APRIL 2011

CITY OF CHATTANOOGA PROCUREMENT INSTRUCTIONAL MANUAL

Department of General Services
Purchasing Division
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PREFACE

CITY OF CHATTANOOGA
PROCUREMENT INSTRUCTIONAL MANUAL

April 2011 Edition

The *Agency Procurement and Surplus Property Instructional Manual* (*APSPIM*) is published under the authority of Chapter 2 Administration, Article V Purchases, Contracts and Property Disposition of the *City of Chattanooga Code Annotated*; Part 3 - the Municipal Purchasing Law of 1983, Tennessee Code Annotated 6-56-301, *et seq.* This manual establishes the policies and procedures required to be followed by the City of Chattanooga's (COC or City) departments and agencies in fulfilling procurement and related logistical responsibilities within the delegated limits when performing procurement functions. The manual as written, serves as a user's guide for City employees and officials when implementing authorized purchasing procedures. Although it outlines the present policies and procedures of the COC, it is subject to revision as needed and the Purchasing Division (Purchasing or PD), Department of General Services (GS) will from time to time issue Procurement Memorandums (P-Memos) which are effective until included in a revision to the Manual or rescinded. Section 8 has been reserved for filing these memoranda. This edition of the *APSPIM* applies to procurements & sales initiated beginning July 1, 2010. It supersedes all previous editions and changes thereto. **Strict adherence to the procurement rules, regulations and procedures as set forth herein shall be followed to ensure and maintain the fairness, efficiency, and integrity of our procurement process.**

Changes to this Manual will be announced through the issuance of Procurement Manual Revision (PMR) memorandums that shall be issued by the Purchasing Division. Each revision to the Manual shall be full page replacements and at the bottom of each page, the Revision Date shall be noted. When received, each new PMR shall be filed in the Manual as instructed, and the outdated portion shall be removed and destroyed.

This manual and its contents are not intended to conflict with any existing law. It represents the minimal purchase requirements. If any part of the manual conflicts with the law, then the Law shall take precedence over the manual.

Elected officials and appointed department heads may appoint requisitioning and receiving agents for their staffs and organizations as determined necessary to promote the efficient and successful operation of their respective organizations. However, names and positions for these designated agents must be submitted to the Purchasing Division in writing.

The integrity and success of the COC's procurement system depends upon the accuracy, honesty, and credibility of its elected officials, appointees, and its employees.

The manual has been significantly reformatted, and modernized to make it "user friendly". Every effort has been made to maintain reading simplicity when referring to this manual for ease of use for senior administrators and newly hired entry level personnel responsible for processing day-to-day procurement transactions. Changes are intended to facilitate and simplify access to the wide variety of topics for those City employees having official responsibility for procurement transactions as enunciated in the above mentioned Title of the *Tennessee Code Annotated*. Copies may be obtained from PD, downloaded from the COC website and PD home page: http://www.chattanooga.gov/Finance/66_Purchasing.htm. The City's Purchasing Division is readily available to assist any City office, department, and agency at any time. Comments, suggestions, and questions of interpretation should be addressed to the staff at the Division of Purchasing.

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SECTION 1

GENERAL PURCHASING INFORMATION AND ORGANIZATION

SECTION 1.01 - PURPOSE, MISSION, VISION, AND VALUES

The purpose of this manual is to:

1. Provide an updated procurement manual for City Employees and Officials in the City with a set of standard guidelines and rules to follow when making purchases

2. Communicate the practices, principles, and procedures to be followed while performing procurements and surplus sales transactions for the City

3. Communicate to employees, suppliers, and the general public the City's purchasing objectives and policies

4. Instruct and provide purchasing personnel with a set of standard procurement practices and procedures which are necessary to achieving the mission, vision, and goals of negotiating competitive, cost efficient, ethical, and effective contracts for the City

5. Provide purchasing personnel with a clear understanding of their roles, responsibilities, objectives, limitations, and duties within the framework of the City's organization

6. Assist all City personnel involved in the procurement function in attaining a higher degree of proficiency, standardization, and fair practice in their procurement activities

7. Establish reasonable standards that will withstand and receive acceptable outside audit reviews when measuring the performance of the Purchasing Division functions

8. Enlighten all employees on the purpose and functions of the Purchasing Division

9. Mission – Our mission is to ensure that our customers see Purchasing as a value-add in the Supply Chain process by providing quality services through effective teamwork

10. Vision – Our vision is to be a leader in government procurement in the Southeast by establishing cutting edge standards using state of the art technology to reduce taxpayer's costs wherever possible

11. Values – Integrity, respect, ethical, trustworthy, knowledgeable, customer focused and professionalism

SECTION 1.02 - PURCHASING CODE OF ETHICS/NGIP CODE OF ETHICS

The Purchasing Division has been a proud and active member of the National Institute of Governmental Purchasing, Incorporated (NIGP) for 46 years. We have adopted and whole-heartedly embrace the following code of ethics. ***It is recommended this code of ethics be followed by all Purchasing Associates, City employees, and officials that are involved in the procurement function.***

NIGP CODE OF ETHICS

The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by a public sector procurement or materials management organization:

Seeks or accepts a position as head (or employee) only when fully in accord with the professional principles applicable thereto and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization

Believes in the dignity and worth of the service rendered by the organization, and the societal responsibilities assumed as a trusted public servant

Is governed by the highest ideals of integrity in all public and personal relationships to merit the respect and inspire the confidence of the organization and the public being served

Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable

Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved

Believes that members of the Institute and its staff should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions

Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts

Resists encroachment on control of personnel in order to preserve integrity as a professional manager; handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics

Seeks or dispenses no personal favors; handles each administrative problem objectively and empathetically, without discrimination

Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.

I. RESPONSIBILITY TO YOUR EMPLOYER

- Follow the lawful instructions or laws of the employer.
- Understand the authority granted by the employer.
- Avoid activities, which would compromise or give the perception of compromising the best interest of the employer.
- Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition.
- Obtain the maximum benefit for funds spent as agents for the employer.

II. CONFLICT OF INTEREST

- Avoid any private or professional activity that would create a conflict between your personal interest and the interests of your employer.
- If possible, avoid engaging in personal business with any company that is a supplier to your employer. In situations where engaging in personal business with a supplier is unavoidable, the employee shall make it clear to the supplier that he/she is not allowed to and cannot accept preferential treatment from the company.
- Avoid lending money to or borrowing money from any supplier.

III. PERCEPTION

- Avoid the appearance of unethical or compromising practices.
- Avoid business relationships with personal friends and family.
- Avoid noticeable displays of affection, which may give an impression of impropriety.
- Avoid holding business meetings with suppliers outside the office.

IV. GRATUITIES

- Never solicit or accept money, loans, credits or prejudicial discounts, gifts, entertainment, favors or services from your present or potential suppliers which might influence or appear to influence purchasing decisions.
- Never solicit gratuities in any form for yourself or your employer.
- Items of nominal value offered by suppliers for public relations purposes are acceptable when the value of such items has been established by your employer and would not be perceived by the offeror, receiver or others as posing an ethical breach.
- Gifts offered exceeding nominal value should be returned with an explanation or, if perishable, either returned or donated to a charity in the name of the supplier.
- In the case of any gift, care should be taken to evaluate the intent and perception of acceptance to ensure that it is legal, that it will not influence your buying decisions, and that it will not be perceived by your peers and others as unethical.

V. BUSINESS MEALS

- There are times when during the course of business it may be appropriate to conduct business during meals. The meal should be for a specific business purpose.
- Avoid meals with the suppliers unless absolutely necessary.
- The purchasing professional should pay for meals as frequently as the supplier.
- Budgeted funds should be available for such purposes as necessary.

VI. CONFIDENTIAL INFORMATION

- Keep bidders' proprietary information confidential.
- Develop a formal policy on the handling of confidential information.

