



TENNESSEE
Hamblen County
SERVICE • COMMUNITY • INDUSTRY

Hamblen County Finance Department

Purchasing Policies & Procedures

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I. Introduction and General Information

The purchasing department supports the operations of Hamblen County Government by functioning as the purchasing unit for the procurement of goods, materials, equipment, and services required by the County; and for the disposal of surplus property owned by the County. The purchasing department, a division of the finance department, is created per Article XVIII of the Amended and Restated Hamblen County Government Financial Management System Policies and Procedures, adopted March 19, 2015.

a. Purpose of this Manual

The purpose of this manual is to outline and prescribe the policies and procedures in which goods or services must be purchased or disposed of by the County, while ensuring the fair and equitable treatment of vendors who deal with the procurement system of the County. The policies and procedures herein are based on the rules and regulations amended or adopted, and promulgated pursuant to the laws of Hamblen County Government and the applicable laws of the State of Tennessee¹. The provisions of this Manual shall replace any previous purchasing policies and procedures. Any part of this manual which may conflict with applicable law shall be null and void. If any portion of this Manual is, for any reason, held invalid by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this Manual.

b. Application of this Manual

- i. Regulations and procedures set forth in this manual apply to the expenditure of all federal, state, and locally appropriated funds for the procurement of any goods, materials, equipment, and services by the County. All purchases must be for the use or benefit of the County.
- ii. Regulations and procedures set forth in this manual apply to the County's disposition of surplus property, excluding real property.

This manual may be accessed on the County's website. As revisions or additions to this manual become necessary, the purchasing department will post such revisions on the website. If there are any questions concerning this manual, please contact the purchasing manager.

¹ Amended and Restated Hamblen County Government Financial Management System Policies and Procedures, March 19, 2015; *Tennessee Code Annotated*, Chapter 14, Part 2 County Purchasing Law of 1983.

II. Purchasing Department and Relations with Departments

- a. **Mission.** The mission of the purchasing department is to provide the most cost-effective method of procuring goods, materials, and services for Hamblen County Government while adhering to the procurement laws of Hamblen County Government and the State of Tennessee, as applicable.
- b. **Objective.** The overall objective of the purchasing department is to serve as the County's purchasing unit through which the County and its departments may obtain needed goods or services, via competitive concerns, at competitive costs and in a timely and cost-effective manner.
- c. **Purchasing Department.** The purchasing department is a division within the County's Finance Department, and is located in the Hamblen County Courthouse, Administrative Building, 511 West Second North Street, Morristown, Tennessee, 37814.
- d. **Responsibilities.** The purchasing department, which functions as a service for all other departments of the County, will purchase on a competitive basis all goods or services on behalf of each department of the County. The purchasing department must ensure procurements are conducted with integrity, fairness, and openness and in accordance with local and applicable state and federal laws. The purchasing department's responsibilities include, but are not limited to, the following:
 - i. Developing policies and procedures for implementing an economical and efficient purchasing system;
 - ii. Review of all contracts of purchases for biddable supplies, materials, equipment, and other needs of the County;
 - iii. Ensuring that no purchase or contract be made when the bid prices exceed the current market price for the same merchandise or service;
 - iv. Ensuring that purchases and contracts be awarded based on the lowest and/or best bid;
 - v. Review specifications and changes made by departments to allow for maximum competition of prospective bidders;
 - vi. Preparation of formal and informal bids;
 - vii. Collection of sealed bids;
 - viii. Opening of sealed bids through a procedure open to the public;
 - ix. Evaluate, compare, and submit bids for approval by the Legislative Body;
 - x. Issuing purchase orders and contracts;
 - xi. Verification of receipt of merchandise or services;
 - xii. Accept requisitions by the various departments, agency, or official;
 - xiii. Verify budget appropriations before authorizing a purchase and issuing a purchase order;
 - xiv. Provide for emergency purchases, total cost bidding, blanket purchases for small orders, grouping of purchases of the various departments, and other methods for receiving the most competitive price and best bid;

- xv. Ensure that emergency purchases be limited to needs arising which are not normally foreseeable, and make known the policy that emergency purchases shall not be permissible if a department or agency fails to properly plan for the need, proper purchasing procedures, and delivery time.

