

CITY OF DORAVILLE FINANCIAL MANAGEMENT PROGRAM

Purchasing Policy

Developed under the Authority
of the City Council by the
Department of Finance, and
approved by ordinance
On July 15, 2013.

PURCHASING POLICY

PURPOSE:

The City of Doraville will support a purchasing policy that provides quality goods and services that meet the need of the City. These goods and services will be acquired in a manner to maximize the value received for each tax dollar spent. Purchasing policies are designed to facilitate the effective delivery of municipal services while maintaining adequate financial controls.

All purchasing by local government units is regulated by State Law. Consequently, these laws will govern each employee's responsibility in all purchasing processes.

It will be the responsibility of each City employee to adhere to the purchasing process and procedures for the actual ordering/purchasing of goods and services, procedures for receiving and reporting purchases and procedures for payment of vendor invoices.

The City of Doraville encourages its staff to consider local purchasing when all factors are relatively equal.

Unauthorized Purchases

No purchases of materials, supplies, equipment and services shall be made in the name of City of Doraville or one of its departments, or through its purchasing department, except such as are required for official use by City of Doraville or one of its departments. Purchases in the name of City of Doraville or a department for personal use by an individual or for other than official use are prohibited, and no City of Doraville funds will be expended or advanced therefore.

Penalties and Sanctions

- (a) Legal or disciplinary action. The City of Doraville may take appropriate legal and/or disciplinary actions against any City of Doraville employee subject to the Manager's supervision and control as defined in the City of Doraville Code, subject to the appropriate appeals process of City of Doraville.
- (b) Administrative penalties for employees. The City of Doraville City Manager may impose any one or more of the following penalties or sanctions on a City of Doraville employee for violations of the ethical standards in this Section as appropriate to the situation, subject to the Personnel Manual or other appropriate appeals procedures:
 - (1) Oral or written warnings or reprimands;
 - (2) Suspensions with or without pay for specified periods of time; or
 - (3) Termination of employment.

Purchasing Procedures

1. Purchase orders shall be issued for all purchases with the following exceptions:
 - a. Utility invoices-telephone, electric, natural and lp gas, waste management and cable,
 - b. Travel and mileage reimbursements,
 - c. United Parcel Service, FedEx, or other parcel delivery service.

- d. Insurance Premiums and Bond Payments
- e. Postage Expenses
- f. Conferences, Training and Meeting Prepaid expenses
- g. Reimbursements as shown on a valid, approved Travel Expense Report
- h. Court Fees
- i. Instructors or speakers for recreation and library programs

These items shall require a payment request form. The above list is not all-inclusive; questions should be directed to the Finance Director. The use of the Payment Request Forms in no way implies that proper procedures outlined in this policy need not be adhered to. The Payment Request procedures are merely a means of expediting payment.

2. A Purchase Order authorizes the vendor to ship and invoice materials, supplies, or services as specified.
3. Purchases with invoices from the same vendor of routine expenditures shall have a payment request done weekly and submitted to the Finance Department every Tuesday at noon. Multiple invoices may be submitted on the same Purchase Order for purchases that occur in the same month.
4. Purchases made via credit card do not require a purchase order. Credit Card purchases are limited to a maximum of \$2,000 per transaction. Credit card purchases are also limited to a maximum of \$2,000 per day. Items purchased via credit card must adhere to the tiers stipulated in the purchasing policy with respect to verbal and written quotes.
5. Purchases without invoices that are made either by phone, internet, fax, or salesperson require a Purchase Order upon ordering item if not purchased via credit card. Purchase Orders will be requested by the purchaser. Purchaser will provide Finance Department or its designee with the general ledger account number.
6. Merchandise that is returned shall be entered on a Purchase Order as a negative amount and the credit slip attached to the Purchase Order.
7. All Purchase Orders will be signed by an authorized signer before they are turned into the Finance Department. Purchase orders requested on behalf of another department must be approved by that department prior to issuance.
8. The Purchase Order shall include: (1) a description of the item(s) to be purchased, (2) budget code to be charged (3) quantity, (4) cost (including tax and shipping). The purchase order shall be signed by the Department Head or designated employee. A purchase order shall not remain open for longer than one year.
9. When the goods or services are received, the person receiving goods or services will verify the quantity shipped matches the Purchase Order, verify satisfactory condition, date and sign Purchase Order. In cases where partial shipment is received, and the balance of the complete shipment is not to be immediately forthcoming, the department may follow the procedures above on a photocopy of the Purchase Order with the recommendation that the Finance Department process partial payment.