VII. RELATIONSHIP WITH THE SUPPLIER

- Maintain and practice, to the highest degree possible, business ethics, professional courtesy, and competence in all transactions.
- Infrequent association with suppliers at lunches, dinners or business organization meetings is an acceptable professional practice enabling the Buyer to establish better business relations provided that the Buyer uses discretion and keeps free of obligation. Reciprocating is strongly recommended.
- Always strive to obtain the maximum value for each dollar of expenditure.
- Preclude from showing favoritism or being influenced by suppliers through the acceptance of gifts, gratuities, loans or favors. Gifts of a nominal value that display the name of a firm which is intended for advertisement may or may not be accepted in accordance with the recipient's own conscience or jurisdictional rules.
- Adhere to and protect the supplier's business and legal rights to confidentiality for trade secrets, and other proprietary information.
- Refrain from publicly endorsing products.

VIII. RELATIONSHIP WITH THE EMPLOYER

- Remain focused on the best interests of the employer.
- Buyers do not engage in activities if there is a significant personal/financial interest.
- Exercise discretionary authority on behalf of the employer.
- Avoid acquiring interest or incurring obligations that could conflict with the interests of the employer.

IX. RELATIONSHIPS WITH OTHER AGENCIES AND ORGANIZATIONS

- A Buyer shall not use his position to exert leverage on individuals or firms for the purpose of creating a benefit for agencies or organizations that he may represent.
- All involvement and transactions shall be handled in a professional manner with the interest of the Buyer's employer taking precedent.

X. RELATIONSHIP WITH PROFESSIONAL PURCHASING ORGANIZATIONS AND ASSOCIATIONS

- It is the responsibility of the Buyer, through affiliation with professional organization, to represent that organization in a professional and ethical manner.
- A Buyer shall not use his position to persuade an individual or firm to provide a benefit to an organization.

XI. POLICY

- It is the policy of NIGP that any member of the Institute who personally, or on behalf of his local chapter, is involved in the process of acquiring advertisers and/or exhibitors on behalf of the Institute, shall act only in the capacity of providing referrals of potential or interested parties to the Institute.
- As a result of such referral, should the Institute form a contractual obligation, appropriate credit shall be given to the individual or chapter.

SECTION 1.03 - SCOPE OF SERVICES

Purchasing is responsible for procuring all supplies, equipment, materials, and services required for the COC operations in a timely, environmentally friendly and cost-effective manner. This includes all supplies, non-inventory (direct) department supplies, major/minor equipment, parts, accessories and services; and construction & consulting services.

Purchasing is responsible for the disposal of all COC surplus items. The disposal may be accomplished by transfer, trade-in, scrapping or sale of the surplus asset.

Purchasing is responsible for the disposal of impounded or unclaimed vehicles or merchandise being held by the City's Police Department.

Purchasing is responsible for the issuance of contract documents for the encumbrance of funds, amendments and change orders to all City contracts.

Purchasing is responsible for providing centralized processing and distribution of City mail.

SECTION 1.04 - PURCHASING AGENT RESPONSIBILITIES

(The COC Purchasing Agent is the Purchasing Division Manager)

Chapter 2 Administration, Article V. Purchases, Contracts and Property Disposition, Sections 2-541 through 2-568 describe the duties of the Purchasing Agent for the COC.

1. The Purchasing Agent is responsible for all purchases of supplies, materials, equipment, construction, personal and professional services, demolitions, and the transfer and sales of surplus personal property for the COC, and the COC central mailroom.

2. The Purchasing Agent shall have charge of and supervise all storerooms and storage places for distribution of supplies, materials or equipment to the departments and agencies of the COC, when established by the Mayor.

3. The Purchasing Agent may inspect or supervise the inspection of all deliveries of supplies, materials, and equipment to determine the conformity to specifications as to the quality and quantity specified in the contract.

4. The Purchasing Agent solicits written and telephone bids and makes awards for purchases from one dollar ($1) up to ten thousand dollars ($10,000) without the approval of the City Council.

5. The Purchasing Agent continually analyzes purchasing procedures and develops cost effective volume purchasing.

6. The Purchasing Agent consolidates all departments' needs on annual and term contract purchases as much as possible.

7. The Purchasing Agent may, subject to the approval of the Mayor and City Council, establish standard specifications as to quantity and quality of supplies, materials and equipment generally needed by the departments and agencies of the COC.

8. The Purchasing Agent confers with department administrators, division managers and supervisors relative to purchasing policies, procedures, standards, and controls to establish rules and regulations for efficient operations and functions.

9. The Purchasing Agent interviews and confers with vendors and representatives relative to specifications and complaints, and keeps abreast of the latest procurement innovations in the industry for applicability to the operation of the COC.

10. The Purchasing Agent is responsible for the City's surplus personal property and unclaimed personal property and conducts the public sale.

11. The Purchasing Agent prepares annual budget requests for the Purchasing Division.

12. The Purchasing Agent is responsible for the hiring of sufficient personnel to ensure effective handling of the division's workload and mailroom operations.

SECTION 1.05 - PURCHASE OF GIFTS FOR GIVEAWAY

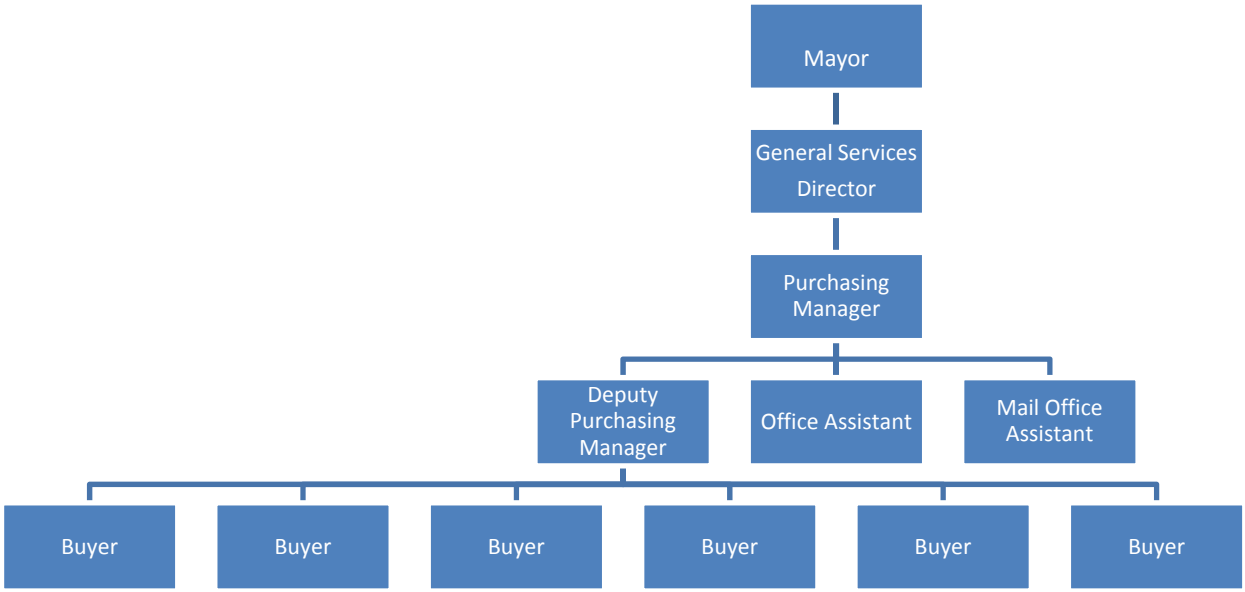
Any use of City funds exceeding $50 to purchase any type of door prizes, giveaway items or employee gifts must be approved by the Mayor or designee. The approval information should include a written detail of the event, a list of the individual items to be given away, their individual cost and to whom the items/gifts are going to be given. This information should be submitted to the Mayor's office at least 21 days before the event to obtain approval prior to any purchase being made. Purchasing and Finance should have copies as well as the department.

SECTION 1.06 - MAIL SERVICES

The Purchasing Department provides mail services for all City departments and affiliated public agencies. The mail services provided include normal inter-office and U.S. mail processing, stamping, and distribution in addition to mail sorting, folding and inserting services which are available in the Purchasing Mailroom as well.

Each department or agency is assigned an account for postage. A report of the postage cost is sent to the Finance Department each month where the costs are distributed.

