

## CITY OF AUSTELL

### Purchases and expenditures, procedure

(a) Non-budgeted purchases.

- a. The city council fully understands and identifies that every event cannot be foreseen, but the city council also understands that the budget is the basis for the city's financial actions for each respective fiscal year. As such, non-budgeted purchases must be kept at a bare minimum and must need to undergo the closest scrutiny to determine how necessary each non-budgeted purchase may be.
- b. When a department head determines the necessity to purchase a non-budgeted operating or capital item s/he must justify this need to the mayor. If the purchase is deemed necessary, the budget will be amended or adjusted to accommodate the non-budgeted purchase.
- c. The Mayor shall notify council of any non-budgeted capital purchases s/he has authorized in excess of \$3,000 at a regular meeting and shall obtain formal ratification of this action through a budget amendment from mayor and council.

(b) Budgeted purchases.

- a. In the absence of a centralized purchasing system the city will adhere to the following policy.
- b. Each department shall be responsible for implementing and enforcing all purchasing rules and regulations and will maintain and distribute to all eligible vendors purchasing rules and regulations as may be written specifically for those vendors.
- c. The finance department shall establish internal procedures for review of all proposed expenditures. This process shall have the effect of reserving city funds to cover authorized purchases made within approved appropriations levels based on a modified accrual basis of accounting.
- d. It shall be the policy of the city that all purchasing be done in a competitive environment with qualified vendors being given a reasonable opportunity to do business with the city.
- e. All purchases require department head or designee approval.
- f. In the event the cited accounting code (budgeted line item) does not have sufficient funds in it to allow the proposed purchase, the department head may either: (1) decide not to purchase the item until the next fiscal year, (2) identify the source within the department to cover shortfall, or (3) make the appropriate budget amendment as allowed under section O.C.G.A. 36-81-3 (1) . Resubmitting the documentation with a different accounting code is not permitted. In order to maintain an accurate incremental budget process, purchases should be made against the appropriate accounting code, thus accurately identifying where reductions and increases in specific line items are warranted for future budget years.

(c) Criteria for purchases and bids.

- a. The following requirements for purchases and bidding shall be in effect.

Purchases greater than \$1,000 and less than \$3,000. Purchases greater than \$1,000 and less than \$3,000 shall be authorized by the respective department heads who are required to document in writing their efforts to obtain at least three quotes or bids for each purchase. Documentation and all associated paperwork will be maintained by the department.

Purchases between \$3,000 and \$24,999. The department head, together with the mayor shall authorize purchases between \$3,000 and \$24,999. All such purchases shall require informal (non-advertised, no-sealed) bids. Supporting bid documentation must be in written form. A minimum of three bids must be obtained from qualified vendors who regularly offer or carry the items or services to be purchased.

Purchases over \$25,000. Any purchase in excess of \$25,000 shall be approved/awarded by the mayor and city council in a regular or special meeting, unless it is made under a Cobb County, state, federal G.S.A. negotiated contract purchasing system, or pursuant to O.C.G.A. 36-69A-4, as may be amended from time to time. Such purchases shall require formal competitive sealed bids, which shall be advertised in the Georgia Procurement Registry (if estimated greater than \$100,000) pursuant to O.C.G.A. 36-80-26, and as may be amended from time to time.

However, any public works construction contract governed by O.C.G.A. 36-91-22 shall be advertised both in the Georgia Procurement Registry (if estimated greater than \$100,000) as prescribed by O.C.G.A. 36-80-27, and as may be amended from time to time and be advertised in the county organ (presently, the Marietta Daily Journal). In addition, the city shall make other reasonable efforts to make qualified vendors aware of the purchasing opportunity. Purchases in this category must be based on standard specifications that allow maximum competition among qualified vendors whose products or services meet established performance requirements.

- b. It is the policy of the city that any purchase greater than \$25,000 that binds the city by contract shall be approved/awarded by the mayor and council in a regular or special called meeting.
- c. Additionally, following advertisement and time for bids, no item shall be determined a sole source purchase without the approval of the mayor. In this case, there must be full documentation of the lack of a competitive market submitted to the mayor and city council as applicable.
- d. It is the policy of the city that the above purchasing limitations and authority guidelines be followed in all circumstances. Under no circumstances should purchases be split or divided to avoid established bid limits.
- e. Upon not receiving any sealed bids following a lawful advertised bid, and following approval by the mayor and council, the department director shall be authorized without additional advertisement to seek and obtain sealed competitive bids from at least three vendors who commonly deal in such supplies, materials, equipment, or vehicles. This method only applies to those purchases less than \$25,000. Further, this policy shall not be applicable to the public works projects, as defined by O.C.G.A. 36-91-1, et seq., and as may be amended from time to time.

- f. No contract shall be awarded to a bidder that is delinquent on any taxes, permit or license fees owed to the city; is in arrears on an existing contract with the city; or has failed to satisfy all liens against the bidder's property executed by the city.

(d) Emergency purchases.

- a. A bona fide emergency is a situation, which arises where it would seriously jeopardize the safety, health and welfare of the departmental mission or where it would otherwise adversely affect the work of the department to utilize normal purchases channels. The department head and/or mayor will determine the existence of an emergency situation or condition. Department heads will not use the emergency purchase procedure to abuse or otherwise purposely circumvent the established purchasing procedures.
- b. Procedure: Purchase of goods, supplies and materials is consummated, and receipt obtained. A confirmation letter from the department head explaining the nature of the emergency is prepared with receipt and/or other necessary paperwork attached and forwarded to the finance director the next working day. The finance director shall report the emergency purchases to the mayor and members of the city council no later than the next regularly scheduled meeting.

(e) Local vendor preference policy.

- a. Because bids awarded to local vendors contribute to the City of Austell tax base and promote the local economy, the City of Austell mayor and council have determined that, under certain circumstances, such local vendors shall be given preference when bidding against non-local vendors. A local vendor shall be defined as a vendor maintaining a physical presence within the city limits of the City of Austell, including but not limited to the maintenance of one or more offices within the city limits and the continuous employment of not fewer than two persons at such office(s) for more than six months prior to the submission of a bid.
- b. For purchases or contracts under \$100,000 where a local vendor's bid meets all specifications and is within five percent of the lowest responsive and responsible non-local bidder, the city is authorized to negotiate with the local vendor(s) to match the lowest bid submitted by a non-local vendor. The lowest bidding local vendor shall be given one business day from the opening of such bids in which to notify the department director or designee that it agrees to match the low bid submitted by any non-local vendor. If such local vendor shall not agree to match the low bid, then the next lowest local vendor within five percent, if any, shall be given one business day therefrom to notify the department director or designee that it agrees to match the low bid submitted by any non-local vendor, and so on until all local vendors have had an opportunity to match the low bid.
- c. To be eligible for consideration under this policy, bids submitted by local vendors must meet all other terms conditions of the bid. Such preference shall not sacrifice quality.
- d. This preference shall not apply to road construction or public works projects otherwise governed by Georgia Law or to the purchase of any other goods and/or services for which preference is prohibited by Georgia Law.
- e. The local vendor preference policy shall be stated in all applicable solicitations for bids.