

BLOUNT COUNTY GOVERNMENT PURCHASING DEPARTMENT POLICIES AND PROCEDURES

Updated as of
July 1, 2023



PURCHASING POLICIES AND PROCEDURES

This document contains the Blount County Government's purchasing policies and procedures as approved by the Blount County Purchasing Commission on June 29, 2023.

If you have questions or need assistance, please call the Purchasing Department at 865-273-5740 or email at Purchasing@blounttn.org.

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OBJECTIVES

1. Conform with all laws and regulations affecting purchasing for the County.
2. Purchase supplies and services for the various County departments at an economical price.
3. Purchase supplies and services in the quality that is best suited to the interest of the County.
4. Purchase supplies and services on a timely basis to avoid interruptions to services provided by the County.
5. Introduce a greater measure of responsibility and accountability over implementation of the County budget, specifically as related to the procurement of commodities, contractual services, and capital outlay items.
6. Assist all levels of the County government in reaching responsible, cost-effective decisions in the procurement of supplies for County use.
7. Select sources of supply on a fair and open competitive basis.
8. Promote goodwill, transparency, and clear communication in County-vendor relations and intra-County relations relative to purchasing.
9. Encourage public confidence in the procurement process by conducting purchasing in a fair, open, transparent and ethical manner.

GENERAL POLICIES

BUDGET ACCOUNTABILITY

Elected Officials and Department Heads are directly responsible for their respective budgets. Requisitions submitted in Munis workflow are approved by the Department Head and Accounting before progressing to the Purchasing Department.

When budgeted amounts are unavailable or expended, Purchasing may not authorize additional expenditures. Purchasing shall not be responsible for securing additional appropriations for any purchase or taking items to the Budget Committee for approval.

LIABILITY OF THE COUNTY

The County is not liable for purchases which do not conform to the procedures covered by this manual.

PURCHASING PROCESS

1. The user department determines a need for supplies or services.
2. User submits a purchase requisition through MUNIS prior to receiving an invoice. The Purchase Order must be received by the department and vendor before the order can be placed.
3. Accounting checks to see if funds are available. If not available, the requisition is rejected back to the department. The requisition is not forwarded to purchasing until notification of available funds.
4. Purchasing will check the requisition to see if it is accurate. If not accurate, the department is contacted for clarification. The requisition must include sufficient detail and required contract information, or grant documentation.

5. If funds are available and the requisition is accurate, purchasing determines whether regulations require bids to be solicited.
 - a. If the purchase is under \$20,000, but the vendor has over \$20,000 in combined County purchases for the fiscal year, the Purchasing Department will assist in finding competitive pricing or an alternate vendor when needed. (If the purchase is under \$20,000, but is part of contract agreement with Blount County, a vendor with over \$20,000 in fiscal year purchases can still be used.) See Informal Bidding process.
 - b. Three competitive quotes are required for purchases over \$20,000 up to \$50,000 (all purchases unless it qualifies as a noncompetitive/sole source procurement).
 - c. Purchases \$50,000 or more must follow full and open competition purchasing procedures through the Sealed Bid process.
6. Bids are received, tabulated, and evaluated by purchasing personnel and a recommended bidder is approved by the Purchasing Agent.
 - a. If not approved, the following options apply:
 - i. Another bid is approved,
 - ii. No bids are accepted and the purchase is not completed, or
 - iii. Purchasing will solicit bids again.
 - b. If the bid is approved, Purchasing converts the requisition to a purchase order.
7. After the requisition is converted to a Purchase Order,
 - a. Requisitioning department provides the PO to the vendor and places the order
 - b. Vendor supplies the ordered goods or services to the requesting department and submits the invoice to the requisitioning department,
 - c. Vendor submits the invoice to the requisitioning department
8. The user department inspects the goods or services to see if specifications have been met. If they have not been met, Purchasing is notified via email or complaint policy, and the goods are returned to the vendor and/or he is otherwise directed to comply with the order.
9. If the specifications have been met, the department submits the invoice to accounting. Blount County is tax exempt and should not pay any taxes the vendor may add to the invoice.
 - a. If tax is submitted on an invoice, justification must be attached explaining why tax was included.
 - b. An exception is hotel tax and reimbursements.
10. Accounting verifies that the purchase order and invoice coincide and processes the invoice for payment.
11. For goods that are no longer needed, see the **SURPLUS PROPERTY** section of this policy.

EXCEPTIONS TO THE STANDARD PURCHASING PROCESS

COOPERATIVE PURCHASING AGREEMENTS

1. **Per TCA § 12-3-1205**, "Any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any supplies, services or construction"

- a. Blount County Commission authorized the use cooperative purchasing agreements with **BLOUNT COUNTY RESOLUTION NO. 14-05-009**

CONTRACTING FOR PROFESSIONAL SERVICES

1. **Non-federal** contracts for legal services, auditing services by certified public accountants, and similar services by professional persons or groups of high ethical standards shall not be based solely on price but shall be awarded based on recognized competence and integrity.
TCA § 5-14-108(a)(2)
2. For **federally funded** projects using federally funded architectural/engineering (A/E) professional services that are anticipated to exceed \$250,000 per contract (compliant with 2 CFR 200.320(b)(2)(iv), Blount County will solicit competitive proposals using a qualifications-based procurement whereby offerors' qualifications are evaluated, and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms that are a potential source to perform the proposed effort.

GOODS OR SERVICES PURCHASED FROM OTHER GOVERNMENT

1. Blount County may use the GSA Multiple Award Schedule (MAS) Contract vehicle for purchase of some commercial products and services. "The County may purchase materials, supplies, commodities and equipment from any federal, state or local governmental units or agency, without conforming to the competitive bidding requirements..." **TCA § 5-14-108(b)**
2. **GSA Purchasing**
 - a. **Cooperative Purchasing** - Access to information technology and law enforcement and security solutions, identified by Special Item Number (SIN) in support of everyday missions.
 - b. **Disaster Purchasing** - Access to all MAS available offerings under Schedule (consolidated MAS and all legacy Schedules) for emergency/disaster preparation, emergency/disaster response, or major disaster recovery in support of a Stafford Act declaration from the President.
 - i. Disaster Purchasing Program Mandatory Order Language "This order is placed under GSA Schedule number "insert number here" under the authority of the GSA Disaster Purchasing program. The products and services purchased will be used in preparation or response to disasters or recovery from major disaster declared by the President, or recovery from terrorism or nuclear, biological, chemical, or radiological attack."
 - ii. FEMA has separate guidance related to State and Local Schedule Purchasing under the Disaster Purchasing Program. There may be other FEMA exceptions FEMA under public health emergency declarations. Blount County Purchasing must contact FEMA, HHS, or other Federal agencies to understand what requirements, if any, are waived during a declared disaster situation.
 - c. **Public Health Emergency (PHE)** - Access to all offerings on Schedule (consolidated MAS and all legacy Schedules), when expending Federal grant funds in response to

Public Health Emergencies declared by the Secretary of Health and Human Services under section 319 of the Public Health Services Act, codified at 42 U.S.C. § 247d.

- i. Public Health Emergency Program Mandatory Order Language “This order is placed under Federal Supply Schedule number according to GSA policy that authorizes state, local, territorial, and tribal governments, U.S. General Services Administration 1800 F Street, NW Washington DC 20405-0002 www.gsa.gov as authorized users for purchasing goods and services, when expending Federal grant funds in response to Public Health Emergencies (PHEs) declared by the Secretary of Health and Human Services, under section 319 of the Public Health Services Act.”
- d. Consistent with GSA governing directives, to use MAS schedules, Blount County must:
 - i. Follow the procurement laws and regulations, including competition rules, geographic requirements, and socioeconomic requirements dictated by their Blount County local regulations and policies. When using Federal grant funding for purchases, Blount County must follow Federal procurement rules as included in Blount County purchasing policies and procedures.
 - ii. Include the MAS contract number on all orders placed through MAS. This confirms that the pricing, terms, and conditions are applicable on the order.

NONCOMPETITIVE PROCUREMENT (including Single Source and Sole Source)

There may be circumstances in which noncompetitive procurement must be used.

Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

1. The procurement is for a purchase of \$20,000 or less (and the County’s collective spend for that vendor for the fiscal year does not exceed \$20,000 after the proposed purchase cost is included)
2. The item is available only from a single source or sole source.
 - a. A single source is one of the multiple sources that can produce the desired goods/services, but it is the one source that is selected without competition for compelling and justifiable reasons. Reasons may include (but are not limited to) continuation of an ongoing service procured previously or an addition to a critical system already procured from that supplier. For example, maintenance of software, geographical service area, etc.
 - b. A sole source is the only source available that can produce the desired goods/services because of exclusive control of patent rights, copyrights, proprietary processes, or similar circumstances.
3. The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation. As stated in the Exceptions to Normal Purchasing Process section above, Tennessee Code Annotated section 5-14-110 authorizes Purchasing "... without filing requisition or estimate, any supplies, materials, or equipment for immediate delivery in actual emergencies arising from unforeseen causes..." Emergency purchases are made to protect the public health,

welfare, or safety of citizens or when immediate repair is necessary to prevent further damage to public property, machinery, or equipment. See EMERGENCY PURCHASES.

4. For purchases using Federal grant funds in whole or in part, Blount County seeks and receives express written permission from the Federal funding agency to use noncompetitive procurement. The Requesting Department is responsible for obtaining written approval from the Federal awarding agency and must attach this written approval to the Single/Sole Source Justification Form, along with the grant award, if applicable.
5. After solicitation of a number of sources, competition is determined inadequate.

It is the responsibility of the requesting department to work with the Purchasing Agent to properly justify a noncompetitive procurement. The Purchasing Agent will always seek alternate sources for goods and services before using this method and will document the file to support the use of noncompetitive procurement.

EMERGENCY PURCHASES

Tennessee Code Annotated § 5-14-110 authorizes Purchasing "... without filing requisition or estimate, any supplies, materials, or equipment for immediate delivery in actual emergencies arising from unforeseen causes..." Emergency purchases are made to protect the public health, welfare or safety of citizens or when immediate repair is necessary to prevent further damage to public property, machinery, or equipment.

During Business Hours: Purchasing will manage the emergency purchase if needed during regular courthouse business hours. A requisition is still required.

After Business Hours: If the emergency purchase is needed after regular courthouse business hours or on weekends or holidays, the Department Head may make the purchase. **Unless previously authorized by a Request for Check**, a report of the purchase, including a justification, requisition, and delivery ticket or packing slip shall be sent to purchasing before the end of the next working day. Purchasing will then write (issue) a confirming purchase order.

Abuses of this procedure will be investigated and if necessary, the use of emergency purchasing procedures can be revoked by the Purchasing Commission.

EXEMPTIONS FROM PURCHASE ORDERS

The following items will not require a purchase order. They qualify for payment with a REQUEST for CHECK (a Munis process) at the Department Head's discretion.

1. **Acting Judge:** Attorney serving as judge
2. **Advertisement/Legal Notices:** Payments for legal notice publications
3. **Audit services:** Payment for individuals performing these services
4. **Bank services:** Stop payments, wiring fees, and any miscellaneous charges associated with banking

5. **Bonds and Insurance:** Elected Official bonds, deputy bonds, surety bonds, notary applications, and insurance payments
6. **Communications:** Telephone, cellular, and internet services
7. **Contracted Services for students attending Tennessee School for the Deaf:** Payment to interpreters, teaching assistants, or for any other special needs services
8. **Contributions:** Non-profit agencies and school contributions
9. **Debt Service Payments:** Principal and interest on outstanding debt and any associated fees
10. **Dues and Memberships:** Dues and membership fees for professional organizations
11. **Emergency Purchases (Must be approved by Purchasing Agent/Finance Director):** Purchase of any supplies, materials, or equipment for immediate delivery in actual emergencies arising from unforeseen causes. See "EXCEPTIONS TO THE NORMAL PURCHASING PROCESS>EMERGENCY PURCHASES" in this document.
12. **Farrier Services:** Payment for services of a maker and fitter of horseshoes
13. **Freight/Shipping:** Freight and shipping charges
14. **Inter-department billings:** Payment to another county department (i.e. to County Clerk for notary or license plates; from Schools Central Office funds to individual school funds)
15. **Inter-Library loan charges:** Charges related to the lending and borrowing of books from other libraries
16. **Interpreters:** Payment for individuals performing these services
17. **Jury/Poll-workers:** Payment for individuals performing these services
18. **Legal fees for attorney:** Legal services and retainers
19. **Medical bills** and prescriptions for inmates
20. **Medical bills** and prescriptions for canine and horses
21. **Other Governmental Entities:** Payments to Federal, State, and Local government entities
22. **Payments for Inmate Commissary Services Manager:** Payment for individuals performing these services and any related expenses
23. **Payments for inmates housed at other facilities:** Payment for these services when inmates cannot be housed in our facility
24. **Payments for State Sales Tax/Blount County Public Library:** State sales tax payments for Library
25. **Payroll reimbursements:** Refunds to employees for payroll deductions
26. **Postage:** Payment to the United States Postal Service, FEDEX, UPS, etc.
27. **Publications and Subscriptions:** Subscriptions to periodicals, newspapers, etc.
28. **SMALL PURCHASE UNDER \$100.00**
29. **Travel for Employees:** Advance payment or reimbursement for employee travel expense (Accounting Form)
30. **Utilities:** Water, sewer, electrical, and gas bills
31. **School's department reimbursements:** i.e. Lunch account reimbursements

PURCHASE METHODS (BIDDING PROCESS)

It is the policy of Blount County to purchase goods and services based whenever possible on competitive bids. Bids allow the County to take advantage of the resultant increase in competition and decrease in prices for goods and services.

