



CITY OF DUNWOODY

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MEMORANDUM

To: Honorable Mayor and City Council

From: John H. Grotheer, Director of Finance

Date: February 23, 2009

Subject: Purchasing Policy

Staff was requested at the February 16th, 2009 Council meeting to provide a Purchasing Policy for the City of Dunwoody. Attached is the Purchasing Policy developed by the Finance and Administration Task Force and revised by City Staff.

A RESOLUTION TO ADOPT THE CITY OF DUNWOODY PURCHASING POLICY

- WHEREAS,** Section 5.06 of the City of Dunwoody Charter requires the City Council to prescribe procedures for a system of centralized purchasing for the City; and
- WHEREAS,** The City has previously adopted the Administration Ordinance, Chapter 2 of the City of Dunwoody Code of Ordinances, which requires the City to create a Purchasing Policy for the City Council to adopt by Resolution; and
- WHEREAS,** The City Council wishes to adopt the purchasing policy as attached hereto and incorporated herein to serve as the City of Dunwoody Purchasing Policy, pursuant to the requirements of the Charter and the City Code.

THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Dunwoody, and it is hereby resolved by the authority of the City Council, that the City of Dunwoody Purchasing Policy, as attached hereto and incorporated herein, is hereby adopted.

SO RESOLVED AND EFFECTIVE this 23rd day of February, 2009.

Approved:

Ken Wright, Mayor

Attest:

Sharon Lowery, City Clerk
Seal

City of Dunwoody

Policies ~~and~~ Procedures



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CITY OF DUNWOODY
FINANCE AND ADMINISTRATION
DEPARTMENT

PURCHASING POLICIES

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Version 2009.01



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PURCHASING POLICY

I. Purpose

The purpose of this policy is to state the City's position regarding the purchasing responsibility and authority. This document will clarify purchasing functions and outline purchasing ~~procedures~~policies, as well as describe departmental relationships, responsibilities and participation in the procurement cycle. In addition, this policy will provide control functions, assure proper record keeping and confirm purchases in writing.

In addition, this policy to set a standard of environmentally preferable procurement and demonstrate the City's commitment to environmental, economic, and social stewardship. The City of Dunwoody has a unique opportunity to further expand its leadership in the area of environmentally preferable purchasing, and through its actions, elicit changes in the marketplace. By further incorporating environmental considerations into public purchasing, the City of Dunwoody will positively impact human health and the environment, remove unnecessaryunnecessary hazards from its operations, reduce costs and liabilities, and improve the environmental quality of the region. This policy will guide the City's efforts in procuring environmentally preferable products and services.

The philosophy behind this policy is one of separating the need for an item or service from the function of negotiation and executing the necessary contractual purchase agreement.

II. Scope

The scope of this purchasing policy covers the procurement of ALL MATERIALS AND SERVICES without regard to the past method by which the material or service has been or is customarily procured. The policy covers all contractual and purchase agreements between the City of Dunwoody and another company or person. The procurement function includes the initial agreement/purchase, ~~renewals~~, changes and/or re-negotiations. This policy establishes the specific responsibility and authority of the procurement of materials and services.

~~For clarification purposes, these purchasing policies are not required to be followed by the corporate/central services <OUTSOURCED SUPPLIER> team, or their subcontractors, in their separate procurement activities as part of their contractual obligations with the City of Dunwoody. The contractual agreement with <OUTSOURCED SUPPLIER> is service-oriented in nature and was competitively procured in conjunction with the creation of the City of Dunwoody.~~



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~~However, as~~ part of the audit process, the ~~<OUTSOURCED SUPPLIER>~~ internal controls and accounting processes outsourced municipal services vendors will be evaluated and a measure of assurance given as a requirement of completion of the City's annual audit. ~~<OUTSOURCED SUPPLIER>s~~ The staff of outsourced municipal services vendors assigned to work solely at City of Dunwoody City offices and perform purchasing activities on behalf of the City of Dunwoody are not exempt from the City's adopted Purchasing Policy.

III. Definitions

When used in this policy, the following words, terms and phrases, and their derivations, shall be the meaning ascribed to them in this section, except where the context clearly indicates a different meaning,

A. AGENT means an official contracted or subcontracted person who is authorized to act on behalf of the City of Dunwoody and represent their interests.

B. AVAILABLE LOCALLY means that one or more businesses within the City or immediate surrounding areas are able to provide goods and services in a timely manner, and in sufficient quantity and quality to meet a specific need.

~~BC.~~ CITY FINANCE DIRECTOR means the Finance Director or City Accountant ~~or other or~~ other employee or agent as designated in writing by the City Manager.

~~CD.~~ CONSTRUCTION means the process of building, altering, improving or demolishing any public structure or building, or other public improvements of any kind to any public real property. The term "Construction" does not include the routine operation, repair and/or maintenance of existing structures, buildings or real property.

~~DE.~~ CONTRACT means any City agreement, regardless of form or title, for the procurement or disposition of goods, commodities and services.

~~EF.~~ EMPLOYEE means an individual drawing a salary or wage from the City whether on a full-time, part-time basis or contractual third-party. The term shall encompass all members of the Governing Authority without regard to whether or not such individual is compensated.

~~FG.~~ GIFTS or FAVORS means anything of any service of value.