SECTION 1.07 - PURCHASING ORGANIZATIONAL CHART



SECTION 1.08 - DEFINITIONS

When used in the context of this manual and in the authorization of Purchase Orders, Contractual Agreements, Invitations to Bid, Request for Proposals or other pertinent documents, the words, conditions, and phrases below shall have the following meanings:

1. Accept - To receive with approval or satisfaction.
2. Acknowledgement – Written confirmation from the vendor to the purchaser of an order implying obligation or incurring responsibility.
3. Agreement - A coming together in opinion; an understanding/consent between two or more parties; the manifestation of mutual assent to the same terms and conditions.
4. All or None – The COC reserves the right to award each item individually or to award all items on an "all or none" basis.
5. Annual - Recurring, done, or performed every year.
6. Appropriations - Public funds set aside for a specific purpose.
7. Approved - To be satisfied with; admit the propriety or excellence of; to be pleased with; to conform, to ratify.
8. Approved equal - Alike; uniform; on the same plane or level with respect to efficiency, worth, value, or amount.
9. Attest - To certify a document formally by signature; to affirm to be true or genuine.
10. Authorized Price List - A price list of the products or services covered in a contract that contains minimum essential information needed by users for placing orders.
11. Award - The presentation of a contract to a vendor; to grant; to enter into with all required legal formalities.
12. Awarded Bidder - Any individual, company, firm, corporation, partnership, or other organization to which an award is made by the City.
13. Best Interest of the City - A term frequently used in granting a purchasing official the authority to use discretion in taking whatever action that is most advantageous to the government. The term is used when it is impossible to anticipate extraordinary circumstances that may arise, substituting for specific directions that would, under normal circumstances, be delineated by law or regulation.
14. Best Value - Means more than low cost. It includes initial cost, service, quality and other factors related to the acquisition.
15. Bid - A vendor's response to an Invitation for Bids; the information concerning the price or cost of materials or services offered by a vendor.
16. Bidder - Any individual, company, corporation, partnership or other organization or entity bidding on solicitations issued by Purchasing and offering to enter into contracts with the City. The term "bidder" will be used throughout this document and shall be construed to mean "offeror" where appropriate.
17. Bidder's List - A list of suppliers of various goods and services from whom bids, proposals and quotations can be solicited.

18. Bid File - A folder containing all of the documentation concerning a particular bid. This documentation includes: the names of all vendors to whom the invitation to bid was sent, the responses of the vendors, the bid abstract, and the award sheet.
19. Bid Opening - Reading of the bids, conducted at the time and place stated in the invitation for bids and in the presence of anyone who wishes to attend.
20. Bid Solicitation - Invitations for Bids.
21. Blanket Bid (Order) - A type of bid (order) used by Buyers to purchase products repetitively. The City establishes its need of a product for a specified time. The vendor is then informed of the City's expected usage for the duration of the contract. The City agencies will order small quantities of these items from the vendor during the contract.
22. Bonds:
    a. Bid Bond - An insurance agreement in which a third party agrees to be liable to pay a certain amount of money should a specific vendor's bid be accepted and the vendor fails to sign the contract as bid.
    b. Surety Bond - An insurance bond, payment and or performance, given to the City to protect against loss in case the terms of a contract are not completed by the vendor (or contractor). A surety company assumes liability for nonperformance if the vendor fails to deliver the goods or services as contracted.
    c. Payment/Material Bond - A bond given to the City by a vendor (contractor) assuring the payment as required by law of all persons supplying material or labor in the prosecution of the work provided for in the contract.
    d. Performance Bond - A bond given to the City by a vendor (or contractor) guaranteeing the performance of services or delivery of goods within a specified time. The purpose is to protect the City against a cash loss that might result if the vendor did not deliver as promised.
23. Bulk Purchasing – Purchasing in large quantities in order to reduce the price per unit.
24. Business - Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or legal entity that conducts business.
25. Buyer - An assistant to the Purchasing Manager. The Buyer is delegated, by the Purchasing Manager, the responsibility of negotiating with the vendors and obtaining the quotes and information from which bids are solicited.
26. Cancel - To revoke a contract or bid.
27. Cancellation - To annul or invalidate; to strike or cross out; to make void.
28. Capital Items - Equipment that has an expected life-span of one year or longer and a value (usually) in excess of five thousand dollars ($5,000).
29. Cash Discount - A discount from the purchase price allowed to the purchaser if payment is made within a specified time.
30. Caveat Emptor – A term that means “Let the Buyer Beware”; used in proposals or contracts to caution a Buyer to avoid misrepresentation.
31. Certify - To testify in writing; to make known or establish as a fact.
32. Commodity Code - A numbering system that enables the computer software to monitor the purchase and usage of items bought by the City. Each item is assigned up to a seven-digit commodity code that represents one item only.

33. Competitive Bidding - Bidding on the same project or material items by more than one vendor; competitive bidding must, by due advertising, give opportunity for everyone.
34. Concealed Damage - Damage not readily identifiable by routine visual viewing.
35. Confidential Information - Information available only to specified personnel or officers of the City that is not necessarily open to public scrutiny.
36. Confirming Order - A form used to verify a purchase order made by telephone, fax and/or any other approved electronic method of procurement that serves as the vendor's original hard copy. This is for verification only.
37. Conspicuously - To be prominent or obvious; or designed to be noticed.
38. Construction - The building, alteration, demolition or repair (including, but not limited to all government municipal infrastructure, dredging, excavating and painting) of public buildings, structures and highways, and other improvements or additions to real property.
39. Contract - An agreement, grant or order for the procurement, use, or disposal of supplies, services, construction, insurance, real property or any other item.
40. Contract Modification - The alteration of an existing contract.
41. Contractor - A person or firm supplying labor, services, or materials for the City.
42. Control - Authority to manage, direct, regulate, or oversee.
43. Cooperative Procurement - Purchasing conducted by, or on behalf of, more than one public purchasing unit, or by a foreign entity.
44. City/COC - City of Chattanooga, Tennessee
45. Debarment - Means the disqualification of a person/Firm to receive requests for quotation, invitations for bids, requests for proposals, or a contract award. After debarment notification, the contractor may appeal the decision with any Court of jurisdiction.
46. Deficient Materials - Material found to be faulty/unsuitable for its intended use because of deficiencies, such as quality, design, or procurement deficiency.
47. Delivery Schedule - The required/agreed upon date of delivery of items.
48. Demurrage - Charges made on freight shipments that are not unloaded within two days after arrival.
49. Department - Any agency, or division thereof, which is authorized or created by the Mayor or Charter or General Ordinances.
50. Department Head - The chief administrative officer of a department.
51. Disadvantaged Business - A business that is owned or controlled by socially and economically disadvantaged individuals.
52. Discount for Prompt Payment - A predetermined discount that is time sensitive.
53. Dispute – A disagreement between parties to a contract over performance or other contract term requiring administrative action to resolve.
54. Distribution - The movement of goods from manufacturer to consumer; includes marketing, buying, selling, promotion, advertising, handling, storage and transportation.
55. Employee - A person drawing a salary/wages from the City.
56. Encumber - Reserve funds against a line item; to charge against an account.
57. Established Catalogue Price - A price included in the most current catalogue, price list, schedule, or other source.