Tennessee Code Annotated section 5-14-108 states that "all purchases of and contracts for purchases of supplies, materials, equipment and contractual services, and all contracts for the lease or rental of equipment...shall be based whenever possible on competitive bids."

INFORMAL BIDDING

1. On purchases of items costing less than **\$20,000**, the purchase may be awarded without soliciting competitive price or rate quotations if the Purchasing Agent determines that the price is reasonable based on research, experience, purchase history or other information.
 - a. If supplies and services purchased are repetitive or ongoing, the aggregate amount anticipated for purchase for a particular purpose or project must not exceed \$20,000 for the fiscal year. To the maximum extent practicable, purchases using this method should be distributed equitably among eligible suppliers. (If the purchase is under \$20,000, but is part of contract agreement with Blount County, a vendor with over \$20,000 in fiscal year purchases can still be used.)
2. The Purchasing Agent must document the purchasing files to support using this purchasing method. For all Federally funded procurements over \$20,000, the Purchasing Justification Method form must be included in the procurement file to maintain compliance with 2 CFR 200.318(c).
 - a. On purchases of items estimated to cost more than \$20,000.00 but less than \$50,000.00, informal bids must be obtained from an adequate number of sources (for purchases with any less than two sources or quotes, the Purchasing agent must follow the policy for noncompetitive/ sole source purchasing detailed in the section below).
 - b. Informal bids may be obtained by soliciting informal quotations by telephone, email, fax, internet, consulting catalogs, or other methods deemed necessary by the Purchasing Agent. Written confirmation of quotes should be obtained. Every effort will be made to get the lowest and best price.

FORMAL SEALED BIDS

Sealed bids will be solicited when deemed possible by the Purchasing Agent for goods or services estimated to cost over \$50,000.00. Requisitions for items estimated to cost more than \$50,000.00 will not be subdivided to circumvent the sealed bid requirement.

Items which can only be procured from one source shall not be based on sealed bids. The Purchasing Agent shall, however, routinely seek alternate sources or alternate products for sole source items. At the discretion of the Purchasing Agent, solicitations may include requests for option year pricing, with the number of option years not to exceed five (5) years on any solicitation.

1. Invitation for Bids

- a. Purchasing will prepare an Invitation to Bid package (ITB) and
 - i. may require a scope of work from the requesting department
 - ii. reserves the right to include other cooperative departments or agencies and other anticipated use

- b. The ITB will contain all terms and conditions of the bid, specifications and quantities to be purchased, and any other information which will assist the bidder in bidding prices on items or services to be purchased.
 - i. The ITB will be sent to prospective bidders via the electronic online bidding system
 - ii. The ITB will also be accessible via the **Purchasing Department** link on the Blount County, TN website, www.blounttn.org under **Vendor Bidding Registration**.
 - iii. A bidders list will be maintained by Purchasing's electronic online bidding system for all major commodity classifications.

2. Public Notice (Tenn. Code Ann. § 5-14-108)

- a. All sealed bids will be given public notice at least five days prior to the final date for submitting bids. The notice will include a general description of the items or services to be purchased, where bid forms and specifications may be obtained, and the time and place of the bid opening.
- b. Notice may be provided by:
 - i. insert the public notice in a newspaper of county wide circulation, and/or
 - by posting the public notice on the bulletin board in the courthouse.
- c. The Purchasing Agent reserves the right to determine a reasonable notice for all ITB's.

3. Bid Bonds and Performance Bonds

- a. For non-Federally funded projects the minimum requirements are as follows:
 - i. No contract shall be let for any public work until the contractor shall have first executed a good and solvent bond to the effect that the contractor will pay for all the labor and materials used by the contractor, or any immediate or remote subcontractor under the contractor, in such contract, in lawful money of the United States. The bid bond shall be for 5% (five percent) of the contract price on all contracts in excess of \$100,000 (one hundred thousand dollars).
 - ii. Additional bonding requirements may be placed on certain procurements at the Purchasing Agent's discretion based on the nature and circumstances of the procurement.
- b. For Federal construction over \$50,000, or facility improvement contracts or subcontracts exceeding Blount County's \$50,000 acquisition threshold, the minimum requirements must be as follows:
 - i. A bid guarantee from each bidder equivalent to 5% (five percent) of the bid price. The *bid guarantee* must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

- ii. A performance bond on the part of the contractor for 100% of the contract price. A *performance bond* is one executed in connection with a contract to secure fulfillment of all the contractor's requirements under such contract.
- iii. A payment bond on the part of the contractor for 100% of the contract price. A *payment bond* is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

4. Retainage Policy

- a. For Federally funded and non-Federally funded (local or state), per **TCA § 66-34-103-104**, for any contract \$500,000 or over, for the improvement of real property.
 - i. TDOT funding is exempted from Retainage
- b. A **maximum** of 5% of the contract price may be retained
- c. That retained amount must be deposited in a separate, interest-bearing, escrow account with a third party which must be established upon the withholding of any retainage.
- d. Requires vendor's compliance to open retainage account.
- e. The County will follow established internal procedures for processing retainage payments.

5. Bid Receipt and Tabulation

- a. All bids shall be kept secure prior to the public opening.
- b. All manual bids received by Purchasing shall be date/time stamped and kept in a secure location prior to opening. When the prescribed time and date for the bid opening arrives, the bids will be publicly opened and recorded by Purchasing.
- c. Electronic Bid files submitted online, via the County's online bidding system will have an electronic date and time receipt and will be sealed by the software, opened only in the online bidding system at the close of the Bid.
- d. Bid Tabulation will be provided to requesting bidders and bid attendees, per **TCA § 5-14-108(i)**. Entities who did not bid or attend the bid are required to submit a request to the Blount County Records Department.
- e. The Purchasing Department does not accept Bids via email or fax.

6. Award of Sealed Bids

- a. The Purchasing Department will study the bids for conformance with terms and specifications and award the contract. The contract shall be awarded to the vendor(s) whose bid is the most advantageous to the County. Whenever the award is not given to the lowest bidder, the reason shall be documented and placed in the bid file.
- b. For Federally funded projects, a firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, lead time, and life cycle costs must be considered in determining which bid is

lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Bidders will not be required on any bid to supply a discount; however, bidders must respond with a percentage off, even if the percentage is 0%.

- i. At the discretion of the Purchasing Department, these factors may also apply to non-Federally funded projects.
- c. After opening the Bid and prior to award, any bid or proposal may be rejected in whole or in part when it is in the best interest of the County. Reasons may include but not be limited to: (a) the bidder is non-responsive, (b) bid does not meet the specifications, (c) prices exceed available funds (d) the pricing is not reasonable based on other available information in the marketplace (e) the supplies or services are no longer needed. Reasons for rejection must be documented in the procurement file.
- d. For any bid ties (only for purchasing of goods and construction), the County will use the “flip a coin” method at a meeting with both vendors present. This will only occur after a re-evaluation of all bid line items.
- e. For any grievance by a vendor against the County’s purchasing system, see the “BID PROTEST POLICY”.

MASTER SERVICE AGREEMENTS/OTHER CONTRACTS

The County reserves the right to request any vendor who may have, or has potential to have, multiple projects with the County, to execute an MSA or the like, to streamline business processes.

PURCHASE ORDER PROCEDURES

A purchase order is written evidence of a contractual agreement between the County and a merchant that includes pertinent items: vendor’s name, issuance date, prices, delivery dates, and other relevant information. Unless explicitly exempted in this document by a Request for Check, the County must issue a purchase order before any commitments to purchase are made, item or service ordered, contract signed, or purchasing card (P-Card) used. The requesting department is responsible for providing the vendor the purchase order at the time the order is placed or submitted.

REQUESTING A PURCHASE ORDER

To request a purchase order, an authorized individual (Elected Official, Department Head, or the approved designee) must properly complete a requisition in the County’s enterprise resource planning system—currently Tyler’s Munis. See MUNIS INSTRUCTIONS for details.

1. An adequate description must be supplied to determine that the purchase is authorized by state statute, has met all statutory requirements (i.e., bidding or emergency purchases, as applicable), and is for the public good.

- a. A vendor must exist in the system. To determine if a vendor exists and what, if any, actions to take, see "VENDORS". To add a new vendor, submit an email request to Purchasing with an attached W-9.
 - b. Attach supporting documentation to the requisition in Munis with the purchase details and cost. If the exact cost is not known, a reasonable estimate or quote must be attached to the requisition.
 - c. For a P-Card purchase order requisition (required for P-Card purchases of \$100 and over), there must be additional support documentation attached. A list of approved P-Card vendors is not sufficient support documentation.
 - d. If applicable, the department must include the contract number. The Munis contract number must be entered for *each line item* on the requisition in Munis. (Exception: A P-Card requisition can only have one line-item and the contract field cannot be used.)
 - i. The contract quote must be requested from the vendor in order to receive contract pricing and the vendor must reference the contract number on the quote
 - ii. When using a cooperative contract, the number referenced on the quote and in the line-item description should be the Cooperative number (i.e. TIPS #1234) and not the Munis contract number
 - e. An adequate balance of unencumbered appropriations must be available in the appropriate line-item(s).
 - f. Purchase orders can only be issued for one vendor per purchase order.
 - g. On contract items must be submitted on a separate requisition from off contract items, even if using the same vendor (same for P-Card requisitions).
 - i. Exception: For vehicles purchased on a cooperative, the off-contract options may be included on the same requisition, but will require additional approval via the Mayor's office.
2. Purchase Orders will be issued within a week of the request being made.
 - a. PO's could be delayed based on lack of back-up documentation included but not limited to: Sole Source letter(s), contract review, formal bid process, grant information, or other justification.
 - b. Properly completed and documented requisitions will generally be processed within 24 hours, once received by the Purchasing Department. If it is an emergency, but during business hours, indicate this in the requisition's first description field and notify Purchasing.
 3. Upon approval of a purchase order, the requester will receive an email from the Munis system with pertinent details (including the requisition number). Within thirty minutes of receipt of this email, a purchase order should be available for viewing and/or printing in the Munis system.
 4. If a request is not approved, or is on hold, the requester will receive an email from the Munis system with the reason why it was not approved.
 5. Services must be materially rendered within the same fiscal year as a budgetary expenditure. If a purchase order for services is required for multiple periods—current and

subsequent periods—due to a contractual agreement, a pre-payment (not a budgetary expenditure) will be booked for subsequent periods.

PURCHASING THRESHOLDS

1. **Per TCA § 12-3-1212**, “the threshold was increased over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed fifty thousand dollars (\$50,000) for nonemergency, nonproprietary purchases”, with purchases not requiring competitive quotes or bids to be increased to 40% (forty percent) of that amount.
 - a. Blount County Commission approved use of the increase with **BLOUNT COUNTY RESOLUTION NO. 22-12-006 TO INCREASE THRESHOLD**.
 - b. Blount County Accounting Department will **self-certify annually to increase the micro-purchase limits for federal procurement** from \$10,000 to the \$20,000 County limit, compliant with 2 CFR 200.320(a)(v).
2. If the purchase order is for at least \$20,000 annually, and the vendor is not on contract, contact Purchasing to provide competitive pricing or determine the contract mechanism for the purchase.
3. If the purchase order is for less than \$20,000, but total vendor spend for the county is over \$20,000 for a vendor that is not on contract, provide 2 additional quotes for competitive pricing. Contact Purchasing if assistance is needed.
4. If the purchase order is for at least \$50,000 annually, and the vendor is not on contract, contact Purchasing to solicit sealed bids for the purchase. In some instances, the Purchasing Department may provide another contract vehicle such as a cooperative purchasing agreement or Statewide Contract Instruction (SWC).

