

ORDINANCE NO. 1104

AN ORDINANCE OF THE CITY OF TARRANT AMENDING ORDINANCE NO. 992, CHAPTER 2, ARTICLE VII, PURCHASING POLICY AND PROCEDURES TO PUT THE THRESHOLD FOR DIRECT PURCHASING BY CITY DEPARTMENTS IN SYNCH WITH ALABAMA STATE DEPARTMENT OF FINANCE DIVISION OF PURCHASING REGULATIONS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TARRANT
THAT:

Section 1. That the Chapter 2, Article VII of Code of Ordinances of the City of Tarrant be amended to read as follows:

Sec. 2-160. - Authorization limits.

- (a) Department heads have direct departmental purchasing authority for purchases up to \$1000.00.
- (b) Exceptions.
 - (1) Computers and related items. All purchases for computers, software and related items (printers, scanners, monitors, etc.) from all areas of the city must be processed through and approved by Information Technology Services (ITS).
 - (2) All purchases exceeding \$1000.00 must be submitted to the mayor's office on a purchase requisition form so that a purchase order can be issued.
 - (3) Exceptions to the \$1000.00 limit are reimbursements (expense and travel reimbursements), contract labor payments, payroll related disbursements, fund transfers, BOE payments, debt services, repetitive monthly expenses not under contract (expense varies monthly and the amount is not known in advance).

Sec. 2-161. - Approval process.

- (a) *Expenditures not exceeding \$1000.00.* The department head shall approve the expense by utilizing the accounting stamp issued and inserting the necessary information. The department head's signature for approval is required.
- (b) *Expenditures exceeding \$1000.00.* The department head will approve a completed purchase requisition form and forward it to the mayor for approval. The purchase requisition form is the authorization to initiate the procurement process; it enables the purchase order and/or agreement to be generated and provides the information to enter into the purchase order system.

Sec. 2-180. - Direct voucher payment.

Office of administrative responsibility: Department head.

Approver: Department head and mayor.

Scope: Compliance with the city procedures.

Extends to all employees of the city.

A direct voucher payment should be used for subscriptions, postal requests, consultants/services, utilities, insurance, memberships, professional fees and unauthorized purchases (purchases made that bypass the mayor's office). Unauthorized purchases consist of supplies/services exceeding \$1000.00 that were purchased without a purchase order or proper bidding. Unauthorized purchases must be accompanied by a detailed explanation of the reason for said purchase.

Sec. 2-181. - Purchase requisition form procedure.

Office of administrative responsibility: Department head.

Approver: Department head and mayor.

Scope: Compliance with the city procedure.

Extends to all employees of the city.

The purchase requisition form should fully describe what is being purchased; quantity of items and/or term of contract; description of commodities or services required; street address where items are to be delivered or services are to be performed; notation of urgency or deadlines; justification for the purchase; commodities such as equipment should indicate the model number and a brief description of the equipment (also indicate the property number to be assigned to the equipment).

Purchases in excess of \$1000.00 require the approval of a purchase requisition form and a standard purchase order to be issued prior to authorizing the purchase of materials, services, etc.

- (a) Submit a completed purchase requisition form to the mayor clearly indicating the goods and/or services to be purchased (both quantity and dollar amount). The purchase requisition form must include:
 - (1) Date.
 - (2) Vendor name and address (vendor number if known).
 - (3) Purchase description (quantity, description and unit cost).
 - (4) Complete account code, including fund number.
 - (5) Bill to and shipping address.
 - (6) Expected delivery date.
 - (7) Requisitions for registration fees should include the attendee's name and date of event.
- (b) A minimum of two telephone quotations or written quotations shall be obtained and attached to requisitions for purchases costing \$1000.00 up to and including \$15,000.00. When circumstances do not allow obtaining the telephone or written quotations a letter of justification from the requestor must be attached to the purchase requisition. In the event the mayor determines that the letter of justification is insufficient, quotes will be required.
- (c) Resolution number and bid should be referenced if applicable.
- (d) The purchase requisition form is the authorization to initiate the procurement process; it provides the necessary information to be entered into the purchase order system and it enables a purchase order to be generated.
- (e) If a purchase is made by requesting a check to prepay for an item, the receipt of items purchased must be forwarded to the accounts payable department, in order to complete the accounting process.
- (f) A purchase requisition in excess of the competitive bid threshold will be subject to the competitive bid process.
- (g) An invoice relative to a purchase order must have the associated purchase order number listed on the invoice and also must be approved by the appropriate department head prior to being paid.
- (h) Any revisions/corrections to purchase orders must be done by way of a change order request.