58. Ethical - Conforming to professional standards of conduct; conforming to the Code of Ethics and/or Ethical Standards and Guidelines.
59. Evaluation of Bid - The process of examining a bid to determine a bidder's responsibility, responsiveness to requirements, and other characteristics of the bid that determine the eventual selection of a winning bid.
60. Evaluated Bid Price - The dollar amount of a bid after bid adjustments are made pursuant to a precise mathematical formula in the invitation for bids, which measures the effective price to the City, including life cycling costing if advertised.
61. Expediting - Ensuring the speedy delivery of a shipment to its destination; the attempt to avoid delays that might require tracing.
62. Extend - To continue for a period of time; prolong.
63. Federal Excise Tax - An inland imposition, paid sometimes upon the consumption of the commodity, and frequently upon the retail sale.
64. Financial Interest – Means the following:
    a. Ownership of any interest, or involvement in any relationship, from which the individual or entity has, within the past three (3) years, received, is presently receiving, or is entitled to receive in the future, more than one hundred dollars per year; or
    b. Holding a position in a business such as officer, director, trustee, partner, employee or the like, or holding any position of management.
65. Firm-Fixed-Price Contract (FFP) - A fixed-price contract with a price that is not subject to any adjustment on the basis of the contractor's cost experience or other circumstances arising during the performance of the contract.
66. Fiscal Year - An accounting period of 12 months, beginning July 1 of the current year through June 30 of the upcoming year.
67. Formal - Arranged in proper and methodical order using technical terms or phrases, arranged in logical order and capable of being adapted to the circumstances.
68. Good Faith - Factual honesty in the conduct of a transaction; the observance of reasonable commercial standards of fair dealing.
69. Goods - All materials, equipment, and supplies.
70. Immediate Family - Spouse, children, grandchildren, parents, siblings.
71. Ineligible Bidder - A supplier, who by reason of historical financial instability, unsatisfactory reputation, poor performance, or other similar reasons, cannot meet the qualifications for placement on the bidder's list for award of a contract.
72. Inspection - Examination and testing, including processes, raw materials, components, intermediate assemblies, and end product items to determine whether the items conform to contract requirements.
73. Inventory - The stock of goods on hand or a list of goods indicating volume and values.
74. Invitation for/to Bid (IFB/ITB or I/B) - A formal request to prospective vendors soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.
75. Invoice - A written account of merchandise and process, delivered to the Buyer; a bill.
76. Joint Venture - A partnership with two or more entities, government or private, formed to share in the risk or expertise of a special project or business venture.
77. Lead Time - The period from date of ordering to date of delivery that the Buyer must reasonably allow the vendor to prepare goods for shipment.

78. Legal - Conforming to law, according to law; required or permitted by law; not forbidden or discount enhanced by law; good and effectual in law.
79. Lessen - To cause decrease; make less; to minimize to decrease.
80. Life Cycle Costing - A procurement technique that considers the total cost of purchasing, maintaining, operating and disposing of a piece of equipment when determining low bid.
81. Lowest Responsible Bidder -
    a. The bidder who is submitting the best bid, and in addition to price, consideration is given to the bidder regarding the following factors:
        1. The ability, capability and skill of the bidder to perform the contract or provide the service required
        2. Whether the bidder can perform the contract or provide the service promptly or within the time specified, without delay or interference
        3. The character, integrity, reputation, judgment, experience and efficiency of the bidder
        4. The quality of performance of previous contracts or services
        5. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service
        6. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service
        7. The quality, availability and adaptability of the supplies, material and equipment, or contractual services to the particular use required;
        8. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract, and the proposed warranty or guaranty
        9. The number and scope of conditions attached to the bid
        10. The approach of the bidders to issues raised in the solicitation for bids
        11. The peculiar capabilities of the bidders to perform the contract
        12. The proprietary features of the bid
        13. The overall responsiveness of the bid to the needs of the City
        14. Tie Bid – The COC will investigate the following items to make sure the most local bid gets the contract:
            i. The bidder submits copy of gross receipts tax to determine who pays the most
            ii. Determination of home office location
            iii. Residence of employees
            iv. Flip a coin
    b. To determine when a vendor or contractor is not eligible to be awarded a contract because of past performance; prior to any penalties being imposed on such vendor or contractor, the documentation must be submitted to Purchasing.
82. Low Bid – The bidder who submitted the lowest initial bid prior to conducting a complete bid review and evaluation.
83. Non-stocked Items - Items of material, centrally managed and purchased, but not stocked to meet requisitioner demands.
84. Policy - The general principles by which a government is guided in its management of public affairs.
85. Pre-award Survey - Physical survey and evaluation of a prospective contractor's plant, equipment and capacity to perform (both technically and financially), made before a contract is signed. Required where additional information is needed for a determination of the responsibility of the prospective contractor.
86. Pre-bid Conference - A meeting held with potential vendors a few days after an invitation for bids has gone out to promote uniform interpretation of work statements and specifications by all prospective contractors.

87. Procured Item - Any supply, service, construction, insurance or any other item obtained in accordance with this code.
88. Procurement - Buying, renting, leasing or otherwise obtaining equipment, supplies, services, construction, insurance, etc. It also includes all functions that pertain to the above, including description of requirements, selection and solicitation of sources, preparation and award of contract, contract administration, and all phases of warehousing and disposal.
89. Product Analysis - A study of products through market research in order to develop new ones, adapt old ones to new uses or to determine product characteristics most valuable to the consumer. Also, in industry, the studying of how to produce the best possible product for the most economical price.
90. Protest - A complaint about a governmental administrative action or decision brought by a vendor with the intention of achieving a remedy. A protest is a controversy that may occur during solicitation and through award of a contract. It may be a written objection to an invitation for bid or request for proposal, or to a proposed award.
91. Public Document - Any document or record connected with the public business or the administration of public affairs issued and preserved by any government department.
92. Public Purchasing Unit – This term refers to the State of Tennessee, any county, city, town, governmental entity and other subdivision of the State of Tennessee, or any public agency, or any other public authority.
93. Purchase Order - A legal document used to authorize a purchase from a vendor. A purchase order, when given to a vendor, should contain statements about the quantity, description, and price of the goods or services ordered; agreed terms to payment, discounts, date of performance, transportation terms, and all other agreements pertinent to the purchase and its execution by the vendor.
94. Quotation - A statement of the market price of one or more commodities; the price specified to a correspondent.
95. Receiving - The act that physically receives shipments from a carrier and makes the City legally liable for payment.
96. Reject – To refuse to accept, recognize, or make use of; repudiate, to refuse to consider.
97. Request for Proposal (RFP) - All documents utilized for soliciting competitive proposals. A bid solicitation method used for requirements exceeding authorized limits when it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement, or other factors will be considered in the selection of the contractor in addition to price or only one source is being solicited.
98. Request for Qualification (RFQ) - A document used for soliciting qualification and experience data from eligible persons or groups offering to render professional services. These professional services require high ethical standards, competency, and integrity in areas such as architecture, engineering, finance, medicine, and law.
99. Requirements Contract - Any contract in which the City undertakes the legal obligation to order all of its <u>needs</u> for a specified product or service for a designated period of time from a single contractor.
100. Requisition - Any document whereby a using agency requests that a contract be obtained for a specified need.
101. Responsive Bidder - One who has submitted a bid that conforms in all material aspects to the invitation for bid.
102. Schedule Contract - A contract that consolidates agency requirements by pre-establishing a bid opening date and requiring using agencies to submit requirements by a specified time.

103. Sealed - Secured in any manner so as to be closed against inspection of contents.
104. Sealed Bids/Proposals - Written proposals or bids that are submitted in response to an invitation for bid/request for proposals, by potential vendors before a certain date. The bid is submitted in a sealed envelope to prevent dissemination of its contents before the deadline for the submission of all bids.
105. Services - Any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, the rental of equipment or materials, or supplies.
106. Shipping release - Document obligating the COC for items from a blanket or requirements contract.
107. Signatory Agent - One that acts for or as the representative of another, by affixing his/her signature to a document.
108. Single Source Procurement – If only one (1) bid is received: The bid shall not be opened and the contract or service to be performed shall be re-bid. The single source is the award for a commodity or service that has been advertised for competitive bid and only one supplier responds; this is after the request is readvertised and there is only one response.
109. Small Business - A United States business which is independently owned and operated and is not dominant it its field of operation or an affiliate or subsidiary of a business dominant in that field of operation.
110. Sole Source Procurement - An award for a commodity, available from one supplier, usually because of its technological, specialized, or unique character.
111. Specifications - Any description of the physical or functional characteristics of a supply, service or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item.
112. Standardization - The making, causing, or adapting of items to conform to recognized qualifications.
113. Subcontractor - Any business that holds an agreement or purchase order to perform part of the work or to make or furnish any article or service required for the performance of a City or City-funded prime contract, or subcontract there under.
114. Supplies - All property except land or interest in land.
115. Suspension - The disqualification of any person or business to receive invitations for bid, or request for proposals, or to be awarded a contract by the City or any other governmental body thereof, for a temporary period pending the completion of an investigation and any legal proceedings that may ensue.
116. Telephone Bid - Contacting one or more vendors to obtain oral quotes for items of a value less than ten thousand dollars ($10,000), confirmed in writing.
117. Term Contract - A contract in which a source of supply is established for a specified period of time for specified services or supplies; usually characterized by an estimated or definite minimum quantity, with the possibility of additional requirements beyond the minimum, all at a predetermined unit price.
118. Termination for Convenience - Action by which the purchasing entity, in accordance with contract provisions, unilaterally cancels all or part of the work in the best interest of the agency, and with no reflection on the contractor's performance.
119. Termination for Default - Action by which the purchasing entity, in accordance with contract provisions, unilaterally cancels all or part of the contract work due to the contractor's failure to perform in accordance with the terms of the contract.
120. Unconcealed Damage - Damage visible upon arrival of the shipment and indicated on the receipt returned to the carrier.