BLANKET PURCHASE ORDER

To minimize any hardships in complying with the purchasing procedures, departments are authorized to utilize blanket purchase orders in certain instances. However, this is not the best—or preferred— method.

1. Blanket purchase orders are for routine items only (e.g., office supplies, maintenance supplies, and similar items) and are not for purchasing fixed assets.
2. The blanket purchase order shall be for similar purchases, i.e. office supplies, plumbing supplies, monthly subscription or utility bill, etc.
3. Off-contract Blanket purchase orders for more than \$1,000 may not be accepted, in order to keep the Vendor Spend under \$20,000 for as long as possible, and allow multiple departments equal access to the vendor’s products before needing to provide competitive quotes.
4. Each department is responsible for monitoring expenditures against blanket purchase orders and for ensuring the authorized amounts are not exceeded, except as noted in “PURCHASES EXCEEDING PURCHASE ORDER LIMIT”. The blanket purchase order must be for a defined period, not to exceed June 30th, and will liquidate at the end of the fiscal year. Encumbered balances will not carry forward to a subsequent fiscal year.
5. The purchase order must be a reasonable estimate of the total cost for the time requested (i.e. for quarter 1 purchases). If circumstances change, the department should immediately initiate and document a change order within the Munis system.

6. Blanket purchase orders may be requested only for the following lengths of time:
 - a. Annual purchase orders must be for fixed monthly or annual amounts (e.g., service agreements or similar items) that generally do not vary, except for overages or other similar charges.
 - b. Monthly purchase orders are for like purchases (e.g., office supplies, vehicle maintenance, janitorial supplies, library books, building materials, jail food, asphalt, rock, or similar items).

PURCHASE ORDER CANCELLATIONS

1. Purchasing Department

- a. If for any reason, a purchase will not be completed, email the purchasing department immediately at purchasing@blounttn.org. Purchasing will cancel the purchase order and unencumber the requested amount during the current fiscal year.

2. Finance Department

- a. Each department will be notified monthly by the Finance Department and asked to validate or confirm that all open purchase orders are still valid. If confirmation is not received timely, the following actions may be initiated. The department will be notified of any actions taken.
 - b. For any purchase order (other than monthly, annual purchase orders, or contracts) not returned with the invoice to the Finance Department within 90 days of issuance, the purchase order may be canceled.
 - c. For all monthly and annual purchase orders not returned with the invoice to the Finance Department within 60 days following the end of the period (month), the purchase order may be canceled.
3. After cancellation, purchase orders are no longer valid. Requesting department must send vendors all PO change orders and cancellations.

PURCHASES EXCEEDING PURCHASE ORDER LIMIT

In some instances, the amount of the purchase may exceed the amount of the purchase order, and a change order will need to be submitted in Munis.

1. With adequate justification and documentation of why an overage occurred, expenditures may exceed the purchase order by the lesser of the amounts presented below, without any additional approval. However, such overages cannot result in a change in scope for bid items, make the item biddable (over annual dollar threshold), or be the result of additional purchases not on the purchase order.
 - a. The unencumbered balance in the appropriate line-item, or
 - b. 10% of the purchase price, or
 - c. Increase of \$50 or less, no matter the original purchase price
2. Construction projects may have a 10% contingency built-in for unforeseen changes to the scope of work.
 - a. The Contingency amount should be added to the Contract "Contingency Amount" field during Contract Entry in Munis

- b. Use of the contingency is not automatic and the request for a change order to the contract amount requires support documentation provided to Purchasing to be attached to the Contract in Munis
- c. After documentation is provided to Purchasing, the amount of contingency requested will be “Invoked” in Munis and moved to the “Available” funds field

PURCHASES MADE WITH A PURCHASING CARD (P-CARD)

1. P-card can be used for purchases under \$100 without opening a PO.
2. Purchases over \$100 using a P-Card will require PO request.
 - a. Begin the initial Munis requisition description field with “US BANK”.
 - b. Back up documentation for the purchase must be attached to the requisition (a list of approved P-Card vendors cannot be used as support documentation).
 - c. A P-Card requisition must reference any contract used in the line item description, not in the requisition “Contract” field.
3. Only one line-item can be used.
4. All supporting documentation supplied must, on its own without supplemental explanation, have all details necessary to document that the expenses are for the public good, that all county policies were followed, and that statutes were complied with. Adequately detailed invoices must be supplied. Documentation with white-out, correction tape, or blacked out sections will not be accepted unless a legal requirement for redaction exists and is documented. A single line through an item or multiple items with adequate documentation of the validity of alteration (e.g., a footnote or other additional explanation) is acceptable.
5. Certain purchases are explicitly prohibited by the county: personal expenses, alcohol (for non-law enforcement purposes), pornography (for non-law enforcement purposes), cash advances, and charges that can be converted into cash equivalents (e.g., gift cards). Also, the county is not authorized to pay Tennessee sales tax or late charges, unless it is clearly documented that the sales tax or late charges could not reasonably be avoided.
6. P-Card information must not be stored on websites, for auto renewals for subscriptions, loss of card, or fraud.

VENDOR RELATIONS

The Elected Officials, the Department Heads, and the approved designees shall give equal opportunity to all eligible vendors. Each order will be placed based on quality, price, delivery, and service history.

VENDORS

1. Other than P-Card payments, before a non-emergency requisition for purchase order can be entered or any payment can be processed, whichever is earlier, a vendor is required to have an IRS Form W-9 on file with Blount County Purchasing. If the vendor is an independent contractor, see number three below.

2. To determine if a vendor exists, do a vendor inquiry in Munis. The individual requesting a purchase order or a disbursement must provide IRS Form W-9 to the Purchasing Department, if not already on file. This form may be obtained from the County Government's website, or the Internal Revenue Service's website (www.irs.gov).
3. To comply with the Tennessee Lawful Employment Act, non-employees (individuals hired as independent contractors, including single-member LLCs without an EIN) must have on file any one of the following documents. If not on file, the requester must provide the required document.
 - Valid Tennessee driver's license or photo ID issued by the department of safety
 - Valid out-of-state driver's license
 - U.S. birth certificate
 - Valid U.S. passport
 - U.S. certificate of birth abroad
 - Report of birth abroad of a U.S. citizen
 - Certificate of citizenship
 - Certificate of naturalization
 - U.S. citizen identification card
 - Valid alien registration documentation or proof of current immigration registration

STATE BUSINESS REGISTRATION AND LICENSING

All businesses must be registered and licensed according to state registration and licensing rules, and must pay a separate \$15 business license registration fee to the County (through the Blount County Clerk). Registration and licensing information may be obtained at <https://www.tn.gov/revenue/taxes/business-tax/registration-and-licensing.html> .

FEDERALLY FUNDED PROCUREMENTS

Procurements funded wholly or partially from Federal funding sources will adhere to the following, based on 2 CFR 200.318:

1. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:
 - a. Placing unreasonable requirements on firms in order for them to qualify to do business (for example, having an office in the County, or requiring unnecessary licensing or certifications).
 - b. Requiring unnecessary experience and excessive bonding beyond what is required for construction projects or to secure the federal funding.

- c. Noncompetitive pricing practices between firms or between affiliated companies.
- d. Noncompetitive contracts to consultants that are on retainer contracts. The County may have consultants on retainer, but they must have competitive quotes or full competition, even if the contract amount is below the \$20,000 threshold.
- e. Organizational Conflicts of Interest – means that because of relationships with a parent company, affiliate, or subsidiary organization, the County is unable or appears to be unable to be impartial in conducting a Federal award action involving a related organization.
- f. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement.
- g. Any arbitrary action in the procurement process, and/or an award judgment based on a decision that is not reasonable.
- h. Geographical Preference: Blount County may not use statutorily or administratively imposed state or local geographical preferences in the evaluation of Federally funded bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws.
 - a. Exception: When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- i. All required Contract provisions from 2 CFR 200 Appendix II must be included in contracts funded wholly or partially with Federal funds.

CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN’S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS

For Federally funded projects, Blount County will take affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

These steps will include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises

5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. Requiring the prime contractor, if subcontracts are to be let, to take the same affirmative steps listed in this section.

The Purchasing Agent will ensure that the file is fully documented with the steps taken to include minority businesses, women's business enterprises, and labor surplus area firms, and will include this requirement in all bid solicitations funded in whole or in part with Federal funds by completing the MBE/WBE/Labor Surplus Area Firms Affirmative Procurement Actions Checklist.

DEBARMENT AND SUSPENSION – FEDERALLY FUNDED PROJECTS

1. No federally funded procurements more than \$20,000 will be awarded to any business or individual, or to any business with an individual involved as either an owner, officer, or key project personnel who has been suspended or debarred by the federal government as listed in the Exclusions Extract in SAM.gov.
 - a. Prior to any RFP, bid release, or contract award, the Purchasing Department will verify the status of the business in the SAM.gov or goDBE systems (as required)
 - b. and place a record of this check from the system in the procurement file.

CONFLICTS OF INTERESTS, GIFTS AND GRATUITIES

As required by **2 CFR 200.318(c)(1)**, the following applies for all procurements funded in whole or in part with any federal funding source:

1. **Conflicts of Interest.** In addition to the prohibition against self-benefiting from a public contract under state law, no officer, employee, or agent of Blount County may participate directly or indirectly in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. A real or apparent conflict exists when any of the following parties has a financial or other interest in or receives a tangible personal benefit from a firm considered for award of a contract:
 - a. The employee, officer, or agent involved in the selection, award, or administration of a contract;
 - b. Any member of his or her immediate family;
 - c. His or her partner; or
 - d. An organization which employs or is about to employ any of these parties.
2. **Reporting a Conflict of Interest.**
 - a. Any officer, employee, or agent of Blount County with an actual, apparent, or potential conflict of interest as defined in this policy shall report the conflict to his or her immediate supervisor, or shall report to Human Resources if an Elected Official.
 - b. If federally funded, any such conflict shall be disclosed in writing to the federal award agency or pass-through entity in accordance with applicable Federal awarding agency policy.
3. **Gifts.** In addition to the prohibition against accepting gifts and favors from vendors and contractors under state law, officers, employees, and agents of Blount County are prohibited

from accepting or soliciting gifts, gratuities, favors, or anything of monetary value from contractors, suppliers, or parties to subcontracts. Items valued at less than \$50.00 per fiscal year, per vendor, and exceptions which fall into one of the following categories are accepted:

- a. Promotional items;
 - b. Honorariums for participation in meetings; and/or
 - c. Meals furnished at conferences or banquets.
 - d. Any officer, employee or agent who knowingly accepts an item over \$50 in value shall report the item to his or her immediate supervisor, utilizing the form provided by Human Resources. The supervisor shall submit completed form to the County Clerk's Office.
4. **Violations.** Employees violating this policy will be subject to discipline up to and including immediate termination.

SURPLUS PROPERTY

1. No department shall transfer, sell, trade-in, or otherwise dispose of supplies or equipment owned by the County without written authorization of the Purchasing Agent. To notify the Purchasing Agent of surplus supplies or materials, the Department Head shall fill out a form describing the surplus material.
 - a. If a transfer cannot be arranged, the methods of disposal are competitive sealed bids or public or internet auctions. Transfers may be made between all county departments including, but not limited to, the Board of Education.
 - b. Exemptions are livestock, firearms, and retired service animals (i.e., law enforcement service dogs, horses, etc.) that can be sold directly to current or retired Blount County Employees and will require a transfer of ownership/liability form.
2. Scrap Property – Any federally purchased tangible personal property with a fair market value per unit of less than \$500 may be scrapped under the County's scrap procedures, and disposal must be documented with a Scrap Form with the Mayor or BOE signature.
 - a. Scrap Form is not needed for items valued under \$100, unless determined otherwise by the Department Head.

