not require a vote by City Council."

9) Page 20 - Bid Protests: Added policy for bid protests:

**"Bid Protests:**

Any responsive, timely bidder may protest the process or apparent award or recommendation by submitting a protest in writing to the Purchasing Manager within five (5) business days of the bid opening date. Only timely, written protests delivered by overnight carrier, USPS, or hand delivered will be accepted. Emails or faxes are unacceptable. A decision will be issued by City officials within ten (10) business days."

10) Page 21 - Ethical & Professional Standards & Practices

a) Employees Approved for Purchasing - Changed "Purchasing Office" to "Financial software system" and added "generate and/or" approve purchase requisitions.... Changed the threshold to \$5,000 from \$2,500. Deleted last sentence of paragraph to reflect new

processes. Deleted Policy requirements of approved purchasers and purchasing lists to be submitted annually.

- b) Page 22 - Federal Work Authorization Program: Added "In compliance with O.C.G.A. §§ 13-10-91 (b)(1) and as amended in SB 160" ... to first sentence. Added "(known as e-Verify)" after Federal Work Authorization Program.
- c) Local Suppliers – Added "but no formal local vendor preference policy currently exists."

11) Page 24 - Policy for Disposal of Assets

- a) Maintenance of Disposal Records and Procedural Forms: Added last sentence: "For all surplus sales in which State Sales Tax is collected, the Purchasing Manager will ensure these taxes are filed and paid annually."

12) Page 26 - Exhibit I - Bid Authority Form example included

13) Pages 27 & 28 - Exhibit II - Purchase Order and Purchase Order Terms and Conditions - System Generated examples included. Previous Exhibits were of old forms and were replaced by these two Exhibits.