10. The Department Head is responsible for promptly remitting the shipping documents and endorsed Purchase Orders to the Finance Department for processing.
 - a. Training and Travel by Department Heads shall be approved by the City Manager (or designated person) prior to an event requiring overnight out of town travel. A Request for Training/Travel Form shall be submitted to the City Manager for approval prior to registration for the event. The City Manager shall sign all Travel Expense Reports (reimbursement request) prior to submission to the Finance Department for payment.
11. The Department Head is responsible for ensuring that adequate funds are available in the budget for the item(s) requested
12. No expenditure or other obligation shall be made unless authorized by the budget and in compliance with 1 through 11 above.
13. The City Manager is authorized to approve expenditures in an amount not in excess of \$25,000.
14. The City Manager is authorized to approve and sign annual maintenance agreements in an amount not-to-exceed \$25,000. . A detailed list of these maintenance agreements will be provided to the City Council on a semi-annual basis. In the absence of the City Manager, the Finance Director is authorized to approve and sign these agreements.
15. Small value purchases under \$2,000 may be made in the open market. These items require at least (3) verbal quotes unless purchasing from a purchasing cooperative contract, statewide contract or federal contract. Purchase Orders are still required for these purchases. This Policy cannot be circumvented by purchasing a group of similar or identical items costing more than \$2,000 and submitting a separate purchase order and invoice for each item.
16. Major categories of contracts:
 - a. Contracts between \$2,000 and \$25,000 shall be purchased by a minimum of three competitive prices solicited by sealed written quotation. Quotations will be attached to the purchase order and kept with the accounts payable files. The City Manager may approve exceptions to the Policy for purchases on the open market under \$25,000.
 - b. Contracts below the competitive-bidding threshold of \$100,000, but above \$25,000, either singly or in aggregate, shall be purchased either using the competitive-bidding process or by competitive quotes in writing from a minimum of three vendors whenever possible. For the purchase of a vehicle or other single piece of equipment, it may be more appropriate to solicit written quotes as opposed to issuing an RFP or RFQ.
Contracts of \$100,000 or more shall be purchased through the competitive-bidding process solicited by public notice in the manner and subject to the requirements of the law governing contracts. Public Works Projects over \$100,000 are required by Georgia State Law (HB1079) to have Payment Bonds and Performance Bonds for 100% of the contract amount. When these bids are requested the standard City documents with this information will be used. The City will also require that a 5% Bid

Bond be submitted with the bid. These projects will be advertised in the legal organ for the City.

17. Bidding requirements cannot be avoided by splitting a contract into several contracts, unless materials or work are logically different transactions indicating two separate contracts.
18. Competitive bidding documents shall contain the following requirements:
 - a. The RFP/RFQ shall set the opening bid day and time
 - b. The RFP/RFQ response shall require a minimum of 10 hard copies of the responses and at least one digital copy of the response.
19. Purchases more than the sealed bid limit may be made without sealed bids if one or more of the following is applicable:
 - a. City participates in the Statewide Contracts and Team Georgia Marketplace, the GSA Cooperative Purchasing program and other public and private purchasing cooperatives (such as the Western States Cooperative Alliance).
 - b. Sole source of supply or proprietary item,
 - c. Emergency expenditures,
 - d. Purchase of used equipment where no competition exists.
 - e. Federal and State surplus property acquisitions.
 - f. Property obtained from other governmental agencies.
20. **Emergency Purchasing:** It is understood that, from time to time, occasions arise at departments, which dictate immediate action to purchase items in order to prevent disruption of operations. The Purchasing Agent shall have the authority to purchase commodities and services where there exists an emergency constituting a threat to public health, safety or welfare or to the soundness and integrity of public property or to the delivery of essential services and where the adverse effect of such emergency may worsen materially with the passage of time.