121. Using Agency - Any department that utilizes supplies, services, insurance, construction or any other item procured under this code.
122. Value - The estimated/appraised worth of any object or property calculated in money.
123. Vendee - A purchaser, buyer, or consumer; one to whom anything is sold.
124. Vendor - The person who transfers property, goods, or services by sale.

SECTION 1.09 – TERMS AND CONDITIONS

Bid Documents – Bids shall be submitted on forms provided by the City of Chattanooga. Bidder shall submit two (2) copies, signed and sealed, in the envelope provided by the City for that purpose. Only one bid per vendor is acceptable. Any alternate bid shall be in the same envelope as the submitted bid and the alternate bid must be clearly indicated as an alternate by attaching the "Alternate Bid Form" (Exhibit 32) as provided by Purchasing. If a company submits multiple bids that do not have the completed "Alternate Bid Form" attached, that bidder shall be disqualified. **THE COMPLETE STANDARD TERMS AND CONDITIONS ARE IN EXHIBIT 33.**

SECTION 2

STANDARD PURCHASING POLICIES AND PROCEDURES

SECTION 2.01 – PURCHASING OBJECTIVES

The basic objective of the Purchasing Division is to procure the best quality products and services available for our customers (the COC and its taxpayers) in the most economical, efficient, ethical, responsible, environmentally friendly, and timely manner.

The procurement of supplies and services, and the sale of surplus property is a dynamic concept involving the application of a significant portion of the City of Chattanooga's total revenue. The decisions and actions required of the PD ensure that the most appropriate materials and supplies are available at the proper time and location at the most economical total cost. The PD is a vital element in maximizing the City services and minimizing the costs.

The overall objective of the PD is to optimize the acquisition cycle of equipment, supplies, and contractual services to facilitate continuous improvement in City services by:

1. Achieving optimum inventory levels with proper balance between the need to reduce inventories and the demand to have proper materials on hand to meet all needs
2. Procuring materials at the lowest cost consistent with quality and service
3. Obtaining the most suitable materials for the intended use
4. Providing maximum utilization of resources and avoiding duplication, waste, and obsolescence with respect to supplies and equipment
5. Ensure the disposal of all obsolete or excess City personal property is accomplished in a professional, uniform, environmentally responsible, and ethical manner while securing fair prices through acceptable surplus sales methods

SECTION 2.02 – RESPONSIBILITIES

The City of Chattanooga is a "Green City" committed to upholding its responsibility to conserve the environment for the future. The Purchasing Division has the ultimate responsibility to promote cost effective best business practices to procure quality goods and services which are eco-friendly at competitive prices. Also, the staff is responsible for disposing of its surplus properties for reasonable gain using eco-friendly methods.

These services are offered to all City departments, agencies of the City, and jointly funded operations with other governmental entities when the City contributes to the funding and payment for such services and the accounting function responsibility rests with the City. Specifically, Purchasing is assigned the following roles and responsibilities:

1. Establish definitive procurement and surplus property disposal policies and procedures which include educating appropriate officials on these policies and procedures.
2. Provide a central point for the submittal and timely processing of all purchase requests with proper authorization and appropriate specifications and documentation.
3. Assist departments by readily disseminating available product information through consultation, mutual planning, research, supplier lists, test reports, analyzing available data, anticipating needs, and the timely processing of purchase documents.
4. Make sound and competitive purchases by staying current with the economy, product demand, and standard price indexes.
5. Develop sound relationships by effectively communicating with internal customers (departments) and external customers (suppliers).
6. Scheduling timely purchases and deliveries, and expediting delinquencies.
7. Issue all purchase orders committing COC funds.
8. Negotiate returns or adjustments with suppliers for shipments not meeting specifications due to damage, defect, shortages, overage, or unauthorized substitutes.
9. Collaborate with declaring departments in the liquidation or sale of surplus and unclaimed personal property.
10. Organize and facilitate departmental training schedules on new ordering procedures for agency-wide term contracts.
11. Assist departments as needed in arranging for training on newly acquired items.
12. Properly file and maintain the procurement documents and related documentation.
13. Provide customers assistance in performing economic or value analysis on either new or existing products or services.
14. Continually research the market for new sources of supply for products, processes, ideas, and materials that will lower overall costs and/or improve the quality of services. Disseminate the newly found information to those user departments appearing to be the most suitable beneficiaries of these potential improved ideas.
15. Expedite the delivery of material and equipment to meet the departmental needs.
16. Continually evaluate the performances of manufacturers, suppliers, and contractors.
17. Establish City-wide fair and ethical standards for all business relationships.
18. Question and evaluate the quality, quantity, and type of supplies, equipment, or services requested in order to assure the best interest of the City is being served. Promote increased usage of recycle and eco-friendly products whenever feasible.
19. Provide accurate and timely mail service for the departments of the City.

SECTION 2.03 – INFORMATION ON THE WEB SITE

All solicitations shall be placed on the City web site 10 days prior to opening of bids, requesting of proposals, or requesting of qualifications.

After review of the solicitations and approval of Council, the bid abstract will be placed on the web site. If proposals are received, the list of those participating will be listed on the web site after approval of City Council, and those that are submitting qualifications will be named on the Web site along with the successful proposal or qualification statement. These documents shall remain on the web site for a period of no less than 14 days from approval.

SECTION 2.04 – POLICY STATEMENT

The Buyer will procure the best quality supplies/services at the lowest overall cost, taking into consideration all relevant factors such as time, cost, quality, present and future needs, cost of money, service improvement, transportation costs, and the economic state of the marketplace. This practice will be used in both the acquisition and disposition functions.

SECTION 2.05 – PROCEDURAL DOCUMENTATION

1. Purchasing will encourage and actively pursue competition and cost comparisons in the acquisition of the City's goods and services.
2. Purchases of equipment, services and supplies over $1,000 should be performed through centralized purchasing under uniform procurement procedures.
3. Purchase orders/contracts are to be issued for all purchase obligations of the City with an amount of one thousand ($1,000) or more. There is a detailed list of items that are paid directly using a warrant voucher in Accounting.
4. Purchases are made after submission of an approved requisition. Competitive quotations will normally be obtained by the PD for all purchases between four thousand ($4,000) and ten thousand ($10,000). In pursuit of a quick transaction, the requesting agent may submit 3 quotes in writing for processing by the PD.
5. All bid information requested and received must be filed with the requisition.
6. The Buyer shall document and maintain in the requisition and the contract file a copy of all contractual actions taken, all documents received, and a date recorded log of all significant verbal or telephone conversations that occurred during the contract.
7. In cases where the lowest bidder is not selected; Purchasing and the requesting organization must have the reason in writing and the supporting backup for the lowest bidder to review. The documentation shall be filed in the contract file and kept in the Purchasing Division. The reason must be stated in the request for Council approval.
8. If a department has problems with a vendor, it must be documented and on file in Purchasing prior to requesting a solicitation from the same vendor.
9. Purchase Orders / contracts will always include and show the contract terms and conditions, F.O.B. point, method of shipment, terms of payment, total purchase price paid and a delivery date.
    a. If rebates or discounts are allowed by the supplier, they are to be reflected in the purchase order stated price and not to be taken off the face value of the invoice or the final monthly statement.
    b. If the City receives a discount and an added incentive to pay by a certain date, the discount is to be stated in purchase order/contract terms, and the City shall make every effort to pay the invoice by the required date.
    c. The Buyer shall list in the purchase contract the surplus equipment that is to be traded for new replacement equipment, stating the trade-in value/allowance.
10. The Buyer utilizes the State of Tennessee's List of Certified Diversity Business Enterprises for its standard bidder source list as a result of the Letter of Agreement between the State of Tennessee and the COC in accordance with the Governor's Office of Diversity Business Enterprise Initiative. This also applies to projects using funds from federal grants. (See Section 4).