IMPLEMENTATION DATE

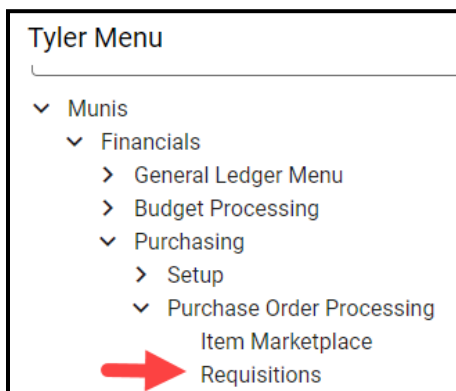
All purchasing requirements are effective as amended on July 1, 2023.

Approved by Blount County Purchasing Commission June 29, 2023.

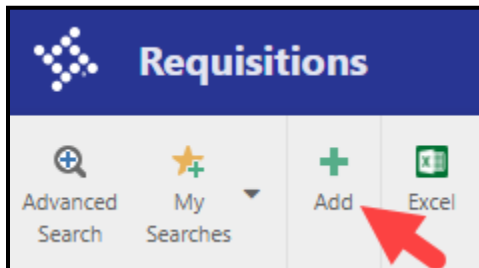
MUNIS INSTRUCTIONS

EXHIBIT A – TO REQUEST A PURCHASE ORDER

1. If the purchase order (PO) has a contract, include the contract number in Contract Field in the requisition (except for P-Card requisitions) and include the contract number in line item description. A valid contract document called “Munis Contracts” is managed by Purchasing and will be shared on request.
 - a. A description of items to be purchased is required, even if the order has a contract
 - b. An attachment should be provided with a quote or item order list
 - c. Include the quantity, if the order is for one type of item
 - d. The vendor should reference the contract number on the quote, whether it is a Blount Count ITB or RFP, or a cooperative contract number, i.e. TIPS 1234. The requestor should reference the contract number in the line item description. The Munis contract number is not the correct number for the vendor to use on the quote for cooperative contract use.
2. A requisition should be filled out prior to the order being submitted, or receipt of an invoice. Any order that is placed after receipt of goods will require an “After-the-Fact” memo attached to the requisition stating why the order was requested after the purchase.
3. From the Tyler Menu, go to Financials>Purchasing>Purchase Order Processing>Requisitions

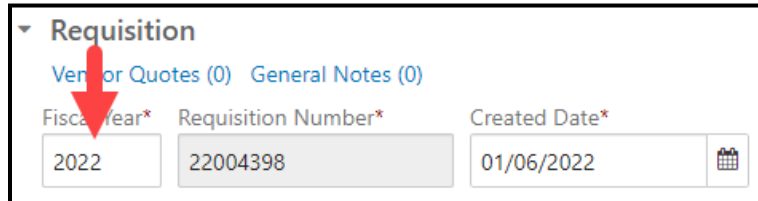


4. The following screen will appear. Click “Add” to create a new requisition.



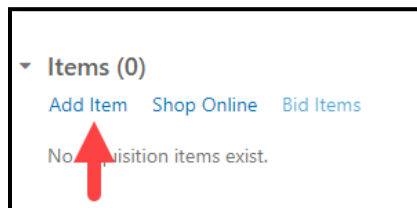
5. Verify the "Fiscal Year" reflects the current Fiscal Year. For Blount County, the Fiscal Year is July 1 through June 30. Tab to the "Description" and enter a brief description.

NOTE: If the purchase will be made by P-Card, the description must begin with "**US BANK**", and the contract number should be entered in the line item description, but **NOT** in the contract field. An attachment must still be added with a quote or item price list. The P-Card "Approved Vendor List" is not a sufficient order attachment. Use only one line item for P-Card requisitions.



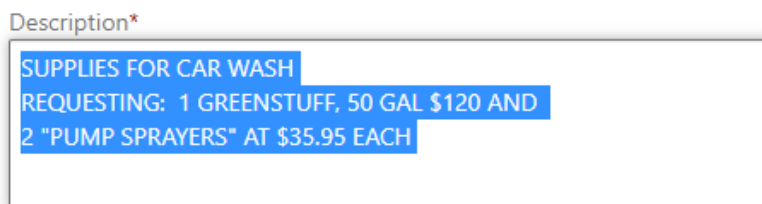
Requisition
Vendor Quotes (0) General Notes (0)
Fiscal Year* Requisition Number* Created Date*
2022 22004398 01/06/2022

6. Select the "Type" of PO. Select "Normal".
7. Check the box that says "Receive by Amount", unless there are multiple line items with descriptions.
8. If the contract # is not known, scroll through the contract list, which can be sorted by clicking the header title over a column, and then clicking on the small arrow beside it.
9. Scroll down and click on blue "Add Item" link.



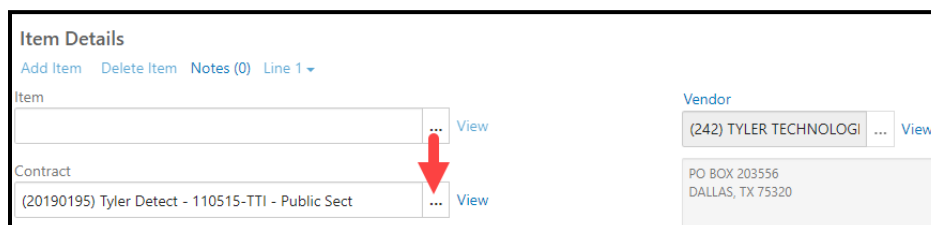
Items (0)
Add Item Shop Online Bid Items
No requisition items exist.

10. In the large description field, provide a more detailed description of items to be ordered.



Description*
SUPPLIES FOR CAR WASH
REQUESTING: 1 GREENSTUFF, 50 GAL \$120 AND
2 "PUMP SPRAYERS" AT \$35.95 EACH

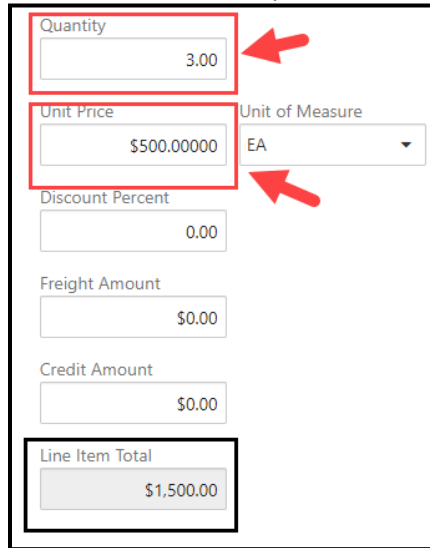
11. If the vendor for this requisition has a contract with Blount County, enter the contract number or click the ellipses at the end of the contract field to search by Vendor Name.



Item Details
Add Item Delete Item Notes (0) Line 1
Item
Contract
(20190195) Tyler Detect - 110515-TTI - Public Sect
Vendor
(242) TYLER TECHNOLOGI
PO BOX 203556
DALLAS, TX 75320

12. Verify that the receiving department is correct and that an email has been entered for the individual to be notified of shipping or order issues.
13. Enter the quantity ordered in the “Quantity” field and the Unit Price in the “Amount” field. The Munis system will calculate the total.

NOTE: For “Receive by Amount” PO’s or “Blanket PO’s”, Quantity will be “1”.



The screenshot shows a form for entering PO line item details. The 'Quantity' field is highlighted with a red box and has a red arrow pointing to it. The 'Unit Price' field is also highlighted with a red box and has a red arrow pointing to it. The 'Unit of Measure' is set to 'EA'. The 'Discount Percent' is 0.00, 'Freight Amount' is \$0.00, and 'Credit Amount' is \$0.00. The 'Line Item Total' is calculated as \$1,500.00.

Quantity	3.00
Unit Price	\$500.00000
Unit of Measure	EA
Discount Percent	0.00
Freight Amount	\$0.00
Credit Amount	\$0.00
Line Item Total	\$1,500.00

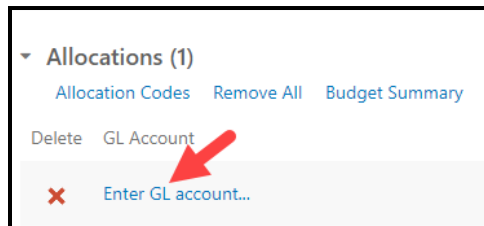
14. Scroll down to the “Allocations” section and click on “Add Allocation”.



The screenshot shows the 'Allocations (0)' section. There are links for 'Add Allocation' and 'Allocation Codes'. Below these links, it says 'No allocations exist.' A red arrow points to the 'Add Allocation' link.

▼ Allocations (0)
[Add Allocation](#) [Allocation Codes](#)
No allocations exist.

15. Then click on “Enter GL Account”



The screenshot shows the 'Allocations (1)' section. There are links for 'Allocation Codes', 'Remove All', and 'Budget Summary'. Below these links, there is a table with a 'Delete' column and a 'GL Account' column. The 'Enter GL account...' link is highlighted with a red arrow.

▼ Allocations (1)
[Allocation Codes](#) [Remove All](#) [Budget Summary](#)

Delete	GL Account
×	Enter GL account...

16. Enter at the least the first 2 levels of the GL account information

Allocations (1)
[Allocation Codes](#) [Remove All](#) [Budget Summary](#)

Delete GL Account

✖ E 101 52200

17. Then click on the ellipses at the end of the row to open a list of your available accounts to choose from, and click the full GL account. Then click on the “Save” button at the bottom.

Allocations (1)
[Allocation Codes](#) [Remove All](#) [Budget Summary](#)

Delete GL Account

✖ E 101 52200

CLEAR

18. To include supporting documentation, click on the “Attach” paperclip at the top of the screen.

Requisitions

Back Add Delete Excel Mass Allocate Duplicate Custom Interface Notes Actions/ Approvers Release Activate My Approvals Attach

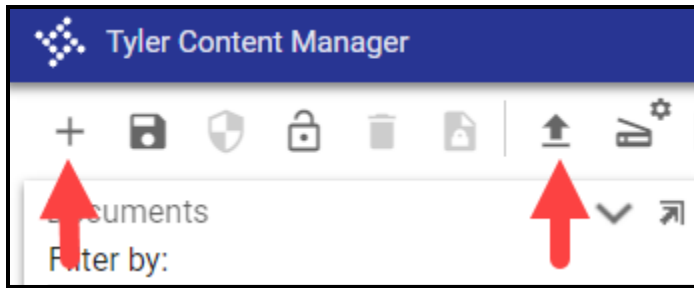
19. Click on the blue “Requisition Attachment” link. This will open the Tyler Content Manager (TCM).

Defined Mappings

Attached Documents

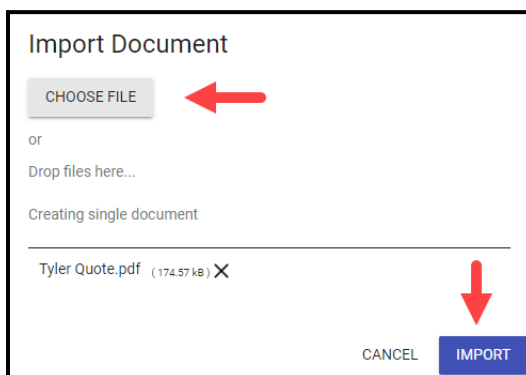
Mapping Name	Description
Requisition Attachment	Requisition Attachment

20. Click “+” (new). Then click on the “Import” icon to import the document.



21. Click on “Choose File”, select the document and click “Import”.

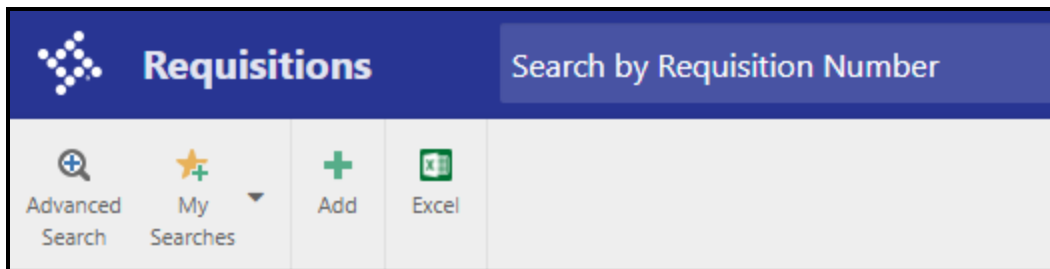
NOTE: A document saved as a PDF file is more compatible with Munis.