If the emergency occurs after normal business hours and the Purchasing Agent is unavailable, the Department Directors/Chiefs will be given the same authority as the Purchasing Agent. The documentation and purchase requisitions are to be submitted to the Finance Department as soon as possible following the emergency. Adherence to these regulations and procedures concerning dollar amounts and bidding will be followed as closely as circumstances will allow. All emergencies will be documented and reports given to the City Manager and Mayor and Council. The above policy statement shall not apply to purchases that were caused from poor planning or scheduling by the Department Head.
21. **Brand Name Purchases:** The Purchasing Agent may elect to purchase brand name products or services when the goods comprise a major brand system, program or service previously selected by the City and due to operational effectiveness, future enhancements or additions, or maintenance or storage of spare parts precludes the mixing of brands, manufacturer, etc.
22. **Sole Source Purchases:** A contract may be awarded or a purchase made without competition when the City determines that there is only one source for the required products, supply services, or construction items. The Purchasing Agent shall conduct negotiations as appropriate, as to the price, delivery, and terms to determine reasonableness of price. A separate file of sole source procurements shall be maintained as a public record and shall list each contractor's name, the amount and type of each contract, and a listing of the item(s) procured under each purchase order or contract.

23. Grants/Donations: Periodically, the City may be given private/public grants and donations; from sources such as the State and Federal Government and private corporations. These types of solicitations are more restrictive and will dictate the procurement process and methodology that the City is to follow for an award.
24. An Imprest Fund (petty cash) shall be maintained for the purchase of goods or services to a maximum 600.00. The documents necessary to use this system are a petty cash slip available from the Finance Department and a receipt for the goods or services purchased. At present, the Recreation Department is the only department authorized to maintain an Imprest Fund. The following departments maintain Change funds from which they are NOT allowed to make purchases: City Hall, Municipal Court, Library and Recreation.

Imprest Funds shall not be used for the payment of salaries or personal expense reimbursements. Imprest funds may not be used to issue refunds or to repay employees for purchases made on their personal credit cards for city use.

25. It is the policy of the City of Doraville that the following ethical principles shall govern the conduct of every employee involved, directly or indirectly, in the City procurement process. The NIGP Code of Ethics is attached as Appendix A as an additional guideline.
- a. Employees will avoid activities which would compromise or give the perception of compromising the best interests of the City of Doraville. Employees will not knowingly use confidential proprietary information for actual or anticipated personal gain.
 - b. Employees will avoid any activity that would create a conflict between their personal interest and the interest of the City. Conflicts exist in any relationship where a person is not acting in the City's best interest and may be acting in their own interest or the interest of someone associated with them. Such conflicts of interest would include being involved in any procurement in which:
 - 1. The employee or any member of the employee's family has a financial interest pertaining to the City procurement process;
 - 2. A business or organization in which the employee, or any member of the employee's family, has a financial interest pertaining to the City procurement process, or
 - 3. Any other person, business, or organization with whom the employees or a member of the employee's family is negotiating or has an arrangement concerning prospective employment.If such conflicts of interest exist, the employee will notify the City Manager in writing and will remove him/herself from the City procurement process.
26. Employees will avoid the appearance of unethical or compromising practices in relationship, actions, and communications regarding the procurement process.