11. The Buyer shall utilize the Tennessee Multicultural Chamber of Commerce and the Tennessee Minority Development Council as additional resources for soliciting local potential small diverse supplier contract participation.
12. When a certain commodity offers the opportunity for alternative approaches such as contracting maintenance services versus City operation or utilizing a cooperative contract, the Buyer will enumerate the alternatives and provide documented criteria for considering all alternatives before making a final decision.
13. Any potential conflicts of interest are to be avoided in the areas of purchasing.
14. The Buyer should conduct cost comparisons of similar cities in similar localities with similar supplies periodically and use this information as a purchasing tool.
15. The Buyer will use government purchase contracts issued by the State of Tennessee, General Services as competitively bid, and only if there is an advantage to the City. Legal cooperative purchasing agreements and the National Intergovernmental Purchasing Alliance may be used for the City's advantage.
16. The Buyer will promote and track on an on-going basis a Cost Savings Program to document significant cost savings for the City.
17. The Buyer will promote and track Small Diverse Business Contract participation.
18. The Buyer, after review of the final contract document, is delegated the authority to sign contracts up to $10,000 without approval of the Purchasing Agent.
19. In order to issue a purchase order for items over $10,000, the Buyer must have a requisition from the using department and an approved resolution, motion or document.
20. Contracts requiring contingencies shall be issued a Purchase Order complete with the contingency to the project funds, not to exceed 10% of the bid amount.
21. The Buyer shall adhere to and enforce their customer's adherence to the following competition requirement levels:
    a. Purchases $1,000 and less - Eligible to use the Purchase Card. Exclusions include: term contracts, furniture or like items, and computer items; these items are by special permission only
    b. Purchases $1,001 to $3,999 – It is recommended that the Buyer obtains three verbal quotations unless situations require immediate action.
    c. Purchases $4,000 to $9,999 - Buyer obtains three written quotations unless situations require immediate action.
    d. Purchases $10,000 and above – Must be formally advertised and have City Council approval. The Buyer shall ensure that departments and agencies submitting documentation for purchase provide a generic specification for equipment that will accomplish the task. Technicalities may be waived by Purchasing in order to get competition.
22. The Buyer shall ensure that departments and agencies submitting documentation for purchase provide a generic specification for equipment that will accomplish the task. Technicalities may be waived by Purchasing in order to get competition.
23. Suppliers must state if equipment requires OEM parts and auxiliary items that are required for their product.
24. Unless there is programmatic approval under federal guidelines and the documentation has been submitted to Purchasing, **ONLY** City of Chattanooga employees are authorized to pick up materials or supplies on behalf of the City of Chattanooga.

SECTION 2.06 - REQUISITIONER RESPONSIBILITIES

The procurement process is a combined effort of the ordering department or agency and the Purchasing Division. When both co-operate and work as a team, the results are an efficient and properly performed procurement which translates into cost savings to the taxpayers. The responsibilities of the ordering departments and/or agencies are as follows:

1. To allow ample lead-time for the Buyer to process the requisition, issue the purchase order/contract, and allow the supplier time to deliver the needed items or services.

    a. *Thirty Days* is the minimum necessary lead-time for sealed bid requirements.
    b. Delivery designations such as "As soon as possible (ASAP)", and "Immediately" should not be used as designated delivery dates because they are misleading and indefinite. Provide definite delivery dates.
    c. Bona-fide emergency situations should be so noted with justification and realistic delivery dates stated. Council letter must be prepared within 7 days.

2. To prepare a complete and accurate description of the items to be purchased as indicated in the requisition instructions section of this manual.
3. To plan purchases well ahead to eliminate avoidable urgent or emergency situations.
4. To acquire the appropriate approvals within the department, Finance, and Purchasing prior to committing the City to a purchase commitment since the employee or official shall be personally liable for the amount of an unauthorized purchase order.
5. To initiate specification preparation on items to be bid, and avoid writing restrictive specifications preventing Purchasing from promoting fair and open competition.
6. To include Purchasing in all discussions and/or negotiations for bid and proposals.
7. To ensure that each sale receipt/ticket is clear, legible, and includes the date of the purchase, the purchase release number (if applicable); delivery date; a complete item description, quantity, unit of measure, unit price, and extended amount for each line item purchased; the total amount of the purchase; terms of payment; the name of the vendor's employee who made the sale; the name of the City department/office for which the purchase is made; and, the name of City employee receiving the goods/services on behalf of the City.
8. To review quantities and quality of product/services delivered to ensure the bid amount is actually the amount charged on the ticket.
9. To promptly receive items requisitioned against purchase orders and releases.
10. To advise Purchasing, in writing, of defective merchandise or vendor dissatisfaction.
11. To promptly address contractor invoices as deemed appropriate and within 5 working days to submit to Accounting for payment.
12. Buyer must notify departments of expiring contracts 4 months in advance to see if renewal is acceptable or if a change in specifications is in order.
13. Federal Grants, State Pass Through or other Grant requirements that impose requirements (in addition to City Policy) shall accompany the requisitions and specifications. Mandatory pre-bid conferences are not required under normal circumstances unless a federal or state agency has it in their specific guidelines. The guidelines stating these requirements shall be sent with the requisition.

SECTION 2.07 - PURCHASE REQUISITION PROCEDURES – GENERAL

The Chattanooga City Code Section 2-547, Purchase requisitions required; approval of form (Code 1986, § 2-347; Ord. No. 9654, § 8, 1-6-92; Ord. No. 11103, § 2, 11-28-00) prescribes the written requisition as the official document to be used for initiating all purchases. All requisitions are now processed and approved electronically. (See Exhibit 1). A properly completed requisition is necessary to properly perform the purchasing function. The using department should have a specific need in mind, and is properly communicated in the requisition to the Purchasing Division. All requisitions complete with specifications for materials, supplies and equipment shall be coordinated with Purchasing and worded or designed so as to permit open and competitive bidding for the supplying of the article or commodities required. The following problems should be avoided in preparing requisitions:

1. Insufficient description or too much abbreviation
2. Failure to enter all of the required line items in the computer system
3. No word description, only part or model numbers
4. Incorrect address or telephone number
5. Restrictive specifications

The Buyer needs to be able to understand the requisition because each line item has a corresponding class-item code that will be entered into the computer. **The Purchasing Division reserves the right to reject all requisitions not properly completed.**

SECTION 2.08 – TRANSPARENCY OF BIDDING AND AWARDS FOR PURCHASES OVER $10,000.00

The City web site shall have all solicitations for RFQ, RFP, and Bids. They will be posted for a minimum of 10 days prior to opening. Awards and abstracts will be posted for a minimum of 14 days after approvals including Council actions.

SECTION 2.09 – REQUIRED COMPETITIVE SEALED BIDS FOR PURCHASES OVER $10,000.00

Ordinance number 11834 approved on June 2, 2006 amended the Chattanooga City Code Part II, Chapter 2, Section 2-552 and raised requirements for public advertisement and competitive bidding to the amount of ten thousand dollars ($10,000). Purchases between forty percent [40% ($4,000)] and one hundred percent [100% ($9,999)] of the $10,000 amount, whether normal purchases, leases, or lease-purchases, shall whenever possible, be based upon three (3) written competitive bids. Two at minimum is acceptable.