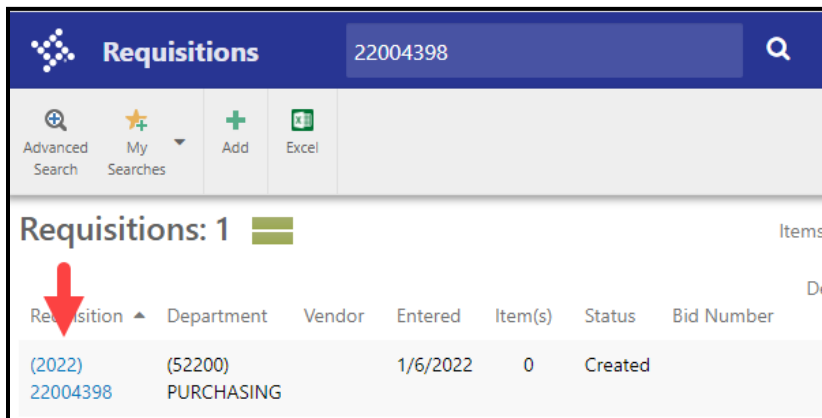
22. After the document has finished uploading, click the “Save” icon in the menu bar at the top, and exit out of TCM.
23. On the main Requisition page, verify the data is accurate, then click on “Release”. The change order has been released to the Accounting Department for approval.

EXHIBIT B – REJECTED PURCHASE ORDER REQUISITION

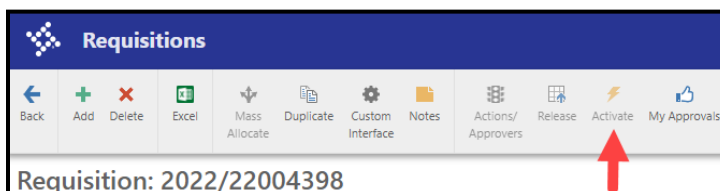
1. If an email is received stating purchase order requisition has been rejected, go into “Requisitions” from the Tyler Menu: Financials>Purchasing>Purchase Order Processing>Requisitions
2. Most common reasons for rejection:
 - a. Wrong/missing vendor
 - b. Wrong account line
 - c. Wrong price
 - d. Missing description
 - e. Missing contract number
 - f. Missing documentation (quote, cart list with pricing, After-the-Fact Memo)
3. Enter the requisition number to open the rejected requisition.



4. Click on the blue Requisition link



5. After the requisition is opened, click “Activate”, and make corrections.



6. After all corrections have been made, click “Save” at the bottom right corner.

EXHIBIT C – CHANGING A PURCHASE ORDER

24. Sometimes changes will need to be made to an existing purchase order:
Financials>Purchasing>Purchase Order Processing >Purchase Order Change Orders
25. Common changes:
 - a. Increase of cost of 10% or less (or \$50 or less)
 - b. Decrease in cost
 - c. Change of account
26. Click on “Search”, then enter the purchase order that needs changed and click on “Accept”.

27. Click on “Line Items” to open the line for changes. The bottom left corner shows a line count. Scroll through to the correct line in order to make the change.
28. Click on “Update”, make the changes, and then click on “Accept”
29. Attach any supporting documents for the change order, then click on the “Save” icon.
30. Click “Release”. The change order has been released to the Accounting Department for approval.

EXHIBIT D – VENDOR INQUIRY

1. To look up a vendor, from the Tyler Menu, go to Financials>Purchasing>Purchase Order Inquiry and Reports>Vendor Inquiry
2. Click “Search”

3. Search on several fields to find a vendor, or verify that a vendor is not in the system.
4. Use asterisks as “wild cards” around a small portion of the vendor name and complete separate searches using the Alpha, Company Name or DBA fields. Click on “Accept”.

Vendor Inquiry [Blount County, TN]

Back Accept Cancel Query

General Vendor Information

Vendor +1 Entity
 Alpha Type
 Status Reason

MAIN GENERAL MISCELLANEOUS CONTACTS CE

Contact Information

Company Name

 DBA
 Address

5. If the FID is known, a search can be completed using that field, in case the vendor name has changed.
6. If the vendor is not found, provide a vendor W-9 form to the Purchasing Department at purchasing@blounttn.org with a request for vendor entry. Include a "Remit To" address if different than the address on the W-9.

APPENDIX

PROTEST PROCEDURES AND PROTEST BOND REQUIREMENTS

Any respondent who has submitted a response to a Blount County Purchasing bid, and who claims to be aggrieved in connection with the solicitation, award, or proposed award of a contract may submit a protest to the Blount County Purchasing Agent. **Under Tenn. Code Ann. § 12-3-514**, any protest of this solicitation must:

- Be submitted in writing;
- Be submitted within seven (7) calendar days after the day on which the notice of intent to award is issued;
- Include and describe all grounds for the protest; and
- Include a protest bond payable to the County in the amount identified below unless the protest bond exemption under Tenn. Code Ann. § 12-3-514(g) applies and the protesting party provides a written exemption petition.

The amount of the protest bond shall be:

- Five percent (5%) of the lowest bid or cost proposal evaluated;
- Five percent (5%) of the maximum liability or estimated maximum liability provided in the solicitation;
- Five percent (5%) of the estimated maximum revenue, if the solicitation, award, or proposed award is for a contract in which the State receives revenue; or
- For no-cost contracts, an amount determined by the Purchasing Agent.

Upon the Purchasing Agent's receipt of a protest and protest bond, a stay of the solicitation, proposed award, or award will go into effect until the protest is resolved in accordance with Tenn. Code Ann. § 12-3-514.

The steps for resolution may include:

- A meeting with the Purchasing Agent, the requisitioning department's manager and representatives from the disputing party to discuss and resolve the complaint
- A written decision letter stating the reasons for the decision sent by the Purchasing Agent and submitted in writing to the protestor

PURCHASING OF SECONDHAND ARTICLES [TCA § 12-3-1202]

Current through the 2022 Regular Session.

Title 12 Public Property, Printing and Contracts

Chapter 3 Public Purchases

Part 12 Local Governments

Tenn. Code Ann. § 12-3-1202

12-3-1202. Purchase of secondhand articles or equipment by municipalities or counties.

(a) Notwithstanding any charter, private act, or general law requirements, any municipality or any county may purchase used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities from any federal, state, or local governmental unit or agency without public advertisement and competitive soliciting.

(b) Notwithstanding any charter, private act, or general law requirements, any municipality or any county may purchase used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities from any private individual or entity without public advertisement and competitive soliciting as long as the purchasing government documents the general range of value of the purchased item through a listing in a nationally recognized publication or through an appraisal by a licensed appraiser, and the price is not more than five percent (5%) higher than the highest value of the documented range.

COOPERATIVE PURCHASING [TCA § 12-3-1205]

Current through the 2022 Regular Session

Title 12 Public Property, Printing and Contracts

Chapter 3 Public Purchases

Part 12 Local Governments

Tenn. Code Ann. § 12-3-1205

12-3-1205. Cooperative purchasing agreements.

(a) Any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any supplies, services or construction with one (1) or more other local governments in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts between local governments. Where the participants in a joint or multi-party contract are required to advertise and receive bids, it shall be sufficient for those purposes that the purchasing entity comply only with its own purchasing requirements.

(b)

(1) Notwithstanding any other law to the contrary, any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any goods, supplies, services, or equipment with one (1) or more other governmental entities outside this state, to the extent the laws of the other state permit the joint exercise of purchasing authority, or with an agency of the United States, to the extent federal law permits the joint exercise of purchasing authority, in accordance with an agreement entered into between or among the participants; provided, such goods, supplies, services, or equipment were procured in a manner that constitutes competitive bidding and were advertised, evaluated, and awarded by a governmental entity and made available for use by other governmental entities.

(2) A municipality, county, utility district, or other local government of the state may participate in a master agreement by adopting a resolution accepting the terms of the master agreement. If a participant in a joint or multi-party agreement is required to advertise and receive bids, then it will be deemed sufficient for those purposes that the purchasing entity or the entity that procured the bid complied with its own purchasing requirements. The participant shall acquire and maintain documentation that the purchasing entity or entities that procured the bid complied with its own purchasing requirements.

(3) The powers conferred by this section are in addition and supplemental to the powers conferred by any other law, and any limitations imposed by this section shall not affect powers conferred by any other law.

(4) This subsection (b) does not apply to:

(A) Purchases of new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in § 12-3-1208. As used in this subdivision (b)(4)(A), "motor vehicle" does not include a farm tractor, mower, earth-moving machinery, construction machinery, or other similar machinery or equipment;

(B) Purchases of construction, engineering, or architectural services, or construction materials. As used in this subdivision (b)(4)(B), "construction materials" does not include materials used in the operation of a municipal utility system, including, but not limited to, transformers, conductors, insulators, poles, cross-arms, anchors, pipes, valves, meters, or other components or parts of a utility system, whether purchased in accordance with a purchasing agreement with the Tennessee Valley authority or another purchasing arrangement; or

(C) Purchases of fuel, fuel products, and lubricating oils.

(5) The authorization for exercising joint purchasing authority with an agency of the United States under subdivision (b)(1) does not include the authority to purchase construction machinery, including, but not limited to, bulldozers and other heavy equipment utilized in construction or on construction sites.

(c) The chief procurement officer may collect information from municipalities, counties, utility districts, or any other local government unit concerning the type, cost, quality, and quantity of commonly used goods, supplies, services, or equipment being procured under cooperative purchasing agreements. The chief procurement officer may make available all such information to any municipality, county, utility district, or other local government unit upon request.

BLOUNT COUNTY RESOLUTION NO. 14-05-009 TO USE COOPERATIVES

County Commission May 15, 2014

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: _____

Vetoed: _____

County Mayor

Date

**IN RE: RESOLUTION AUTHORIZING THE USE OF COOPERATIVE PURCHASING AGREEMENTS
FOR THE BENEFIT OF ALL COUNTY DEPARTMENTS.**

Commissioner Kirby made a motion to adopt the resolution. Commissioner Burkhalter seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - absent
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - yes	Harrison - yes	Lewis - absent	
Farmer - yes	Hasty - yes	Melton - absent	
Folts - yes	Helton - yes	Moon - yes	

There were 17 voting yes, 0 voting no, 0 abstaining, and 4 absent. Chairman Moon declared the resolution to be adopted.

RESOLUTION No. 14-05-009

Sponsored By Commissioners: Mike Lewis and Gerald Kirby

RESOLUTION AUTHORIZING THE USE OF COOPERATIVE PURCHASING AGREEMENTS FOR
THE BENEFIT OF ALL COUNTY DEPARTMENTS.

WHEREAS, Tennessee Code Annotated §12-3-1205 allows for use of master cooperative purchasing agreements upon the approval and consent of the local legislative body; and

WHEREAS, cooperative purchasing agreements allow local governments to purchase goods and services from other local, state, and national cooperative purchasing alliances that have been competitively bid under the same circumstances required by law by the purchasing entity; and

WHEREAS, these cooperative purchasing agreements allow local governments to obtain the lowest and best pricing available for competitively bid goods and services applicable under this law while also reducing time and personnel resources; and

WHEREAS, Tennessee Code Annotated §12-3-1205 states as follows:

(a) Any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct or administer a cooperative agreement for the procurement of any supplies, services, or construction with one (1) or more other local governments in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but not be limited to, joint or multi-party contracts between local governments. Where the participants in a joint or multi-party contract are required to advertise and receive bids, it shall be sufficient for those purposes that the purchasing entity comply only with its own purchasing requirements.

(b) (1) Notwithstanding any other law to the contrary, any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct or administer a cooperative agreement for the procurement of any goods, supplies, services, or equipment with one (1) or more other governmental entities outside this state, to the extent the laws of the other state permit the joint exercise of purchasing authority, in accordance with an agreement entered into between or among the participants; provided, such goods, supplies, services, or equipment were procured in a manner that constitutes competitive bidding and were advertised, evaluated, and awarded by a governmental entity and made available for use by other governmental entities.

(2) A municipality, county, utility district, or other local government of the state may participate in a master agreement by adopting a resolution accepting the terms of the master agreement. If a participant

County Commission May 15, 2014

in a joint or multi-party agreement is required to advertise and receive bids, then it will be deemed sufficient for those purposes that the purchasing entity or the entity that procured the bid complied with its own purchasing requirements. The participant shall acquire and maintain documentation that the purchasing entity or entities that procured the bid complied with its own purchasing requirements.