H. ENVIRONMENTALLY PERFERABLE PRODUCTS AND SERVICES means products and services that have a-a lesser or reduced negative effect on human health and the



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environment when compared with compete products that serve the same purpose. This comparison analysis may include raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, disposal of products, or service delivery.

Specifically, factors that should be considered when determining that a product or service has environmentally preferable attributes include, but are not limited to:

- a. Minimization of virgin material used in product or service life cycle;
- b. Maximization of recycled materials used in product or service life cycle;
- c. Life cycle economics of products and services;
- d. Reuse of existing products or materials in product or service life cycle;
- e. Recyclability, biodegradability and compostability of product;
- f. Minimization of packaging;
- g. Reduction of energy and fuel consumption;
- h. Reduction of water consumption;
- i. Toxicity reduction or elimination;
- j. Durability and maintenance requirements; and
- k. Ultimate disposal of the product.

GI. GOODS or COMMODITIES means supplies, apparatus, materials, equipment and other forms of tangible personal property.

HJ. GOVERNING AUTHORITY means the City entity responsible for the contract.

K. LIFE CYCLE COST ASSESSMENT means the comprehensive accounting of the total cost of ownership, including initial costs, energy and operational costs, longevity and efficacy of service and disposal costs.

IL. OFFICIAL means any elected or appointed person who holds office or serves in a position of public capacity.

JM. ORDINANCE means related Administration Ordinance in Chapter 2, Article 7 of the City's Municipal Code.

KN. PAYMENT TERMS: Net 30



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O. PRACTICABLE means satisfactory and within reason when considering price, performance, availability, compatibility with specified operation, and public safety.

LP. PURCHASING is the process of securing materials, services, repairs, leases and rentals necessary for the operation and support of the City. The renewal, renegotiations and changes to contracts, leases and agreements are functions of purchasing.

MQ. PURCHASING AGENT means the principal purchasing official of the City of Dunwoody pursuant to Chapter 2, Article 7 City's Municipal Code.

NR. THE USING DEPARTMENT/DIVISION (USER) is defined as the department which has the authority and responsibility for determining the need for an item or service, its related specifications, and need date. The USER is responsible for funding the need and advising PURCHASING of the approved funding and the specific budget account number. The USER is responsible for authorizing the purchases of all materials, services, repairs, leases and rentals in which the negotiated price exceeds the approved funding.

IV. Ethics in Procurement

- Each person involved in the procurement process must adhere to a high standard of ethics. They will be bound by the ethics provision in the Code Of Conduct as adopted by the city of Dunwoody



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A. Employee Conflict of Interest

It shall be unethical for any City of Dunwoody employee, official or agent to transact any business or participate directly or indirectly in a procurement contract when the employee or official knows that:

1. The employee, official or agent or any member of the employee, official or agent's immediate family has a substantial interest or financial interest pertaining to the procurement contract, except that the purchase of goods and services from businesses which a member of the City Council or other City of Dunwoody employee has a financial interest is authorized as per O.C.G.A. § 36-1-14, or the procurement contract is awarded pursuant to O.C.G.A. § 45-10-22 and § 45-10-24, or the transaction is excepted from said restrictions by O.C.G.A. § 45-10-25, interpreting such statutes as if they were applicable to a municipality.
2. Any other person, business or organization with whom the employee, official, agent or any member of an employee, official or agent's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement contract.
3. An employee, official, agent or any member of an employee, official or agent's immediate family who holds a substantial interest or financial interest in a disclosed blind trust shall not be deemed to have a conflict of interest with regard to matters pertaining to that substantial interest or financial interest.
- 3.4. All vendors should sign a disclosure document indicating any connection to or with a City of Dunwoody employee or Elected Official.

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B. Gratuities, Rebates or Kickbacks.

1. **Gratuities.** It shall be unethical for any person to offer, give, or agree to give any City of Dunwoody employee, official or agent, or for any City of Dunwoody employee, official or agent to solicit, demand, accept, or agree to accept from another person, a gratuity, rebate or an offer of employment in connection with any decision, approval, disapproval, recommendation or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore in any manner inconsistent with the State



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of Georgia's Department of Administrative Services Gratuity Policy. Rebates normally or routinely offered to all customers for the purchase of their products are acceptable and are the property of the City of Dunwoody.

2. **Kickbacks and Rebates.** It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor, or any person associated therewith, as an inducement for the award of a subcontract or order.
3. **Contract Clause.** The prohibition against gratuities, rebates and kickbacks prescribed in this Section shall be conspicuously set forth in every contract and solicitation therefore.
4. **Courtesies.** Employees may accept for themselves and members of their families common courtesies usually associated with customary business practices so long as a strict standard is enforced with respect to gifts, services, discounts, entertainment or consideration of any kind from suppliers of merchandise, services, supplies, etc. to the City of Dunwoody. An example of a common courtesy is free pens or notepads with the vendor's name on them.
5. **Cash.** It is never permissible for a City of Dunwoody official, employee or agent to accept a gift in cash or cash equivalent (e.g. stocks or other forms of marketable securities) of any amount.

C. Prohibition Against Contingent Fees

It shall be unethical for a person to be retained, or to retain a person, to solicit or secure a City of Dunwoody contract upon any agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.