Sec. 2-184. - Purchase order procedure.

Office of administrative responsibility: Department head.

Approver: Department head and mayor.

Scope: Compliance with the city procedure.

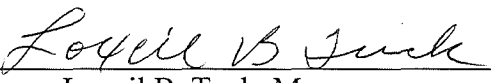
Extends to all employees of the city.

Purchases in excess of \$1000.00 require a standard purchase order to be issued prior to authorizing the purchase of materials, services, etc.

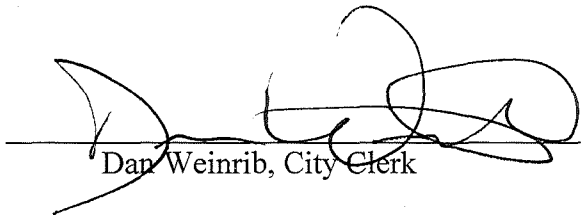
- (a) Submit a completed purchase requisition form to the mayor clearly indicating the goods and/or services to be purchased and the estimated annual usage (both quantity and dollar amount). The purchase requisition form must include:
 - (1) Date.
 - (2) Vendor name and address (vendor number if known).
 - (3) Purchase description (quantity, description and unit cost).
 - (4) Complete account code, including fund number.
 - (5) Bill to and shipping address.
 - (6) Expected delivery date.
 - (7) Resolution number and bid should be referenced if applicable.
- (b) The purchase requisition form is the authorization to initiate the procurement process; it provides the necessary information to be entered into the purchase order system and it enables a purchase order to be generated.
- (c) If a purchase is made by requesting a check to prepay for an item, the receipt of items purchased must be forwarded to the accounts payable department, in order to clear the prepaid from the accounting system.
- (d) A purchase requisition form in excess of the competitive bid threshold will be subject to the competitive bid process.
- (e) An invoice relative to a purchase order must have the associated purchase order number listed on the invoice and also must be approved by the appropriate department head prior to being paid.
- (f) Purchase order increases. The originator must create an additional purchase requisition form for any difference between the original requisition and the increased amount. The new purchase requisition form should reference the original purchase order number created by the initial purchase requisition form, line item being increased and an explanation of the increase. This would apply to minor changes for a total monetary amount less than that required for competitive bidding.
- (g) Purchase order decreases. The originator must notify accounts payable in writing when a purchase order is complete and falls short of the original amount. Accounts payable will close out the purchase order. The final invoice should note that the purchase order is complete.

Section 2. That in future years the threshold for direct departmental purchasing authority shall be set by Chapter 4 – Purchasing Procedures and Documents section of the Fiscal Procedures Manual, as promulgated by the Alabama Department of Finance, or any successor state purchasing regulations.

ADOPTED AND APPROVED THIS THE 3RD DAY OF JANUARY 2018


Loycil B. Tuck, Mayor

ATTEST:


Dan Weinrib, City Clerk

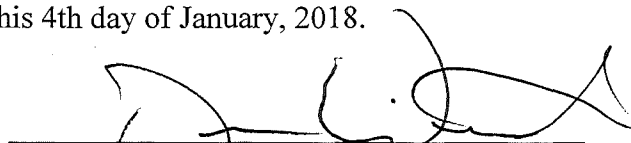
CERTIFICATION OF CITY CLERK

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, Dan Weinrib, City Clerk of the City of Tarrant, Alabama, do hereby certify that the above and foregoing is a true and correct copy of an Ordinance duly adopted by the City Council of the City of Tarrant, Alabama, on the 3rd day of January, 2018.

The above and foregoing ordinance was published on the 3rd day of January, 2018, by posting copies thereof in three public places within the City of Tarrant, one of which was the post office or the Mayor's office in the City of Tarrant.

Witness my hand and seal of office this 4th day of January, 2018.


Dan Weinrib, City Clerk