NOW, THEREFORE BE IT RESOLVED, the Board of County Commissioners of Blount County, Tennessee, meeting in session assembled this 15th day of May, 2014, authorize the use of master cooperative agreements that have been competitively bid under the same circumstances required by law by the purchasing entity.

BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKES EFFECT FROM AND AFTER ITS PASSAGE, THE PUBLIC WELFARE REQUIRING IT; AND THAT ANY PRIOR RESOLUTION TO THE CONTRARY IS HEREBY DECLARED VOID.

CERTIFICATION OF ACTION

ATTEST


Commission Chairman


County Clerk

Approved: 

Vetoed: _____


County Mayor

5-20-14
Date

COUNTY PURCHASING LAW OF 1957 [TCA § 5-14-101-116]

Current through the 2022 Regular Session.

Title 5 Counties

Chapter 14 County Purchasing

Part 1 County Purchasing Law of 1957

Tenn. Code Ann. § 5-14-101

5-14-101. Short title.

This part shall be known and may be cited as the “County Purchasing Law of 1957.”

Tenn. Code Ann. § 5-14-102

5-14-102. Local approval.

(a) This part shall be local in effect and shall become effective in a particular county upon the contingency of a two-thirds ($\frac{2}{3}$) vote of the county legislative body or other governing body of the county approving this law, or upon the contingency of the majority of the voters casting votes in any election held for this purpose approving this law.

(b)

(1) The procedure for elections held for the purpose of approving this law shall be that the county election commission shall call and conduct an election within thirty (30) days after receiving a petition signed by ten percent (10%) of the qualified voters of the county, stating that they favor this law and requesting that an election be held in the county on the subject.

(2) The number of qualified voters in the county is deemed to be the total number of votes cast for all candidates for governor in the last general election, or upon a resolution of the county legislative body, or other governing body, duly certified to the election commission, requesting such an election.

(3) In such an election, the propositions to be voted upon shall be stated on the ballot on separate lines in the following manner: "For the County Purchasing Law of 1957" and "Against the County Purchasing Law of 1957."

Tenn. Code Ann. § 5-14-103

5-14-103. Purchasing agent — Appointment — Compensation — Staff.

(a) The county mayor of any county that has adopted this part shall appoint, with the approval of the county legislative body or other governing body, a purchasing agent who shall be a county employee.

(b) A purchasing agent shall be qualified by training and experience to perform the purchasing agent's duties in a proficient manner and in accordance with generally recognized principles of governmental purchasing and in accordance with this part.

(c)

(1) Before assuming the purchasing agent's duties, a purchasing agent shall execute a corporate surety bond, the amount of which shall be established by the county mayor at not less than one hundred thousand dollars (\$100,000).

(2) The bond shall be prepared in accordance with title 8, chapter 19, approved by the county legislative body, recorded in the office of the county register of deeds and transmitted to the office of the county clerk for safekeeping.

(3) The premium for such bond shall be paid from the county general fund.

(d) The compensation of the purchasing agent, which shall not be in excess of compensation allowed county officials in accordance with §§ 8-24-101 and 8-24-102, shall be set annually by the county legislative body or other governing body; and the amount of such compensation, the compensation of such clerks and assistants as may be needed, and the other necessary expenses of this office shall be

provided for by annual appropriation made by the county legislative body or other governing body from the county general fund.

(e) The purchasing agent has the power, in accordance with such regulations as may be established by the county mayor, to appoint and remove the purchasing agent's assistants, to prescribe their duties, and to fix their salaries within the limits of the annual appropriation made therefor.

Tenn. Code Ann. § 5-14-104

5-14-104. Purchasing agent — Office.

(a) Necessary office space and equipment for the use of the purchasing agent shall be provided and maintained at the county seat of such county.

(b) Such office shall be open for business during the usual hours observed by other officials of the county government.

Tenn. Code Ann. § 5-14-105

5-14-105. Purchasing agent — Powers and duties.

The county purchasing agent has exclusive power and it is the purchasing agent's duty to:

(1) Contract for and purchase all supplies, materials, equipment and contractual services required by each and every official, agency, office, department or employee of the county government, or that is supported by, or under control of, the county government and that expends or encumbers any of the county's funds. No other official, employee or agent of the county or of any of its departments or agencies shall be authorized to contract for or purchase any such materials, supplies, equipment or contractual services;

(2) Arrange for the rental of machinery, buildings or equipment when the rents are to be paid out of funds belonging to the county or any department, institution or agency thereof; and no other official, employee or agent of the county shall have the right or power to make any contract for such rental;

(3) Transfer materials, supplies and equipment to or between county departments and agencies as may be needed for the proper and efficient administration of the county government; and

(4) Have charge of any central storeroom or central mailing room or similar services that may hereafter be established for the efficient and economical handling of the county's business.

Tenn. Code Ann. § 5-14-106

5-14-106. County purchasing commission.

(a) A county purchasing commission is hereby created.

(b)

- (1) The commission shall consist of five (5) members, one (1) of whom shall be the county mayor; the remaining four (4) shall be appointed by the county mayor with the approval of the county governing body.
- (2) The members of the commission need not be members of the county governing body.
- (c) Such commission shall elect its own chair and shall meet from time to time as it may deem necessary for the discharge of its duties.
- (d) It is the duty of the commission to assist the purchasing agent in the determination of overall purchasing policies and in the establishment and promulgation, in accordance with this part, of rules, regulations and procedures to be followed in the making of purchases and contracts for purchase for the county. The actual administration of such activity shall be the sole responsibility of the purchasing agent.

Tenn. Code Ann. § 5-14-107

5-14-107. Rules and regulations.

The county purchasing agent, with the assistance of the county purchasing commission, shall adopt, promulgate, and may from time to time amend, rules and regulations for the purchase of supplies, materials, equipment and contractual services and specifically for the following purposes:

- (1) Authorizing in writing any department, official or agency of the county government to make purchases in the open market for immediate delivery in emergencies, defining such emergencies, describing the manner in which such emergency purchases shall be made and promptly afterward reported to the county purchasing agent;
- (2) Prescribing the manner in which supplies, materials and equipment shall be requisitioned, purchased, delivered, stored and distributed, and providing that such shall be conducted in accordance with this part;
- (3) Prescribing the dates for submitting requisitions and estimates, the future period they are to cover, the form in which they are to be submitted, the manner of their authentication, and their revision by the county purchasing agent;
- (4) Prescribing the manner of inspecting all deliveries of supplies, materials and equipment, and of making or procuring chemical and physical tests of samples submitted with bids and samples of deliveries to determine compliance with specifications;
- (5) Requiring periodical and special reports by county departments, agencies, and employees of stocks of surplus, unusable or obsolete supplies and equipment on hand and prescribing the form of such reports;
- (6) Providing for the transfer to or between county departments and agencies of supplies and equipment on hand, that are surplus with one (1) department or agency, but that may be needed by another or others, and for the disposal by sale, after receipt of competitive bids, of supplies, materials and equipment that are obsolete or unusable;

(7) Determining whether a deposit or bond is to be submitted with a bid on a purchase contract or sale, and if required, prescribing the amount and form thereof, and providing that such surety shall be forfeited if the successful bidder refuses to enter into contract ten (10) days after the award;

(8) Prescribing the manner in which invoices for supplies, materials, equipment and contractual services delivered to any and all departments, agencies and offices of the county shall be submitted, examined and approved;

(9) Providing for all other such matters as may be necessary to give effect to the foregoing rules and to this part; and

(10) Prescribing the manner in which public auctions for the sale of county-owned property, real or personal, that has become surplus, obsolete or unusable shall be conducted.

Tenn. Code Ann. § 5-14-108

5-14-108. Purchases, sales, etc. — Bidding, auctions.

(a)

(1) All purchases of and contracts for purchases of supplies, materials, equipment and contractual services, and all contracts for the lease or rental of equipment, and all sales of county-owned property that has become surplus, obsolete or unusable, shall be based wherever possible on competitive bids.

(2) Contracts for legal services, auditing services by certified public accountants, and similar services by professional persons or groups of high ethical standards shall not be based upon competitive bids but shall be awarded on the basis of recognized competence and integrity.

(3) Bids need not be required for services for which the rate or price is fixed by a public authority authorized by law to fix such rates or prices.

(4) The prohibition in this subsection (a) against competitive bidding shall not prohibit the county from interviewing eligible persons or groups to determine the capabilities of such persons or groups.

(b) The county may purchase materials, supplies, commodities and equipment from any federal, state or local governmental unit or agency, without conforming to the competitive bidding requirements of this part.

(c)

(1) If the amount of the expenditure or sale is estimated to exceed five hundred dollars (\$500), sealed bids shall be solicited, unless the county legislative body by resolution establishes a higher amount not to exceed ten thousand dollars (\$10,000).

(2) The county legislative body by resolution may exempt perishable commodities from the requirements of sealed or competitive bidding when such items are purchased in the open market.

(3) The county purchasing agent shall solicit sealed bids by public notice inserted at least once in a newspaper of county-wide circulation, five (5) days prior to the final date for submitting bids or by posting notices on a public bulletin board in the county courthouse.

(4) The county purchasing agent shall also, when deemed necessary or desirable, solicit sealed bids by sending requests by mail to prospective suppliers.

(5) All such notices shall include a general description of the commodities or contractual services to be purchased or property to be sold, and shall state where bid blanks and specifications may be obtained and the time and place of opening bids.

(d)

(1) All purchases or sales in amounts that do not require bid solicitation pursuant to subsection (c) may be made by the county purchasing agent in the open market without newspaper notice, but shall whenever possible be based upon at least three (3) competitive bids.

(2) Requisitions for items estimated to cost an amount such as to require public newspaper notice shall not be subdivided in order to circumvent the requirement for public newspaper notice as herein provided.

(3) All sales by the purchasing agent shall be made to the highest responsible bidder.

(e) Bids on purchases shall in all cases be based on such standards as may be adopted and promulgated by the county purchasing agent and approved by the county purchasing commission.

(f) All open market purchase orders or contracts made by the county purchasing agent or in extreme emergencies by any county department or agency shall be awarded to the lowest and best bidder, taking into consideration the qualities of the articles to be supplied, their conformity with specifications, their suitability to the requirements of the county government, and the delivery terms. Any or all bids may be rejected for good cause.

(g) All bids taken under the requirements of this part, and all other documents, including purchase orders, pertaining to the award of contracts on such bids, shall be preserved for a period of five (5) years.

(h) If all bids received on a pending contract are for the same unit price or total amount, the county purchasing agent shall have authority to reject all bids and to purchase the required supplies, materials, equipment or contractual services in the open market; provided, that the price paid in the open market does not exceed the bid price.

(i) All sealed bids received shall be opened publicly at the time and place fixed in the advertisement. Each bid, with the name and address of the bidder, shall be entered on a record, and each record with the names of the bidders, the amounts of their bids, and the name of the successful bidder indicated thereon, shall, after the award or contract or order, be open to public inspection.

(j) All contracts shall be approved as to form by the county attorney, and the original copy of each long-term contract shall be filed with the county clerk.

(k) No purchase shall be made or purchase order or contract of purchase issued but in consequence of a written requisition for the supplies, materials, equipment or contractual services required, which requisition shall be signed by the head of the department, office or agency of the county requiring such articles or services. Original copies of all such requisitions shall be kept on file in the office of the county purchasing agent.

(l) No purchase shall be made or purchase order or contract of purchase issued for tangible personal property or services by county officials or employees, acting in their official capacity, from any firm or individual whose business tax or license is delinquent.

(m)

(1) The county purchasing agent is authorized to purchase and contract to purchase materials, supplies, equipment and contractual services on a fiscal year basis, but no commitment shall be made that extends beyond the end of the current fiscal year for which appropriations have been made by the county legislative body, except such commitments as are authorized by resolution of the county legislative body.

(2) In the determination of the county's annual needs of certain commodities or services, or both, the county purchasing agent may request the various departments, offices and agencies of the county government to anticipate their needs for the remainder of the fiscal year and to issue their requisitions based upon such estimates.

(n)

(1) Perishable commodities, at the election of the local governing body, may be exempted from the requirements of public advertisements and competitive bidding when such items are purchased in the open market.