D. Use of Confidential Information

It shall be unethical for any City of Dunwoody employee, official or agent knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

E. Unauthorized Purchases

No purchases of materials, supplies, equipment and services shall be made in the name of the City of Dunwoody or one of its departments, except such as are required for official use by the



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City of Dunwoody or one of its departments. Purchases in the name of the City of Dunwoody or a department for personal use by an individual or for other than official use are prohibited, and no City of Dunwoody funds will be expended or advanced therefore.

F. Penalties and Sanctions

1. **Legal or disciplinary action by City Council.** The City Council may take appropriate legal and/or disciplinary actions against any City of Dunwoody official, vendor, contractor, organization or person in violation of these ethical standards, including for any employee under their direct supervision and control subject to the appropriate appeals process of the City of Dunwoody.
2. **Legal or disciplinary action by City of Dunwoody City Manager.** The City of Dunwoody City Manager may take appropriate legal and/or disciplinary actions against any City of Dunwoody employee or agent subject to the Manager's supervision and control as defined in the City of Dunwoody Municipal Code, subject to the appropriate appeals process of City of Dunwoody.
3. **Administrative penalties for employees.** The City of Dunwoody City Manager may impose any one or more of the following penalties or sanctions on a City of Dunwoody employee for violations of the ethical standards in this Section as appropriate to the situation, subject to the Personnel Manual or other appropriate appeals procedures:
 1. Oral or written warnings or reprimands.
 2. Suspensions with or without pay for specified periods of time.
 3. Termination of employment.
4. **Administrative penalties for outside contractors/vendors.** The City of Dunwoody may impose any one or more of the following penalties or sanctions on a vendor/contractor or other person or organization for violations of these ethical standards:
 4. Written warnings or reprimands.
 5. Termination of contracts.
 6. Debarment or suspension.

V. Responsibility

A. Purchasing Manager

The City Council may appoint the City Manager, or said agent appointed by the City Manager, to serve as the Purchasing Agent for the City, or the Council may contract with an independent



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third party to serve as the Purchasing Agent (per ~~Municipal City Code~~ Chapter 2, Article 7, Section 2).

DUTIES: The Purchasing Agent shall have the following duties and powers:

1. Arrange and negotiate the purchase or contract for all equipment, supplies and contractual services for the City or any using agency; arrange and negotiate for the sale or otherwise dispose of all surplus equipment and supplies or real estate of the City or any using agency.
2. Submit monthly reports to the Operations Director that provide:
 - a. Titles of all request for proposals (RFPs) and the method of source selections to be used.
 - b. Contracts authorized by the City Council, the method of source selection used and the total dollar amount.
 - c. Emergency contracts awarded pursuant to Municipal Code Chapter 2, Article 7.
 - d. Change orders or contract modifications authorized by the Council and the dollar amount and reason.
 - e. Change orders or contract modifications authorized by the Purchasing Agent and the dollar amount and reason.
 - f. Explanation of any changes, and the costs involved, in the scope of services made between the time a contract is awarded and the time that the contract is authorized by the City Council.
 - f.g. Documentation of the types, quantities, and dollar amounts of environmentally preferable products (including the percentage of post-consumer and total recovered material content) and services purchased. The report shall also include dollar amounts of non-environmental or conventional products and services, identify and discuss instances where this policy is waived or its requirements found impracticable, and highlight barriers to the procurement of environmentally preferable products and services, if applicable.
3. Manage and supervise purchasing staff.
4. Develop and maintain a purchasing policy and procedure manual which will be updated by ~~the Purchasing Manager or~~ City Manager (or their designee) periodically.
- 4.5. Establish guidelines, within the purchasing policy and procedure manual, governing the review and approval of specifications for procurement of products and services based on recyclability, energy and water conservation, life cycle cost, and other environmental considerations.



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- 5.6. Direct efforts to procure services through advertisements of bids in the local legal organ as required by the City's Municipal Code and by State law.
- 6.7. Require bonds, insurance and other forms of protection for the City on the process of procuring goods and services for the City.
- 7.8. Terminate solicitations for bids for any good(s) or service(s) when, in the opinion of the Purchasing Agent, it is in the City's best interest to do so. ~~This includes termination for breach of contract or anticipated breach of contract.~~
- 8.9. Reject any and all bids, when in the opinion of the Purchasing Agent it is in the City's best interest to do so.
- 9.10. Consult with the City Attorney if a contracting party breaches or is reasonably anticipated to breach its contract with the City.
- 10.11. Assist in negotiating City contracts, as directed. The City Council shall approve final contracts and execute and bind the City to such agreements.
- 11.12. Advise the Operations Director and City Manager on the status of negotiations, as well as contract provisions and their impacts on the City.
- 12.13. Make recommendations on contract approval, rejection, amendment, renewal and cancellation.
- 13.14. Provide contract administration and supervision of contracts and agreements, as directed by the City Manager. Such tasks shall include, but not be limited to, monitoring contract amendments, obtaining applicable insurance certificates and monitoring applicable progress.
- 14.15. Plan and implement processes for the ongoing protection of the City's interests.
- 15.16. Recommend and implement policies and procedures to provide for compliance with laws related to bidding, contracting and purchasing as set forth in the State of Georgia, by examining the applicable laws and developing procedures for bidding, contracting and procurement processes.
- 16.17. ~~Assist and coordinate necessary grant applications and submissions as directed.~~ Ensure all contracts are reviewed by the City Attorney as required by Section 3.08 of the City Charter.