27. Employees will never solicit or accept money, loans, gifts, favors, or anything of value, from present or potential contractors which might influence or appear to influence a purchasing decision. If anyone is in doubt about whether a specific transaction complies with this policy, the person should disclose the transaction to the City Manager for a determination of compliance.
28. Employees will keep proposers' and contractors' proprietary information confidential if required, by a signed non-disclosure statement. The City Attorney must be consulted before any employee signs such a statement. Employees will keep City procurement information obtained from a Request for Proposal or Request for Qualifications confidential until after contract award if the solicitation provides for it to be kept secret.
29. The City of Doraville shall be environmentally conscious by encouraging the use of recycled products whenever practicable and in the best interest of the City.
30. In accordance with the City Charter and this Policy, Contracts and Agreements may only be executed by the Mayor or City Manager (if within his purchasing authority) and any Agreement executed by any official other than the Mayor or City Manager is void.

APPENDIX A

NIGP CODE OF ETHICS

The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by a public sector procurement or materials management organization.

Seeks or accepts a position as head (or employee) only when fully in accord with the professional principles applicable thereto and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization.

Believes in the dignity and worth of the service rendered by the organization, and the societal responsibilities assumed as a trusted public servant.

Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.

Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.

Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.

Believes that members of the Institute and its staff should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.

Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.

Resists encroachment on control of personnel in order to preserve integrity as a professional manager.

Handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics.

Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.

Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.

GUIDELINES TO THE NIGP CODE OF ETHICS

I. RESPONSIBILITY TO YOUR EMPLOYER

Follow the lawful instructions or laws of the employer.

Understand the authority granted by the employer.

Avoid activities, which would compromise or give the perception of compromising the best interest of the employer.

Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition.

Obtain the maximum benefit for funds spent as agents for the employer.

II. CONFLICT OF INTEREST

Avoid any private or professional activity that would create a conflict between your personal interest and the interests of your employer.

Avoid engaging in personal business with any company that is a supplier to your employer.

Avoid lending money to or borrowing money from any supplier.

III. PERCEPTION

Avoid the appearance of unethical or compromising practices in relationships, actions and communications.

Avoid business relationships with personal friends. Request a reassignment if the situation arises.

Avoid noticeable displays of affection, which may give an impression of impropriety.

Avoid holding business meetings with suppliers outside the office.

When such meetings do occur, the meeting location should be carefully chosen so as not to be perceived as inappropriate by other persons in the business community or your peers.

IV. GRATUITIES

Never solicit or accept money, loans, credits or prejudicial discounts, gifts, entertainment, favors or services from your present or potential suppliers which might influence or appear to influence purchasing decisions.

Never solicit gratuities in any form for yourself or your employer.

Items of nominal value offered by suppliers for public relations purposes are acceptable when the value of such items has been established by your employer and would not be perceived by the offeror, receiver or others as posing an ethical breach.

Gifts offered exceeding nominal value should be returned with an explanation or if perishable either returned or donated to a charity in the name of the supplier.

In the case of any gift, care should be taken to evaluate the intent and perception of acceptance to ensure that it is legal, that it will not influence your buying decisions, and that it will not be perceived by your peers and others as unethical.

V. BUSINESS MEALS

There are times when during the course of business it may be appropriate to conduct business during meals. In such instances, the meal should be for a specific business purpose.

Avoid frequent meals with the same supplier.

The purchasing professional should be able to pay for meals as frequently as the supplier. Budgeted funds should be available for such purposes.

VI. CONFIDENTIAL INFORMATION

Keep bidders' proprietary information confidential.

Develop a formal policy on the handling of confidential information.

VII. RELATIONSHIP WITH THE SUPPLIER

Maintain and practice, to the highest degree possible, business ethics, professional courtesy, and competence in all transactions.

Association with suppliers at lunches, dinners or business organization meetings is an acceptable professional practice enabling the buyer to establish better business relations provided that the buyer keeps free of obligation. Accordingly, it is strongly recommended that if a seller pays for an activity that the buyer reciprocate.

Purchase without prejudice, striving to obtain the maximum value for each dollar of expenditure.

Preclude from showing favoritism or be influenced by suppliers through the acceptance of gifts, gratuities, loans or favors. Gifts of a nominal value that display the name of a firm which is intended for advertisement may or may not be accepted in accordance with the recipient's own conscience or jurisdictional rules.