(2) A record of all such purchases shall be made by the purchasing agent and shall specify the amount paid, the items purchased, and from whom the purchase was made.

(3) A report of such purchases shall be made to the county mayor and the governing body of the county at frequencies specified by the governing body.

(4) Fuel and fuel products may be purchased in the open market without public newspaper notice, but shall whenever possible be based on at least three (3) competitive bids. Fuel and fuel products may be purchased from the department of general services' contract where available.

(5) This subsection (n) shall apply to any county having a population of not less than seventy-seven thousand seven hundred (77,700) nor more than seventy-seven thousand eight hundred (77,800), according to the 1980 federal census or any subsequent census, if it is approved by a two-thirds ($\frac{2}{3}$) vote of the county legislative body of any county to which it may apply.

(o)

(1) All sales of county-owned property, real or personal in nature, that has become surplus, obsolete or unusable shall be made by public auction or by sealed bid under this section, in the discretion of the purchasing agent or responsible official. "Public auction" includes sale by Internet auction.

(2) The county purchasing agent shall give public notice of such auction by inserting at least once in a newspaper of county-wide circulation or by posting on a public bulletin board in the county courthouse at least five (5) days prior to the date of such auction, a notice specifying the auction date, time, place, property to be sold and terms of such auction.

(3) This subsection (o) does not apply to any books, recordings, or other material previously in general circulation at a county public library; provided, however, that the county public library shall conduct a public sale of surplus, obsolete or otherwise unusable books, recordings or other materials previously in general circulation at the county public library and shall give public notice of such sale by inserting at least once in a newspaper of county-wide circulation, by posting such sale on a web site maintained by the county, or by posting on a public bulletin board in the county courthouse and at the county public library at least five (5) days prior to the date of such sale, a notice specifying generally that such a sale shall occur, including the dates, times, places, and terms of such sale.

(4) Notwithstanding any other law, a procedure may be established upon approval by resolution or ordinance, by a two-thirds ($\frac{2}{3}$) majority vote of the county legislative body, to provide the purchasing agent, upon request of the county mayor, the authority to declare county owned personal property with an accumulative estimated value of one thousand dollars (\$1,000) or less surplus, obsolete, or unusable personal property and to dispose of the personal property, at the purchasing agent's discretion, by selling the personal property on the open market or by gift, trade, or barter to a nonprofit or charitable organization properly incorporated under the laws of this state and in which no part of the net earnings of the organization inures or may lawfully inure to the benefit of any private shareholder or individual and that it provides services benefiting the general welfare of the residents of the county. Items having an accumulative estimated value that exceeds one thousand dollars (\$1,000) shall not be subdivided in order to circumvent the requirement for public notice or receipt of sealed bids or selling the property through public or Internet auction. The purchasing agent shall keep all records of transactions of the disposal of personal property under this subdivision (o)(4) for a minimum of five (5) years.

(p) In any county having a population of not less than one hundred seven thousand one hundred (107,100) nor more than one hundred seven thousand two hundred (107,200), according to the 2000 federal census or any subsequent federal census, the county may purchase and enter into contracts for group health insurance for county employees and officials without conforming to the competitive bidding requirements of this part. This subsection (p) shall only be implemented in any county to which this subsection (p) applies upon the adoption of a resolution by a two-thirds ($\frac{2}{3}$) vote of the county legislative body of such county.

Tenn. Code Ann. § 5-14-109

5-14-109. Purchases — Certification of adequate funding.

Except in emergencies, no order for delivery on a contract or open market order for supplies, materials, equipment or contractual services for any county department or agency shall be awarded unless it shall be first certified by the director of accounts and budgets, or other county official or employee in charge of the central accounting records of the county that the unencumbered balance in the appropriation

chargeable with such purchase in excess of all unpaid obligations, is sufficient to defray the entire cost of such order or contract.

Tenn. Code Ann. § 5-14-110

5-14-110. Emergency purchases.

(a) The county purchasing agent may authorize any department or agency of the county government to purchase in the open market, without filing requisition or estimate, any supplies, materials or equipment for immediate delivery in actual emergencies arising from unforeseen causes, including delays by contractors, delays in transportation, and unanticipated volume of work; but such emergencies shall not include conditions arising from neglect or indifference in anticipating normal needs.

(b)

(1) Such direct emergency purchases, however, may only be made by department or agency heads at times when the office of the county purchasing agent is closed.

(2) At all other times, only the county purchasing agent shall make these purchases.

(3) A report of such emergency purchase, when made by a department or agency head, together with a record of the competitive bids secured and upon which it was based, shall be submitted in writing to the county purchasing agent before the close of the next working day following the date of such purchase, by the head of the county department or agency concerned, together with a full and complete account of the circumstances of such emergency.

(4) Such report shall be kept on file and shall be open to public inspection.

Tenn. Code Ann. § 5-14-111

5-14-111. Written orders and contracts.

(a) Each purchase order or contract issued or executed pursuant to this chapter shall be evidenced by a written order signed by the county purchasing agent, which shall give all significant details respecting such order or contract.

(b) A copy of such order shall be furnished the vendor, one (1) copy shall be furnished to the county accounting department, and at least two (2) copies shall be retained in the office of the county purchasing agent, one (1) of such copies to be filed in numerical order and the other alphabetically.

Tenn. Code Ann. § 5-14-112

5-14-112. Purchasing standards and specifications.

(a) It is the duty of the county purchasing agent to:

- (1) Classify the requirements of the county government for supplies, materials and equipment;
- (2) Adopt as standards the smallest number of quantities, sizes and varieties of such supplies, materials and equipment consistent with the successful operation of the county government; and
- (3) Prepare, adopt and promulgate written specifications describing such standards.

(b)

- (1) In the preparation and revision of such standards, the county purchasing agent shall seek the advice, assistance and cooperation of the county departments and agencies concerned, to ascertain their precise requirements.
- (2) Each specification adopted for any commodity shall, insofar as possible, satisfy the requirements of the majority of the county departments and agencies that use the same.

Tenn. Code Ann. § 5-14-113

5-14-113. Liability of county.

The county shall be liable for the payment of all purchases of supplies, materials, equipment and contractual service made in accordance with this chapter, but shall not be liable for the payment of such purchases made contrary to its provisions.

Tenn. Code Ann. § 5-14-114

5-14-114. Conflicts of interest — Illegal payments.

(a) Neither the county purchasing agent, nor members of the county purchasing commission, nor members of the county legislative body, nor other officials of the county, shall be financially interested, or have any personal beneficial interest, either directly or indirectly, in any contract or purchase order for any supplies, materials, equipment or contractual services used by or furnished to any department or agency of the county government.

(b) Nor shall any such persons accept or receive, directly or indirectly, from any person, firm or corporation to which any contract or purchase order may be awarded, by rebate, gift or otherwise, any money or anything of value whatsoever, or any promise, obligation or contract for future reward or compensation.

(c) A violation of this section is a Class D felony.

Tenn. Code Ann. § 5-14-115

5-14-115. Application to schools.

(a) This part shall not apply to county school funds for any purpose, the county board of education and the county director of schools, unless approved by the commissioner of education.

(b) Upon request by a majority vote of the local board of education and with the approval of the commissioner of education, applicability of this part as it applies to county school funds shall cease to be.

Tenn. Code Ann. § 5-14-116

5-14-116. Construction of part.

This part is not exclusive and shall not prevent the adoption of amendments to existing special or local purchasing laws, or the enactment of special or local purchasing acts.

RESOLUTION TO INCREASE THRESHOLD [TCA § 12-3-1212]

Tenn. Code Ann. § 12-3-1212

Current through the 2022 Regular Session.

Title 12 Public Property, Printing And Contracts

Chapter 3 Public Purchases

Part 12 Local Governments

12-3-1212. Resolution or ordinance to increase threshold amount for requiring public advertisement and competitive bidding.

(a) Notwithstanding another law to the contrary, a county, municipality, utility district, or other local governmental entity having centralized purchasing authority with a full-time purchasing agent may, by resolution or ordinance of its governing body, increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed fifty thousand dollars (\$50,000) for nonemergency, nonproprietary purchases.

(b) Notwithstanding another law to the contrary, a county, municipality, utility district, or other local governmental entity having non-centralized purchasing authority may, by resolution or ordinance of its governing body, increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed twenty-five thousand dollars (\$25,000) for nonemergency, nonproprietary purchases.

(c) At least three (3) written quotations are required when possible for purchases costing less than the bid threshold established under subsection (a) or (b), but more than forty percent (40%) of such bid threshold or some lower amount as may be established by the governing body in a resolution. Purchases of like items must be aggregated for purposes of the bid threshold.

(d) For purposes of this section, a “full-time purchasing agent” means a person who devotes the whole of the person's working time to the demands and duties of the office of purchasing agent.

BLOUNT COUNTY RESOLUTION NO. 22-12-006 TO INCREASE THRESHOLD

Resolution No. 22-12-006, General County Purchasing Bid Increase (Resolution to increase the threshold over which public advertisement and sealed competitive bids or proposals are required). Referred to full commission with a favorable recommendation by the Budget Committee (5-0).

Attachments:

RESOLUTION TO INCREASE THE THRESHOLD OVER WHICH
PUBLIC ADVERTISEMENT AND SEALED COMPETITIVE BIDS OR PROPOSALS ARE REQUIRED 2022
Bid Threshold Increase SB 2489 HB 2600
Sheriff Memo of Support for bid increase
Highway dept letter of support for bid increase
School letter of support for bid increase

A motion was made by Vice Chair French, seconded by Commissioner Carver, that the Resolution be adopted. An electronic vote was taken. The Chairman declared the motion to have passed by the following vote:

Yes: 19 - Akard, Anderson, Bennett, Bowers, Bright, Carver, Caylor, Davis, French, Giles, Hannah, Jopling, King, McMahan, Mikels, Reagan, Stinnett, Webb, and Wells

No: 0

Absent: 2 - Bledsoe, and Lawhorn

Abstain: 0

Board of Commissioners Meeting - December 15, 2022 - 6:30 p.m. Book 151 | Page 266

RESOLUTION NO. 22-12-006

SPONSORED BY COMMISSIONERS TOM STINNETT, JARED ANDERSON AND MIKE CAYLOR

RESOLUTION TO INCREASE THE THRESHOLD OVER WHICH PUBLIC ADVERTISEMENT AND SEALED COMPETITIVE BIDS OR PROPOSALS ARE REQUIRED

WHEREAS, 2022 Public Chapter No. 1016 has amended Title 12, Chapter 3 to authorize the county commission to, by resolution, increase the threshold over which public advertisement and sealed competitive bids or proposals are required to not exceed fifty thousand dollars (\$50,000) for non-emergency, non-proprietary purchases in counties having centralized purchasing and a full-time purchasing agent; At least three written qualifying quotations will be required whenever possible for purchases costing less than the bid threshold established for public advertisement and sealed competitive bids or proposals but more than forty percent (40%) of such bid threshold; and

WHEREAS, the county legislative body of Blount County has centralized purchasing and a full-time purchasing agent; and

WHEREAS, the county legislative body of Blount County will realize the cost efficiency for the county associated with such an increase of the bidding threshold.

NOW, THEREFORE, BE IT RESOLVED by the county legislative body of Blount County, Tennessee, meeting this the 15TH day of December, 2022 that:

Pursuant to the provisions of 2022 Public Chapter No. 1016, the Blount County Commission:

- a. Increases the threshold over which public advertisement and sealed competitive bids or proposals are required to \$50,000 for non-emergency, non-proprietary purchases.
- b. Requires the Blount County Purchasing Department to obtain at least three (3) written quotations, whenever possible, for purchases costing less than \$50,000 but, greater than \$20,000.
- c. This resolution shall take effect upon adoption, the general welfare requiring it. All resolutions and private acts in conflict herewith be and the same rescinded insofar as such conflict exists.

Duly authorized and approved this the 15TH day of December, 2022.

Approved by:

I hereby certify that hereto is a resolution of the Blount County Commission duly and lawfully adopted by the Blount County Commissioners on December 15, 2022, at meeting at which a quorum was action thought, and I furthermore certify that such resolution has not been amended or modified in any respect.

CERTIFICATE OF ACTION

ATTEST


Commission Chairman


County Clerk

Approved: 

Vetoed: _____


County Mayor

December 16, 2022
Date

SALE OR TRANSFER OF SURPLUS PROPERTY – EDUCATION [TCA § 49-6-2007]

Tenn. Code Ann. § 49-6-2007

49-6-2007. Sale or transfer of surplus property.