III. Procurement Method

a. Biddable Items

- i. “Biddable Items” means any need of the County where more than one (1) bidder or contractor in the County’s trade area can provide the material or service. Specifications shall not be written to exclude vendors or contractors or limit the bidding to a specific vendor or contractor.
- ii. Purchases for like items, unless covered by an exemption, estimated to exceed \$9,999.99 in any fiscal year will be competitively bid utilizing a sealed bid procedure². Bid specifications and a suggested vendor distribution list should be provided to the Purchasing Manager by the department making the purchase. The Purchasing Manager will format the specifications into a standard Invitation to Bid. The Purchasing Manager shall solicit sealed bids by public notice inserted at least once in a newspaper of county-wide circulation (i.e., Citizen Tribune), no less than five (5) days prior to the final date for submitting bids. A bid tabulation will be prepared by the Purchasing Manager following the public bid opening. Finance Committee and Legislative Body approval of the best bid is required before a purchase order can be issued. Hamblen County Government reserves the right of accepting and/or rejecting any and/or all bids or parts of bids when doing so serves the best interest of Hamblen County Government.
- iii. A valid State of Tennessee contract may be utilized in lieu of a bid. Quotes from an approved Purchasing Cooperative may be considered as a bid.
- iv. “Piggybacking” may be considered

b. Informal Quotes

- i. Applicable Statute: T.C.A. § 5-14-205
- ii. All purchases, leases or lease-purchase arrangements with expenditures of less than ten thousand dollars (\$10,000) in any fiscal year may be made in the open market without newspaper notice, but shall, wherever possible, be based upon at least three (3) competitive

² T.C.A. § 5-14-204

quotes. Price, quality of goods/services, and vendor performance will be taken into consideration. In the event the quote that serves the best interest of Hamblen County Government is not the lowest quote, the department head requesting the purchase shall submit a memo with the three (3) price quotes documenting the reasons the chosen vendor was selected.

c. Emergency Purchases

- i. Applicable Statute: T.C.A. § 5-14-204; T.C.A. § 5-21-119
- ii. Emergency purchases shall be limited to needs arising that are not normally foreseeable. Emergency purchases are purchases which are necessary to avert hazards which may threaten health and safety, to protect from damage, or to avoid a major disruption of governmental activities. Emergency purchases shall not be permissible if a department or agency fails to properly plan for the need, proper purchasing procedures, and delivery time.
- iii. A record of any emergency purchase shall be made by the person or body authorizing such emergency purchase, and shall specify the amount paid, the terms purchased, from whom the purchase was made, and the nature of the emergency. A report of any emergency purchase shall be made as soon as possible to the County Legislative Body and the County Mayor, and shall include all items of information as required in the record.

IV. Purchasing Forms

- a. **Purchase Order.** The purchase order is written evidence of the agreement between the buyer and the merchant at agreed upon prices, terms, and delivery dates. Purchase orders are required when purchasing goods and/or services. Purchase orders must be completed PRIOR TO goods and/or services being purchased.
- b. **Purchase Requisition.** The purchase requisition is the method in which the department requests a purchase order for goods and/or services to be purchased. The purchase requisition informs the purchasing department of the goods and/or services needed by the department, and which budgetary line item should be charged for the purchase. A purchase requisition shall be completed by the department head, elected official, or their designee. Purchase requisitions not completely filled out will result in a delay in processing the purchase order.
- c. **Check Request.** The check request is submitted for goods or services that have been classified by the purchasing guidelines as not requiring a purchase order (see list below). Completed check request forms and corresponding

invoices are submitted to the Accounts Payable Manager for processing and payment. The following items are eligible to be submitted on a check request:

- i. Auditing Services
- ii. Banking Fees
- iii. Bid Advertisements
- iv. Newspaper Subscriptions
- v. Periodical Subscriptions
- vi. Bonds
- vii. Boards and Committee Member Payments
- viii. Contributions to Component Units
- ix. Dues
- x. Freight/Shipping
- xi. Inter-Departmental Billing
- xii. Jury Fees
- xiii. Legal Fees
- xiv. Cell Phone Charges
- xv. Payroll Reimbursements
- xvi. Reimbursements (i.e., travel, in-service, etc.)
- xvii. Tuition
- xviii. Utilities
 1. Telephone
 2. Natural Gas
 3. Electricity
- xix. Vehicle Tags
- xx. Workman's Compensation Payments

V. Purchases with Grant Funds

County personnel must exercise care to comply with applicable requirements or special terms of any grant agreements or donations. All applicable local, state, and federal regulations must be followed. Purchases made with local, state, and federal grant funds shall be conducted in a manner consistent with grant contracts and in a fashion to provide maximum open, free, and fair competition.

County personnel must exercise in a fashion to provide maximum open, free and fair competition.

To achieve the objective stated above, purchases made with federal grant funds will be made following an open bid process that involves the issuance of a public notice on the county website and publication in a newspaper of regional circulation. The bid proposals will be opened publicly and then analyzed to ensure they meet all the bid requirements and specifications. Based on the bid analysis, the County's purchasing manager will recommend to the county legislative body the vendor and price for the purchase of the item or service sought through the bid process. The county legislative body must approve the lowest and/or best bid before a purchase order can be issued for the item/service.

Documentation of the bid process, the proposals received, bid approval, purchase order and delivery receipt will be maintained for five (5) years in the grant file maintained by the county's grant manager.

VI. Vendors

- a. **Federal, State, and Local Law Compliance.** Vendors must comply with all federal, state, and local laws and regulations, including but not limited to Title VI of the Federal Civil Rights Act of 1964, prohibiting discrimination in employment practices or in the performance of the resulting contract, on the grounds of race, age, color, religion, sex, national origin, handicap and/or disability, or any other classification protected by federal, state, or local law.
- b. **Equal Opportunity.** Equal opportunity shall be given to all eligible vendors. Each order will be placed on the basis of quality, price, delivery, and service history. Hamblen County Government considers all eligible vendors without regard to race color, religion, creed, gender, national origin, age, disability, marital or veteran status, or any other legally protected status. Invitations to Bid are open to any vendor, published online, and in local newspapers to encourage all applicable vendors to participate, including Certified Disadvantaged Business Enterprises and other small, minority, and women-owned businesses. Contractors doing business with Hamblen County Government shall indicate their compliance with Title VI of the Federal Civil Rights Act of 1964.
- c. **Purchases from Minority or Women-Owned Businesses, Small Business Enterprises, and Any Protected Class Vendor.** Hamblen County Government extends purchasing opportunities to all minority, women-owned business, small business enterprises, and any protected class vendor through the public competitive bid process, which includes public notice of all sealed bid opportunities. All protected class vendors are encouraged to do business with Hamblen County Government.
- d. **IRS Form W-9.** To comply with Internal Revenue Service requirements, all vendors who perform any type of service for Hamblen County Government are required to have a current IRS Form W-9 on file with the Hamblen County Finance Department.
- e. **Tennessee Lawful Employment Act.** To comply with the Tennessee Lawful Employment Act, non-employees (individuals hired as independent contractors) must have on file any **one** of the following documents:
 - i. Valid Tennessee driver's license or photo identification
 - ii. Valid out-of-state driver's license
 - iii. U.S. birth certificate
 - iv. Valid U.S. passport
 - v. U.S. certificate of birth abroad of a U.S. citizen
 - vi. Certificate of citizenship

- vii. Certificate of naturalization
- viii. U.S. citizen identification card
- ix. Valid alien registration documentation or proof of current immigration registration.

VII. Finance Department Contact Information

- Hamblen County Mayor's Office Main Line: 423.586.1931
- Purchasing Manager: 423.586.1931 ext. 2201
- Finance Director: 423.586.1931 ext. 2205