B. Using Department/Division (USER)

1. Determine Need: The USER is responsible for determining the need for a material or service and providing appropriate documentation & justification, including a purchase requisition.
2. Determine Funding: The USER is responsible for providing proper funding. Specific budget account numbers must be on the purchase requisition.
3. Determine Specifications: The USER is responsible for determining the quantity, quality, dimensions, duration and all other necessary specifications essential to the



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determination of what is to be procured. The specifications must, where applicable, conform to the approved City standards for identity and continuity.

4. Purchase Requisition: It is imperative that the USER transmits its need to the Purchasing Office. The Purchasing Office can only purchase supplies and services on the basis of an approved and completed purchase requisition. A properly approved purchase requisition contains, as a minimum, the following information:
 - a. Complete description and specifications.
 - b. Quantity.
 - c. Need date (lead time of at least one week, must be allowed).
 - d. Estimated cost.
 - e. Freight.
 - f. Complete budget account number.
 - g. Previous purchase information or quotation (if known).
 - h. Known or suggested vendor(s).
 - i. Authorized approval of department head and division head.
 - j. Authorized approval from the Budget/Finance Department.
5. Acceptance of Procured Item or Service: The USER is responsible for advising the Purchasing Office within 24 hours after receipt or within 48 hours if the items or services are found to be unsatisfactory. This is to be done in writing on a Receiving Report.

C. Purchasing Functions

1. Source Selection: Except as provided below, all vendor selections shall be made by the Purchasing Office. When making the vendor selection the Purchasing Office will choose the lowest, best, responsible, responsive vendor, including environmentally preferable products and services in specifications for City solicitations, where practicable. It is recognized that exceptional requirements may dictate that the USER is instrumental in selecting vendors. In such cases, it is necessary that this need be transmitted to the Purchasing Office with sufficient documentation as to the reason for the exception. This must be done in advance of any firm negotiations or commitment with the vendor.

In determining where to purchase products and services based on competitive prices and costs incurred in obtaining the purchase, the City shall purchase locally when all of these requirements are equal.

In determining which products to purchase, the City shall purchase products which contain, whenever practicable, the highest percentage of post-consumer recovered material, the highest



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percentage of total recovered material available in the marketplace, and reduce waste in the manufacture and use of products and packaging purchased by the City.

In determining which products to purchase, the City shall integrate environmental factors into the City's procurement decisions, when practicable. At a minimum, the City shall:

2. Purchase non-emergency fleet vehicles that provide the best available net reduction in vehicle fleet emissions, including but not limited to the purchase of alternative fueled and hybrid vehicles.
3. Consider purchasing lower emission emergency fleet vehicles with comparable specifications for performance, safety, and fuel availability during emergencies as conventionally-powered emergency fleet vehicles.
4. Replace disposable with re-usable, recyclable, or compostable goods.
5. Consider life cycle economics.
6. Evaluate, as appropriate, the environmental performance of vendors in providing products and services.

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The City shall not make purchases of products or services from City employees or City Council members or from businesses owned by members of these two groups unless specifically approved by the City Council. The City shall have the right to "piggy-back" from other municipality and State contracts if the vendor will extend the same prices, terms and conditions to the City of Dunwoody. This source selection shall only be made available within the previous twelve (12) month period and when competition was sought.

Comment [jt1]: Do we want to add County and State if not already specified in the document?

2. Quotation/Bidding: All Quotations for materials or service must be requested through the Purchasing Office. Price Quotations will be obtained in accordance with the City's Municipal Code, Chapter 2, Article 7, Sections 5-11.

7. a. \$0 - \$2,500 - Check Request

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Departments may enter a check request for goods/services valued from \$0-\$2,500 with proper Department Head/Finance Director's approval. See Section VII for further uses of the Check Request.

- b. \$2,501-\$250,000 - Verbal Quotes

Requisitions for items valued between \$2,05010-\$25,000 require at least three (3) telephone verbal quotes with proper Department Head and Finance Director's approval. The vendor name and quote must be written on the requisition, which is used to generate the purchase order.



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c. \$250,000 - \$50,000 - Informal Written Quotes

Purchasing will receive at least three (3) written quotes on items requisitioned that are valued between \$205,000-001 to \$50,000 with proper Department Head, Finance Director and City Manager approval. These requests will always be made in writing (fax and email acceptable).

Notwithstanding the any other provision, any contract or subcontract entered into by the City with any person, government or an agency, or with any combination of any of the foregoing entities, for the construction, reconstruction, or maintenance of all or part of a public road in the City, including but not limited to a contract or subcontract for the purchase of materials, for the hiring of labor, for professional services, or for other things or services incident to such work, shall be entered into in accordance with O.C.G.A. § 31-4-114.

\$50,000 and up - Formal Sealed Bids

The Purchasing Office will request sealed bids on items or projects requisitioned that meet the following criteria:

- The items or projects are valued at \$50,000 or more.
- Clear and adequate specifications are available.
- Two or more responsible vendors are willing to participate in the process.