All purchases estimated to cost $10,000 or more must be publically advertised and competitively bid to promote open and fair competition.
Only Purchasing shall have the authority to publically advertise the City's procurement needs. This procedure allows all legitimate and bona fide vendors the opportunity to bid on open requirements.

1. ***<u>The most common and preferred form of solicitation for competitive sealed bid is the</u> Invitation for Bid (IFB)*** (See Exhibit 3A). The IFB is used for procuring equipment, goods, services, and supplies and should be utilized whenever possible since the IFB yields the most competitive prices for the COC. The IFB should be used as follows.

    a. A design specification is available which provides a clear, concise, and adequate description of the goods or services desired that does not restrict competition,
    b. Reasonable expectation that two or more responsible bidders are willing and able to bid and accept a contract based upon the solicitation requirements,
    c. Discussions with bidders may be necessary.
    d. Sufficient time exists to prepare the solicitation, advertise and evaluate the bids.
    e. The estimated amount of the purchase will exceed $10,000.
    f. The price of the goods or services is a major consideration.
    g. A public bid opening will be on a scheduled date, time/place of the bid opening.

Bid notice shall be advertised at least once in one (1) or more daily newspapers published in the City at least ten (10) days prior to the time set for a public opening of bids. (Exhibit 6)

2. ***<u>Issuing the Invitation for Bid</u>***
   The Buyer shall prepare a bid package, assisted by the requesting customer, to include the pertinent bid documents, specifications, COC Standard Terms and Conditions, and a list of potential bidders. The bid information is abstracted from the computer system.

    a. On completing the bid package, the Buyer reviews the solicitation using the IFB/RFP Check List to ensure that all documents are included. (See Exhibit 7)
    b. The Buyer mails the bid packages to all interested potential bidders and sends written "notice to bid/proposal opening" to the customer of the solicitation mailing, and the companies on the mailing list. (See Exhibit 8)
    c. All bids are returned to the Buyer and secured in Purchasing until the scheduled bid opening/due date. Adherence to the sealed bid filing procedures reduces our risk of misplacing or excluding qualified sealed bids.
    d. Multiple Awards – The Purchasing Department may consider multiple awards when in the best interest of the City, i.e. location, days and hours of operation, and the availability of services.

3. ***<u>Receipt and Registration of Sealed Bid</u>***
   The following Sealed Bid receipt and registration procedure shall be followed upon receipt of a sealed bid/proposal, the Purchasing employee should register bid in the Bid Receipt Log Book documenting the below information.

    a. The date the bid was received
    b. The general description of the bid requirement
    c. After registering the sealed bid/proposal, the Purchasing staff person receiving the bid should then file it in the unopened Bids Holding File.

4. ***Filing sealed bids/proposals in the Unopened Bid Holding File is done as follows:***

   a. The bid file should be located in the unopened bid holding file under the date scheduled for the bid opening.
   b. All sealed bids received prior to bid opening date will be placed in the bid file as designated on the outside of the bid envelope.
   c. The sealed bid may be filed in the holding file by the Buyer or the individual receiving the bid. Buyers should make a thorough check to insure there are no unopened bids prior to conducting bid opening to ensure that no bid received prior to the bid opening is excluded.

5. ***Bid Opening, Review, and Evaluation***
   The requisitioning organization should have a representative attending the bid opening. A list of all the bid opening attendees should be prepared for the bid file (see Exhibit 9). All individuals attending the bid opening should sign Attendance List. After opening the bids and preparing the bid abstract, the Buyer forwards copies of the bids to the requesting organization for review, analysis, and recommendation.

   a. The requisitioning organization reviews and analyzes the bid documents, recommending the lowest and best qualified bidder meeting specifications, and returns the bid copies to Purchasing. The Buyer verifies concurrence with the recommendation of award.
   b. If the recommended bid was submitted in a format which was not previously approved by the City or, if the bid contains contract provisions in addition to the City's contract provisions; then, the bid should be referred to the City Attorney for review and approval prior to preparing a City Council letter of award recommendation. This especially applies to potential awards of $25,000 and above.
   c. If the award will result in a construction contract exceeding $25,000, it should be referred to the City Attorney for review before preparing the City Council resolution for award recommendation.
   d. The Buyer prepares a letter of award recommendation for presentation to the City Council by the requesting Department Administrator (Exhibit 11).
   e. ***City Council approval is required for all purchases over $10,000.***
   f. If the company recommended for award is to receive a contract for the first time, the Buyer shall forward the company an IRS W-9 Form to be completed and returned prior to the Buyer issuing the City contract.

6. ***Contract Award and Bidder Notifications***
   Once the award recommendation letter has been approved by the City Council, the Buyer prepares the purchase contract for distribution. The Purchase Order/Contract Numbers are automatically assigned by the purchasing software system.

   a. The completed contract is approved by the Buyer, Purchasing Manager (if over $25,000), the City Finance Officer, and the City Attorney (*if contract amounts to $500,000 or greater*). The contract should include a statement on the first page of contract noting the date of City Council approval.

b. After receiving the necessary contract electronic approval, the Buyer sends the original contract (copy 1) to the successful bidder/contractor, distributes copies of the contract to Finance, and the ordering customer department, and a copy of the contract is retained for the contract file in Purchasing.
c. The final step to the competitive sealed bid purchase requires the Buyer to prepare and send award notice letters to the successful and unsuccessful bidders informing them of the award decision and information about the winning bid. (See Exhibits 13 and 14)

SECTION 2.10 - THE REQUEST FOR PROPOSAL (RFP)

REQUEST FOR PROPOSALS IS THE LAST RESORT TO ACCOMPLISH A GIVEN TASK OR MAKE A PURCHASE. A GOOD BID SPECIFICATION IS MORE COMPETITIVE AND SHOULD RESULT IN A LOWER COST TO THE CITY.

The lead person in the RFP process is a Buyer. The committee making the selection must pre-determine the criteria list of how the RFP will be evaluated and awarded. The pre-determination criteria list will be submitted with the requisition.

The RFP is a method of negotiated source selection that is when the requisitioning organization anticipates the following conditions:

1. The organization can provide functional or performance specs that can describe the desired end result of the equipment or services desired; however, detailed, clear and concise specifications are not available, making it impractical for bid.
2. Contract award will be based upon the best overall quality proposal.
3. Evaluation criteria (factors), with the relative significance of each factor, will be established and included in the RFP specifications.
4. Proposals may be reviewed by an evaluation committee.
5. Proposal negotiations may or may not be conducted before an award.
6. The proposals will not be opened publically; therefore, proposals will not be available for review by proposers until after the proposals have been evaluated.
7. There will be a proposal due date and Purchasing will open without public participation. (due at close of work day as stated)
8. The proposals will be negotiated by Purchasing. (Refer to Section 3.25)

The notice of proposals shall be advertised at least once in one (1) or more local newspapers published in the City. At least ten (10) days prior to the time set for submission, the RFP should be advertised.

1. ***Issuing the Request for Proposal***
   The procedures for the RFP for Bid (Section 2.09), applies to the RFP except the specifications will be of a functional/performance type; discussions may be conducted, price is not the major consideration.

2. ***Receipt and Registration of Proposals***
   The procedures for the Invitation for Bid (Section 2.09) shall apply to the Request for Proposal.

