

CITY OF DOTHAN, ALABAMA
CITY COMMISSION POLICY - NO. 10

PURCHASING

I. PURPOSE

To set forth the purchasing authorities and procedures of the City of Dothan

II. POLICY

Purchasing procedures for the City shall be determined by policy set by the City Commission.

A. Title 39, Public Works, and Title 41, Article 3 – Competitive Bidding on Contracts of Certain state and Local Agencies, Etc., Code of Alabama, 1975, as amended, and as may be subsequently amended, is applicable and adopted by reference as an integral part of this policy.

B. As stated in the Code of Alabama, the Purchasing Agent of the City is the City Manager. The City Manager may designate an employee as the Purchasing Agent and authorize the employee to consummate all purchases of the City. Such purchases will be for a municipal purpose, for which funds have been appropriated by the City and in accordance with all applicable local and state laws. This employee shall be referred to as the Purchasing Agent in the remainder of this policy.

C. Purchase Limits

1. The Purchasing Agent may execute purchases on his /her own authority up to the limit allowed by the Code of Alabama for each item.
2. Department Heads, or their designees, may execute purchases on their own authority for each purchase less than \$2,500 in value.
3. All purchases beyond the limits authorized by others in this paragraph must be approved by a majority of the City Commission.

D. Purchases for the City shall be made through the Purchasing Division by following the established purchasing procedures of the City of Dothan.

E. A field purchase order or purchase order shall be used to document all expenditures of public funds for internal control or voucher purposes.

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- F. Prior to the issuance of a purchase order, the Finance Department shall approve the requisition for available funding and purpose.
- G. The department making the purchase shall be responsible for insuring product quality and conformance with specifications.
- H. Whenever possible, the department making the purchase shall consolidate requisitions in order to obtain quantity buying.
- I. No member or employee of the governing body of the City of Dothan shall be financially interested or have any personal beneficial interest, either directly or indirectly, in the purchase of, or contract for, any personal property or contractual service for the City, nor willfully make any purchase or award any contract in violation of this provision.
- J. Field purchase orders will be utilized for all purchases less than \$2,500.
- K. Purchases from \$2,500 to the limit required by the Code of Alabama ^{#15,000.00} will be made only after quotations are received from at least three responsible suppliers. These quotes will be included with the requisition. If a purchase is a sole source purchase, comments shall be included in the purchasing system requisition to justify the purchase from one vendor only. Exceptions to this requirement may be granted by the Purchasing Agent for those purchases excluded from competitive bid in state law and for the following reasons properly documented to substantiate the decision.
 - 1. Items where such purchase price has been set by the Federal Government, or the State of Alabama.
 - 2. Requirements to maintain a degree of continuity with the original or existing décor, equipment, or programs, where an attempt to quote could result in operational or functional inconsistency.
 - 3. When a quote attempt results in no response, orders will be placed with the first reliable source with a suitable price, quality and delivery.
 - 4. When the Purchasing Agent determined that three quotes cannot feasibly be obtained.
- L. Purchases shall not be divided into parts for the purpose of avoiding solicitation of quotes or bids.

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- M. Purchases of personal property in the amount estimated to equal or exceed the amount specified by the Code of Alabama shall be made through formal bid procedures as established by the Code of Alabama. Exceptions to this rule are items listed in Sec. 41-16-51 of the Code of Alabama.
- N. In case of emergency affecting public health, safety or convenience, purchases in excess of the amount specified by state law may be made without bids. Such action and the reasons therefore shall be stated by resolution of the City commission as soon as possible.
- O. When a formal bid procedure is required, the Purchasing Agent shall invite bids from all responsible prospective vendors on the bidders list.
- P. Bids are invited with the understanding that alternates may or may not be accepted. The bid form may contain the words “all products or equipment on alternate bids must be submitted for test or inspection prior to bid opening”.
- Q. Quoted prices of vendors and suppliers will remain confidential until all quotes are received and opened in bid opening. The quote of one vendor will not be used to negotiate a lower price from another.
- R. Bids shall be awarded to the lowest responsible bidder taking into consideration the qualities of the commodities proposed to be supplied, their conformity with specifications, and the purposes for which required, the terms of delivery, transportation charges and the dates of delivery.
- S. If two or more bids received are for the same total amount or unit price, quality and service being equal, the Purchasing Agent and the Department Head will determine the bid award. Any dispute of the award may be directed to the City Manager and or City Commission.
- T. A vendor having a place of business physically located within the city limits of Dothan and having a valid City of Dothan business license shall be entitled to a three (3) percent preference in bid award. A copy of a valid business license must be provided with sealed bids. Failure to include the business license copy with the sealed bid will result in disqualification of the 3% preference for that bid.
- U. The Purchasing Agent may reject all bids and re-advertise if the department making the purchase deems the price too high or the products offered are not acceptable.
- V. Any agreement or collusion among bidders is restraint of freedom of competition. By agreement to bid at a fixed price or to refrain from bidding or

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otherwise be in collusion shall constitute a violation of this policy, render the bids of such bidders void and shall cause such bidders to be permanently removed from the City of Dothan's bid list.

III. RESERVATION OF AUTHORITY

The City Commission reserves the right to amend, modify or change this policy.

IV. APPROVAL AND EFFECTIVE DATE

This policy is adopted and approved in Regular Session of the City Commission of this 29th day of July, 2008.

RECOMMENDED BY:

Rita Upton
CITY MANAGER

APPROVED BY:

Pat Thomas
MAYOR

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COMMISSIONER

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ATTEST BY:

Pam McCay
CITY CLERK