These requests are always made in writing. The vendor list is made up of companies from the bid list and recommendations from the USER. The Bid List is a current file of requests from companies for this purpose. Bids shall be invited by advertisement in a newspaper having general circulation in the City. At least fourteen full days must pass between the day the advertisement appears and the day of the bid opening. The advertisement shall state that the City reserves the right to reject any or all of the bids and to make award to the lowest responsive, responsible vendor meeting the minimum specifications of the bid.

Notwithstanding any other provisions herein, Public Works Projects over \$100,000 are required by Georgia State Law will entered in to pursuant to O.C.G.A. § 36-91-21.(HB1079)-Public Works Projects are required to have Payment Bonds and Performance Bonds for 100% of the contract amount. When these bids are requested the standard City documents with this information will be used. The City will also require that a 5% Bid Bond be submitted with the bid. These projects will be advertised in the legal organ for the City.



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(1) Sealed Bidding Process and Award

- (a) Receipt of Bids: No bid shall be eligible for consideration by the City unless it is placed in a sealed envelope or package and actually received by the City of Dunwoody by the date and time specified in the bid request. The Purchasing Agent shall cause all bids to be stamped with the date and time of receipt and secured until the designated opening time. A bid delivered late shall under no circumstances be eligible for consideration by the City, and shall be returned unopened to the bidder.
- (b) Bid Openings: Bids shall be opened publicly in the presence of one or more witnesses on the date and at the time and place designated in the Bid Letter. The name of each Offerer, the purchase price contained in each bid, and such other information as the Purchasing Agent deems appropriate shall be announced as the bids are opened. A record of bid information shall be recorded and made available for public inspection.
- (c) Modification of Bids: Any clerical mistake which is patently obvious on the face of the bid may, subject to the limitations described below, be corrected upon written request and verification submitted by the Offerer. A non-material omission in a bid may be corrected if the Purchasing Agent determines the correction to be in the City's best interests. Omissions affecting or relating to price or insurance shall be deemed material and shall not be corrected after the bid opening;
- (d) Withdrawal of Bids: Bids may be withdrawn at any time prior to the bid opening. After bids have been publicly opened, the bidder shall give notice in writing of his/her claim of right to withdraw his bid within two business days after the conclusion of the bid opening procedure. If a bid is withdrawn under the authority of this provision, the lowest remaining, responsive bid shall be deemed to be the low bid.
- (e) Bid Evaluation: Bids shall be evaluated based on the requirements set forth in the Specifications. No criteria may



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be used in bid evaluation that is not specifically set forth in the solicitation.

- (f) Bid Cancellation: A Bid may be cancelled prior to opening date or any or all bids may be rejected in whole or in part as may be specified in the solicitation, where it is in the best interest of the City in accordance with regulations promulgated by the Purchasing Office or, as a result of improper conduct on the part of a City employee. The reasons for any cancellation shall be made part of the bid file.
- (g) Modification of Specifications after Bid Opening: The City reserves the right to negotiate with the lowest, responsive, and responsible bidder after the bids have been opened and before an award is made in an effort to make sure that the specifications and budget have been met. This will allow staff to add or delete parts for equipment or value-engineer a project in the City's best interest. On construction projects the negotiations will be conducted with the design firm and City Staff before a recommendation is made for the award of the bid.
- (h) Negotiation with Lowest Responsive and Responsible Bidder: Once a bid has been opened and accepted, the City reserves the right to negotiate with the lowest responsive and responsible bidder in an effort to ensure that the bid meets the approved budget and specification.
- (i) Bid Award: Responsive and Responsible Bidder(s): Subject to approval by the City Manager or their designee and, if required, the City Council, bids shall be awarded to the lowest, responsive and responsible bidder(s) meeting the minimum specifications.
 - a. Approval of Bids: All bid awards for amounts of \$50,000 or greater shall be approved or rejected by the City Council.
 - b. Rejections of Bids: The City reserves the right to reject any or all bids if it determines such rejection to be in the best interest of the City.
 - c. Disqualification of Bids: The following types of bids shall be disqualified for consideration for a bid award:
 - i. A bid arrives after the set time for submittal



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- ii. A bid which is incomplete in any material aspect
- iii. A bid submitted without required bonds or insurance
- iv. A bid submitted by a company on the ineligible source list.

- (j) Tie bids. In the event two or more bidders are tied in price while otherwise meeting all of the required conditions, the bid shall be awarded to the business which is located within City of Dunwoody, or if not within the above, within the State of Georgia. Where no bidder is located in City of Dunwoody or in the State of Georgia, the Purchasing Manager shall call a public forum, cause each bidder or stand-in to attend the flip of a coin.

d. Budgeted Capital Purchases

Capital items are defined as non-expendable items valued at \$500,000 or greater with a tangible shelf life of three (3) years or greater.

The City Manager, or their designee, is authorized to approve budgeted capital purchases or contracts up to \$500,000 without obtaining further City Council approval (except for initial budget approval from City Council). The USER is responsible for making the recommendation for the award following the procedures as identified in section 2. Quoting/Bidding defined above.