(a) It is the general assembly's intent that surplus property in a local education agency (LEA) acquired by taxpayers' dollars, instead of being destroyed, be sold or transferred to a local government, as provided in § 49-6-2006.

(b) All LEAs that receive any state funds shall sell surplus property to the highest bidder after advertising in a newspaper of general circulation at least seven (7) days prior to the sale. The sale may be to the highest bidder through an internet auction website used by the LEA, the local government, or this state. An internet auction conducted under this subsection (b) must be open for bidding for at least seven (7) days. Advertisements for the sale must be in accordance with § 49-6-2006(c)(2).

(c) As used in this section, "surplus property" is that personal property no longer having an intended use by the LEA or no longer capable of being used because of its condition.

(d)

(1) Surplus personal property of LEAs that has no value or that has a value of less than five hundred dollars (\$500) may be disposed of without the necessity of bids as required by this section.

(2) In order for disposal without bids, the executive committee of the local board of education must agree in writing that the property is of no value to the LEA or has a value of less than five hundred dollars (\$500).

(e) This section does not apply to property leased or sold pursuant to § 49-2-203(b)(10).

(f) Notwithstanding any law to the contrary, an LEA may:

(1) Donate computers that have been removed from inventory in its schools to low-income families in the school district. The memory hard drives of all computers to be donated under this subdivision (f)(1) must be sanitized; or

(2) Dispose of computers by selling or trading them to computer vendors or manufacturers as part of the proposal to purchase new computers for the LEA without having to comply with the bidding requirements of subsection (b).

RETAINAGE [TCA § 66-34-103-104]

Tenn. Code Ann. § 66-34-103

Current through the 2022 Regular Session.

TN - Tennessee Code Annotated

Title 66 Property

Chapter 34 Prompt Pay Act

Part 1 General Provisions

66-34-103. Withholding of retainage — Violations — Penalties.

(a) All construction contracts on any project in this state, both public and private, may provide for the withholding of retainage; provided, however, that the retainage amount may not exceed five percent (5%) of the amount of the contract.

(b) The owner, whether public or private, shall release and pay all retainages for work completed pursuant to the terms of any contract to the prime contractor within ninety (90) days after completion of the work or within ninety (90) days after substantial completion of the project for work completed, whichever occurs first. As used in this subsection (b), “work completed” means the completion of the scope of the work and all terms and conditions covered by the contract under which the retainage is being held. The prime contractor shall pay all retainages due any remote contractor within ten (10) days after receipt of the retainages from the owner. Any remote contractor receiving the retainage from the prime contractor shall pay to any lower-tier remote contractor all retainages due the lower-tier remote contractor within ten (10) days after receipt of the retainages.

(c) Any default in the making of the payments is subject to those remedies provided in this part.

(d) If an owner or prime contractor withholds retainage that is for the use and benefit of the prime contractor or its remote contractors pursuant to § 66-34-104(a) and (b), then neither the prime contractor nor any of its remote contractors are required to deposit additional retained funds into an escrow account in accordance with § 66-34-104(a) and (b).

(e)

(1) It is an offense for a person, firm, or corporation to fail to comply with subsection (a) or (b) or § 66-34-104(a).

(2)

(A) A violation of this subsection (e) is a Class A misdemeanor, subject to a fine only of three thousand dollars (\$3,000).

(B) Each day a person, firm, or corporation fails to comply with subsection (a) or (b) or § 66-34-104(a) is a separate violation of this subsection (e).

(C) Until the violation of this subsection (e) is remediated by compliance, the punishment for each violation is consecutive to all other violations.

(3) In addition to the fine imposed pursuant to subdivisions (e)(2)(A) and (B), the court shall order restitution be made to the owner of the retained funds. In determining the appropriate amount of restitution, the formula stated in § 40-35-304 must be used.

(4) This subsection (e) does not apply to the state, any department, board, or agency thereof, including the University of Tennessee, all counties and municipalities, and all departments, boards, or agencies thereof, including all school and education boards, and any other subdivision of the state.

66-34-104. Retention of portion of contract price in escrow — Applicability — Mandatory compliance.

(a) Whenever, in any contract for the improvement of real property, a certain amount or percentage of the contract price is retained, that retained amount must be deposited in a separate, interest-bearing, escrow account with a third party which must be established upon the withholding of any retainage.

(b) As of the time of the withholding of the retained funds, the funds become the sole and separate property of the prime contractor or remote contractor to whom they are owed, subject to the rights of the person withholding the retainage in the event the prime contractor or remote contractor otherwise entitled to the funds defaults on or does not complete its contract.

(c) If the party withholding the retained funds fails to deposit the funds into an escrow account as provided in this section, then the party shall pay the owner of the retained funds an additional three hundred dollars (\$300) per day as damages, not as a penalty, for each and every day that the retained funds are not deposited into an escrow account. Damages accrue from the date retained funds were first withheld and continue to accrue until placed into a separate, interest-bearing escrow account or otherwise paid.

(d) The party with the responsibility for depositing the retained amount in a separate, interest-bearing escrow account with a third party has the affirmative duty to provide written notice that the party has complied with this section to any prime contractor upon withholding the amount of retained funds from each and every application for payment, including:

(1) Identification of the name of the financial institution with which the escrow account has been established;

(2) Account number; and

(3) Amount of retained funds that are deposited in the escrow account with the third party.

(e) Upon satisfactory completion of the contract, to be evidenced by a written release by the owner, prime contractor, or remote contractor owing the retainage, all funds accumulated in the escrow account together with all interest on the account must be paid immediately to the prime contractor or remote contractor to whom the funds and interest are owed.

(f) If the owner, prime contractor, or remote contractor, as applicable, fails or refuses to execute the release provided for in subsection (e), then the prime contractor or remote contractor, as applicable, may seek equitable relief, including injunctive relief, as provided in § 66-34-602, against the owner, prime contractor, or remote contractor. Relief may not be sought against the person holding the retainage as an escrow agent, and that person bears no liability for the nonpayment of the retainage; however, a court may issue an order to the person holding retainage to pay any sums held in trust pursuant to § 66-34-205. The person paying the sums pursuant to a court order bears no liability to the owner, prime contractor, or remote contractor for the payment. All other claims, demands, disputes, controversies, and differences that may arise between the owner, prime contractor, or prime contractors, and remote contractors may be, upon written agreement of all parties concerned, settled by arbitration conducted pursuant to the Uniform Arbitration Act, compiled in title 29, chapter 5, part 3, or the Federal Arbitration Act (9 U.S.C. § 1 et seq.), as may be applicable.

(g) Subsections (c), (d), and (j) do not apply to the state and any department, board, or agency thereof, including the University of Tennessee; counties and municipalities, and all departments, boards, or agencies thereof, including all school and education boards; and any other subdivision of the state.

(h) This section applies to all prime contracts and all subcontracts thereunder for the improvement of real property when the contract amount of the prime contract is five hundred thousand dollars (\$500,000) or greater, notwithstanding the amount of the subcontracts.

(i) Compliance with this section is mandatory, and shall not be waived by contract.

(j) Failure to deposit the retained funds into an escrow account as provided in this section, within seven (7) days of receipt of written notice regarding the failure, is a Class A misdemeanor.

SOLE SOURCE / EMERGENCY PURCHASE FORM

Blount County, TN

Sole Source/Emergency Purchase (Non-Competitive Method)

Procurement Justification Form

Prepared by (Requestor):

Name: Click or tap here to enter text.

Title: Click or tap here to enter text.

Date: Click or tap here to enter text.

STEP 1: Identify why the sole source method is justified.

(Review the three reasons below and mark all that apply.)

☐ **REASON 1. The item is available only from a single source (Check all that apply):**

☐ **Exclusive Rights**

Item or service under patent, copyright, or exclusive territory held by a single vendor.

☐ **Proximity of Service Site**

Service is provided at a site that is a reasonable distance to commute or transport and is not available in like proximity from any other provider in the region, and proximity is necessary for the service provision.

☐ **Consortia/Shared Services Approach**

Services are provided through a consortium/shared services approach with the objective of participating in a cooperative effort and/or a pooling of resources to provide/secure services that meet the need and where the actual cost of services are shared/allocated across members/participants. *(CFR §200.318 (e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.)*

☐ **Exclusive Design**

Item or service possesses a unique feature or capability critical in the use of the item or service and is not available from any other sources.

☐ **Unique Expertise**

Individual or firm possesses necessary and/or provides necessary unique knowledge and expertise based on education, training, research and/or a published body of knowledge, i.e., the individual or firm is of national prominence and/or a thought leader in the particular subject area.

☐ **Exclusive Intellectual Property**

Individual or firm possesses copyright, trademark, patent, design rights and/or provides unique capabilities or body of knowledge critical to the provision of the services required.

☐ **Replacement Equipment**

The purchase is for equipment associated with the use of existing equipment where compatibility is essential for integrity of results.

☐ **Replacement Accessories**

The purchase is for accessories sought for enhancement of existing equipment where compatibility with equipment from the original manufacturer is paramount.

☐ **Technical Service**

The purchase is for technical services associated with the assembly, installation, or servicing of equipment of a highly technical or specialized nature.

☐ **Continuation of Prior Work**

Additional item, service or work required, but not known to have been needed when the original order was placed and is not feasible or practical to contract separately for the additional need.

☐ **Delivery Date**

Only one supplier can meet the necessary delivery requirements.

☐ **Other Reason That Item is Available Only from a Single Source**

Explain: [Click or tap here to enter text.](#); or

- ☐ **REASON 2. The public agency exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation. An emergency exists whenever the time required for Blount County to act in accordance with regular procedures would endanger life or property or threaten continuance of existing activities or services; or**

- ☐ **REASON 3. After solicitation of a number of sources, the Requestor, with approval from the Purchasing Agent, determines that the competition is inadequate. Please document all sources contacted.**

STEP 2: Complete the Following Information Concerning the Purchase.

1. Vendor Name:

Click or tap here to enter text.

2. Vendor Contact Name:

Click or tap here to enter text.

3. Vendor Contact Email:

Click or tap here to enter text.

4. Vendor Address:

Click or tap here to enter text.

5. Goods or services to be purchased:

Click or tap here to enter text.

6. Are there any other providers of these goods or services (Provide information regarding contractor selection/rejection)?

Click or tap here to enter text.

7. State why this source is the only one who can provide the goods or services (rationale for the method of procurement):

Click or tap here to enter text.

8. Did you determine the price to be reasonable?

Click or tap here to enter text.

9. If the price is determined to be reasonable, why is the price reasonable?

Click or tap here to enter text.

10. What is the basis for the contract price?

Click or tap here to enter text.

11. What is the funding source?

Click or tap here to enter text.

12. Additional information about the situation that is applicable to the rationale for this purchase method:

Click or tap here to enter text.

STEP 3: Request a sole source letter (if applicable) from the vendor (a sole source determination must not be solely based on a letter from the vendor).

STEP 4: Attach the sole source justification form, vendor proposal, vendor sole source letter (if applicable), and cost/price analysis (if applicable) to the purchase transaction or contract.

By signing this form, the Requestor initiating the transaction provides assurance that the form is complete and accurate and there are no known conflicts of interest as outlined in the Organization's Conflict of Interest Policy.

Approved by Purchasing Agent:

Name: Click or tap here to enter text.

Date: Click or tap here to enter text.

STEP 5: Email the signed/completed form to purchasing@blounttn.org .

The U.S Office of Management and Budget ("OMB") Uniform Guidance (UG) provides standards that apply when non-federal agencies use federal funds to make purchases. Competitive methods of procurement are the preferred method for all procurement transactions and under UG, non-Federal entities must comply with the more restrictive of Federal, state, or entity-level procurement requirements. However, while competitive methods of procurement are preferred, UG allows for exceptions when the requirements for sole source procurement have been met.

This form should be used when justifying a purchase from a single or sole source without open competition in accordance with 2 CFR 200.320(c).

The sole source (non-competitive) method of procurement is to be used only as an exception when attempts to pursue competitive purchasing practices have failed or when it is determined there are circumstances where the sole source is appropriate. The suitability of sole source procurement must be examined on a case-by-case basis and be documented to ensure that the cost of any sole source procurement is reasonable.