City Council must approve the purchase of any budgeted capital purchase or contract \$500,001 or more. The USER is responsible for submitting the recommendation for this award to the City Council.

e. Request for Proposals

Purchasing will be responsible for sending Requests for Proposals (RFP) when use of the sealed bid process is either not practicable or not advantageous to the City. The following criteria will be used when determining when to use the RFP process:

- When the quality, availability or capability is overriding in relation to price in procurement of technical supplies or services.



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- When the initial installation needs to be evaluated together with subsequent maintenance and service capabilities and what priorities should be given these requirements in the City's best interest.
- When the market place will respond better to a solicitation permitting not only a range of alternate proposals, but evaluation and discussion of them before making the award.

RFP's will generally be solicited on a project-by-project basis with the exception of the following: ~~City Attorney, Judge,~~ Auditor, Engineering Testing Services, Medical Services and Banking Services, which will be solicited every three (3) years. The other services will include, but are not limited to, architects, engineers and other professionals. The USER will submit the Scope of Services to Purchasing, who will then determine which of the following processes to use:

- Purchasing will request Letters of Interest and Statements of Qualifications from qualified firms. The responses will be reviewed by the USERS and the Purchasing Agent. Interviews may be conducted with the most qualified firms. Price Proposals will then be requested from the most qualified firms.
- Purchasing will request Letters of Interest, Statement of Qualifications and Price Proposals from qualified firms. The USERS and the Purchasing Agent will review the information submitted and make a selection from this information. This process should be used when the City is familiar with the firms.
- Purchasing will request Letters of Interest and Statement of Qualifications from qualified firms and may schedule a meeting with all the firms to discuss the project and answer questions. The firms who have attended the meeting will be requested to submit Price Proposals. The USERS and the Purchasing Agent will review all the information and make a selection.

(1) Request for Proposal Receipt, Evaluation and Award

- (a) Dissemination of Proposals: Proposals shall be disseminated through a Request for Proposal.
- (b) Receipt of Proposals: No proposal shall be eligible for consideration by the City unless it is placed in a sealed envelope or package and actually received by the City of Dunwoody by the date and time specified in the RFP. The



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Purchasing Agent shall cause all proposals to be stamped with the date and time of receipt and secured until the designated opening time. A proposal delivered late shall under no circumstances be eligible for consideration by the City and shall be returned unopened to the bidder.

- (c) Proposal Opening: Proposals shall be opened publicly in the presence of one or more witnesses on the date and at the time and place designated in the RFP. The name of each Proposer shall be announced but no other information shall be disclosed nor shall the proposals be considered an "open record" until a contract is awarded.
- (d) Proposal Cancellation: An RFP may be cancelled prior to opening date or any or all proposals may be rejected in whole or in part as may be specified in the solicitation, where it is in the best interest of the City in accordance with regulations promulgated by the Purchasing Office or, as a result of improper conduct on the part of a City employee. The reasons for any cancellation shall be made part of the proposal file.
- (e) Evaluation of Proposals
 - Initial Evaluation: Each proposal shall be evaluated to determine whether it is responsive to the scope of services and other terms and conditions contained in the RFP. In evaluating the proposals, the evaluating team may communicate with each Proposer to clarify and amplify each Proposer's proposal. No information concerning any other Proposer's proposal shall be communicated in any way to the Proposer.
 - Request of Supplemental Information: Additional information may be requested of Proposers by the City of Dunwoody.
 - A team consisting of no less than three persons shall conduct evaluation of proposals. This team will typically include the Purchasing Agent, the Head of the user department, and an additional representative of the user department selected by the respective Department Head.

- (f) Award of Proposal



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- Responsive and Responsible Proposal: Award shall be made to the responsible Offeror whose proposal is determined to be the most advantageous to the City based upon but, not limited exclusively to, price and the evaluation factors set forth in the RFP.
- Approval of Proposals: All proposals where cost is \$100,001 or more shall be approved or rejected by the City Council.
- Rejection of Proposals: The City reserves the right to reject any or all proposals if it determines such rejection to be in the best interest of the City.
- Disqualification of Proposals: The following types of proposals shall be disqualified for consideration for award:
 - ♦ A proposal arrives after the set time and date for submittal.
 - ♦ A proposal submitted without required bonds or insurance.
 - ♦ A proposal submitted by a company on the Ineligible Source List.

f. Emergency Purchasing

- (1) Definition: An emergency is a situation that occurs suddenly and unexpectedly and demands immediate action to prevent delays which may vitally affect the health, safety or welfare of the public or City employees and affects the continuation of services to the citizens, and/or serious loss or injury to the City.
- (2) General: Emergency purchasing situations occur when there exists an emergency constituting a threat to public health, safety or welfare or to the soundness and integrity of public property or to the delivery of essential services and where the diverse effects of such emergency may worsen materially with the passage of time.
 - (a) It is understood that, from time to time, occasions arise at departments, which dictate immediate action to purchase items in order to prevent disruption of operations.



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Notwithstanding any other section of this Code, when the City Manager determines that an emergency exists, the Purchasing Agent may make or authorize others to make emergency procurements for supplies, services, construction items, or professional or consultant services. The City Manager shall make such determination when there exists a threat to public health, welfare or safety under emergency conditions. Such emergency procurements shall be made with as much competition as is practicable under the circumstances.

- (b) A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. As soon as practicable, a record of each emergency procurement shall be made and shall set forth the contractor's name, the amount and type of the contract, a listing of the item procured under the contract, and the identification number of the contract file.
- (c) If an emergency should arise after office hours which requires immediate action on the part of the agency involved for the protection of the best interest of the City or if a like situation arises on a weekend or holiday and when it is not possible or convenient to reach the purchasing agent, any purchase necessary shall be made by the official in charge of such agency, and such purchase reported to the Purchasing Agent within 24 hours.

g. Brand Name Purchases

The Purchasing Agent may elect to purchase brand name products or services when the goods comprise a major brand system, program or service previously selected by the City and due to operational effectiveness, future enhancements or additions, or maintenance or storage of spare parts precludes the mixing of brands, manufacture, etc.

h. Sole Source Purchases

A contract may be awarded or a purchase made without competition when the City determines that there is only one source for the required products, supply services or construction items. The Purchasing Agent shall conduct negotiations as appropriate, as to the price, delivery and terms to determine reasonableness of price. A separate file of sole source procurements shall be



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maintained as a public record and shall list each contractor's name, the amount and type of each contract, and a listing of the item(s) procured under each purchase order or contract.

i. Grants/Donations

Periodically, the City may be given private/public grants and donations from sources such as the State and Federal Government and private corporations. These types of solicitations are more restrictive and may dictate the procurement process and methodology that the City is to follow for an award.

1. **Responsible for Prices:** The final determination of the price and terms of any goods, materials or services shall rest with the Purchasing Office.
2. **Records:** It shall be the responsibility of the Purchasing Office to document all contracts, purchases, agreements for services and leases and to maintain said documents consistent with the records retention policy of the City. All agreements or contracts binding the City must be in writing. There will be no exceptions.
3. **Negotiations of Agreements:** All negotiations of agreements for supplies, materials or services shall be conducted by the Purchasing Office. It is recognized that special situations may exist where there is a special need for the USER to be involved in the negotiation process. This must be in conjunction with the Purchasing Office at all times. The Purchasing Office will make final recommendation for agreements.
4. **Approvals:**
 - j. It is the responsibility of the Purchasing Office to secure all necessary approvals of the City Manager or their designee, or legal authority, in writing, when necessary to protect the City and its legal liability prior to execution of a contract or purchase agreement.
 - k. Consistent with purchasing authority, contract approval may be made by the City Manager up to \$100,000. Approval of contracts over \$100,000 must be made by the City Council.
 - l. The Purchasing Office may make any authorized purchase for which payment will be made in a current, routine manner following receipt of the goods or services. Procurement by leasing, long-term financing, advance payments or deposits or any other special non-routine method must be approved in advance by the City Manager or their designee.



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- m. The Purchasing Office will not normally provide purchase orders after procurement has been initiated. Purchases must be documented by the USER with appropriate requisition and specific budget account number prior to the issuance of the purchase order number.
- n. In the case of contracts (other than routine purchase orders), leases or service agreements (either new or renewals), the approval process is necessary. All such documents will be forwarded to the Purchasing Office. The Purchasing Office will acquire the necessary approvals prior to execution of any agreement, contract or lease through the City Attorney's office. When said contracts, leases or service agreements are up for renewal or expiration the Purchasing Office will notify the USER for approval to either maintain the contract or bid a new contract. The Purchasing Office will be responsible for maintaining a file of all current contracts, leases or service agreements.
 - (1) The Purchasing Agent will review the contract for form, completeness, insurance considerations, legal implications, and any other items dictated by each situation. The contract will then be sent to the USER and approved by the Department Director and returned to Purchasing. The Purchasing Office will be responsible for having the contract signed by the City Manager or their designee after it is signed by the vendor.
 - (2) The Purchasing Office will forward four copies of the contract for signature to the vendor, with them returning all four copies.
 - (3) Once the contract is officially executed, the original of the contract will be filed in the City Clerk's office. The second copy will be kept on file in the Purchasing Office. A third copy of the completed contract will be forwarded to the USER department. The fourth copy will be returned to the vendor.
 - (4) Once a contract is awarded by the City, the contract may be amended, without the necessity of rebidding such contract, provided that such amendment shall not result in a variance in price exceeding ten percent (10%) of the original contract amount.
- 5. Delivery, Quality, and Payment: The Purchasing Office and the USER share the responsibility to insure the quality, delivery and payment of required goods and services.
- 6. Disputes: Final adjudication of any dispute between the vendor and USER shall be made by the Purchasing Office with appropriate input from the USER.



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7. Vendor: In most cases, contact with vendors will be by the Purchasing Office and in conjunction with the USER as necessary. All vendors must coordinate with the Purchasing Office before visiting any other department. All visits must be made with the knowledge of the Purchasing Office and the Purchasing Agent has the option of accompanying the visitor. It is recognized that this restriction on visitation will not necessarily apply to those vendors with ongoing relationships such as computer and copy machine service technicians.

8. Return of Goods and/or Cancellation of Agreements: All return of goods must be initiated by the USER through the Purchasing Office. Additionally, all cancellations of, or modifications to, any agreements must be made by the Purchasing Office.

9. Receiving of Goods: It shall be the responsibility of the USER to ensure that purchased goods and equipment are received, inspected and verified as to condition. This will be accomplished by the use of a Receiving Report. Since the Department Director signed the purchase requisition, that person cannot be the receiver of the goods and must appoint an individual within the department to be the receiver of the goods and services.

10. Use of State/Co-Op Contracts: The Purchasing Manager may, independent of the requirements of bid process of this article, procure supplies, services or construction items through the contract established through competitive means by the purchasing division of the State of Georgia, national Co-Ops (i.e.-U.S. Communities), and collaborative purchasing agreements with other local governments when deemed to be in the best interest of the City.

11. Change Orders

- o. The Purchasing Office will review all change orders and adjust encumbrances as applicable. Change orders will be processed to correct the account distribution, quantity, addition/deletion of line items, change in description and unit price.
- p. If a quoted price is equal to or less than \$5,000, the Department Head will approve. If a requisition for change order is over \$5,000; the requisition will also be sent to the Finance Director and City Manager for approval. Any requisition with a change order over \$100,001 requires City Council approval. The department cannot use the change order process to circumvent the Purchasing Ordinance.

12. Bid Protests

- q. Right to protest. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the City of Dunwoody. Protestors shall seek resolution of their complaints initially with the City Manager. All protests must be submitted in writing to the City Manager. Any party that submits a bid pursuant to this Article and has a good faith basis to protest the bid must prepare a formal complaint to be filed with the City Manager. The complaint shall specify the alleged act or omission by the City that provides the basis for the complaint.



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- r. Upon the filing of a written complaint, the City Manager, within 3 business days, shall request a response from the City Purchasing Manager. The Purchasing Manager's response will be returned to the City Manager within 30 calendar days. Failure by the Purchasing Manager to file a response may be considered as evidence by the City Manager. If requested by either party, the City Manager, or designee shall have a hearing on the complaint and decide the merits of the claim. The City Manager is empowered to decide that the contract at issue be voided, upheld, or whatever other relief may be necessary. The City Council shall approve or reject the City Manager's decision. If the party bringing the complaint disagrees with the conclusions of the City Manager and City Council, the decision may be appealed to the Superior Court of Fulton County.
- s. Protests concerning invitations to bid. A protest with respect to an invitation for bids or request for proposals shall be submitted in writing prior to the opening of bids or the closing date of proposals. If not done by that time, the complaint or protest is invalid.
- t. Stay of procurement during protests. In the event of a timely protest under subsection (b) of this Section, the Purchasing Manager shall not proceed further with the solicitation or award of the contract until all administrative remedies have been exhausted or until the City Manager or City Attorney makes a determination that the award of the contract without delay is necessary to protect the interests of City of Dunwoody.

D. Credit Cards

Credit Cards ~~will should only~~ be issued ~~upon approval of 3 people:~~ the Department Head, Procurement Coordinator, Finance Director and the City Manager, the City Finance Administrator, and the Chief of Police. The Credit limit for each card should not exceed ~~\$10,000~~\$5,000. All individuals assigned a Credit Card on behalf of the City of Dunwoody shall be personally responsible for the use and any fraudulent use.

VI. Property Disposal

- A. Excess, Surplus, and Obsolete Materials: It shall be the duty of the USER to report all excess, surplus or obsolete materials to the Purchasing Office. At this point, the Purchasing Agent will examine alternatives as to the most advantageous disposition of the items. Items could be refurbished or reconditioned, transferred, traded in on new equipment or sold by auction or sealed bid.
 - 1. Transfer or Re-use: The most gainful method for handling an item no longer needed by a department is to transfer it to another department that has a use for the item.
 - 2. Trade-In: In replacing obsolete equipment, it may be financially advantageous to trade-in the old equipment. The invitation for bids on the replacement item should



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call for bid prices with or without trade-in and provide that award may be made either way.

3. Sale: Excess, surplus and obsolete items not transferred or traded-in may be consolidated and offered for sale by auction or by sealed bid method. The consolidated list will be submitted to City Council for approval before an auction or sealed bid is organized. The property offered for sale will be on an "AS IS/WHERE IS" basis. The sale will be given public notice. Sealed bids will be opened at the time and place announced with the City, retaining the right to reject any and all bids.
- B. Sale to Employees: To avoid any appearance of impropriety in the disposition program, it will be the City's policy to prohibit the direct sale of surplus property to any City employee, official or agent. This policy does not prohibit any City employee, official or agent from extending an offer at a public auction or in the form of a sealed bid.
- C. Allocation of Proceeds: Proceeds from the sale of excess or surplus property will go into the City's General Fund.

VII. Check Requests

Check Request Forms are designed to streamline procedures for initiating routine payments of the types outlined below: (See Section V, Sub-section C, paragraph 2.a)

- A. Utility Bills
- B. Insurance Premiums and Bond Payments
- C. Postage Expenses
- D. Conferences, Training and Meeting Pre-paid Expenses
- E. Reimbursements as shown on a valid, approved Travel Expense Report
- F. Professional Services
- G. Court Fees
- H. Instructors or Speakers for Recreation Programs

The above list is not all-inclusive; questions should be directed to the Finance Director or Purchasing Agent. The use of the Payment Request Form in no way implies that proper procedures outlined in paragraph V.C.2 need not be adhered to. The Payment Request procedures are merely a means of expediting payment.