3. ***Proposal Opening, Review, and Evaluation***
   The proposal opening procedures differs from the Invitation to Bid. There is no public bid opening. Proposals are received on the RFP deadline.

   a. The Buyer opens the proposal, forwarding copies to the requesting organization's Proposal Evaluation Committee for review, analysis, and award recommendation. **Note:** THE BUYER, or other Purchasing official, shall be a member and facilitate the actions of the evaluation committee.
   b. The evaluation committee, with Buyer as member, reviews and analyzes the proposal documents, selects the best qualified proposals meeting specifications based upon the proposal evaluation criteria.
   c. The Buyer and selection committee conducts negotiations with the top three (3) or four (4) proposers within a competitive range. All respondents are documented on web site after Council approval.
   d. The Buyer verifies concurrence with the evaluation committee's award recommendation.

      i. Unusual proposal formats containing non-City contract provisions in addition to the City's contract should be referred to the City Attorney for review and approval prior to preparing an award recommendation to the City Council. <u>This applies to potential awards of $10,000 and above.</u>
      ii. Design/Build proposals are not acceptable for the City's use.
      iii. After Committee approval, the requesting department prepares a resolution.
      iv. If the company is receiving a contract from the City for the first time, the Buyer shall forward the company an IRS W-9 Form to be completed and returned prior to the Buyer issuing the City contract.
      v. Once the award resolution has been approved by the City Council, the Buyer prepares the purchase contract for distribution. The Purchase Order/Contract Numbers are automatically assigned by the PD.
      vi. The completed contract is approved by the Buyer, Purchasing Agent (if over $25,000), the City Finance Officer, and approved by the City Attorney (*if contract amounts to $500,000 or greater*), electronic copies are sent to the City Finance Officer for approval. The contract should include a statement noting the date City Council approved the purchase.

         1. After receiving the necessary contract approvals (paper contracts) the Buyer sends the original contract to the successful bidder/contractor, and distributes copies of the contract to Finance and the requesting department. A Copy is retained for the contract file which remains in Purchasing.

2. The RFP competitive sealed bid purchase requires the Buyer to prepare and send notice letters to the unsuccessful proposers informing them of the award decision and information about the winning proposal. Also, a letter of award notification is sent to the successful proposer.

SECTION 2.11 - PURCHASES REQUIRING CITY COUNCIL APPROVAL

The COC Charter states in Section 2-551, Approval of expenditures exceeding ten thousand dollars. "Whenever any requisition or voucher or contract calls for the expenditure of more than ten thousand dollars ($10,000.00), the issuance of a purchase order or the payment of a voucher, or the award of a contract shall be subject to the approval of the City Council, and shall not be binding on or create any liability against the City until approved by the City Council. Such approval shall be by resolution or by motion adopted by majority vote of the City Council; provided, however, that such approval shall not be necessary where a voucher or requisition is issued pursuant to a prior lawful contract or pursuant to an ordinance authorizing such expenditure."

1. **City Council Resolution**
   The first method is a City Council Resolution which is prepared by the City Attorney's Office and submitted to the City Council for approval if the amount is $10,000 or greater. The normal lead-time required to obtain purchase approval via the resolution method is three (3) weeks from date of receipt of the department's, or selection committee's recommendation of award or desired action by the Purchasing Division. After Council passage, a contract must be in place prior to issuing a purchase order. Purchases that are subject for City Council approval by resolution are: Consultants, requests for proposals, professional services, construction and labor services, major mechanical components and systems, major computer hardware/software systems, real estate transactions, the leasing and purchase of major equipment, gifts and grants given to the City, the sale or donation of City-owned personal property of significant value to other entities; and, activities where the City enters into joint ventures, partnerships, or coalitions with other agencies. Any purchase not in compliance with these regulations must be brought before the Council with a departmental explanation as to why these regulations and any statute are violated.

2. **City Council Departmental Letter**
   The City Council Departmental Letter (Council letter) is the second method used to obtain City Council purchase approvals by motion and majority vote. The Council letter is prepared by the Purchasing Division for the Department Administrator. The letter is presented to the City Council by the Mayor designee for approval.

   With the consent of all members of the City Council, the Council letters may be placed on a "CONSENT AGENDA" and approved with one vote of Council.

   The normal lead-time to obtain purchase approval via the Council letter method is two (2) weeks from date of receipt of the departments, recommendation of award or desired action by the Purchasing Division.

SECTION 2.12- INDEPENDENT AGENCY PURCHASING PROCEDURES REQUEST FOR PROPOSALS, REQUEST FOR QUALIFICATIONS AND BIDS THAT ARE $10,000 AND ABOVE

1. The specifications must be clear, complete, and include:

    a. The scope of work or services to be provided, and the term of the services
    b. Fixed prices shall be obtained at the second level of review if it is for a RFQ
    c. The evaluation criteria that will be used to evaluate the proposals for award, or selection of a professional service
    d. Detailed invoicing instructions with milestone and module completions, and
    e. The payment method

2. The requirement is advertised in the public newspaper for one time with a submittal date a minimum of 10 days out (for urgent and compelling needs). However, the usual time allowed for submitting proposals or requests for qualifications is 30 days.

3. Prior to the proposal due date, a proposal selection committee should be formed to review and evaluate the proposals or qualifications.

4. The committee should review the proposals or qualifications and conduct negotiation sessions, if necessary, to determine the overall best proposer/or qualifications.

5. Upon selection of the best offer, the committee should present its recommendation to the Agency Head for approval prior to presenting before the organization's "governing body" for vote.

6. The agency governing body should vote:

    a. To approve the companies as recommended,
    b. Reject the recommendation for further evaluation,
    c. Or to approve the recommendation with stipulations, such as subject to approval of the City Council (if the agency governing body feels this additional action would be appropriate for special circumstances where the City may be contributing a considerable amount to the project).

7. When the procurement award(s) is approved by the agency governing body, a requisition is initiated to be sent to Purchasing.

8. The requisition should include:

   a. The specifications to be included in the contract,
   b. A copy of the proposal for each recommended awardee(s),
   c. A copy of the TPO/RPA resolution or minutes in which the proposed awards were approved by the agency governing body and,
   d. A copy of the public newspaper advertisement of the specified procurement

9. Purchasing shall send unapproved contract documents for City Attorney approval. The City Attorney signature of approval shall be obtained as to form and legality.

10. Upon receipt of the documentation in Item 8, Purchasing will issue the appropriate contractual document (purchase order, purchase contract, or blanket purchase agreement) to facilitate the agency's ordering and payment process.

11. Purchasing shall retain all supporting documentation received from the independent agency in the contract file.

    RFQs should be conducted similar to the RFP except that pricing is not a consideration for the evaluation. RFQ's should only be used for contracts that include no other services except professional services such as engineering, architecture, physician or services of a CPA.

SECTION 2.13 - REQUIRED COMPETITIVE SEALED BID EXCEPTIONS

There are seven (7) exceptions to the required Competitive Sealed Bid law. The exceptions are stated below.
These exceptions, excluding item 1, like the competitive sealed bid procurements require City Council approval, except for item 4, if the purchase equals or exceeds $10,000.

1. **Informal purchases** (including telephone bidding), the amount shall not exceed ten thousand dollars ($10,000); (Refer to Section 2.27)

2. **Small informal purchases** approaching a $10,000 annual expenditure for a product or service shall be advertised. If during the course of a twelve month period beginning from the date of the first purchase, the cumulative total expenditure (including present and projected purchases) appears to be equal to, or more than $10,000 per year; then, the product or service shall be presented to the City Council for approval.

3. **Sole and Single Source Purchases** (including non-competitive negotiation), goods or services identified which may not be procured by competitive means because of the existence of a single source of supply; (Refer to Sections 2.31 and 2.32) The single source can be proven by taking competitive bids.

a. The vendor shall state if the parts are proprietary for their product and if generic parts will work.
b. Sole source and single source purchases by Council letter or Resolution must be approved by the Director of General Services after Purchasing has made a recommendation for the designation.

4. **Emergency Purchases**, when necessary items are purchased in the open market for immediate delivery to meet emergency needs, arising from unforeseen cause, including but not limited to, delays by contractors, delays in transportation, unanticipated volume of work, and acts of God. (Refer to Section 2.33)

   a. Emergency purchase activity should be reported in writing as soon as possible by the department administrator to the City Council. The report shall include a description of the emergency situation, the prices of the commodities purchased and the total cost of the emergency purchase.
   b. Although time is of the essence in emergency situations, all emergency purchases shall, if practicable, be made by competitive bids.

5. **Purchases from the State of Tennessee General Services Contracts**, State Prison, State's Blind and Severely Disabled Program; and, the GSA of the Federal Supply Schedule may be used for certain special purchases for IS technology and, purchases supporting public safety as approved by federal statutes.

6. **Competitive negotiation**, those instances when the City is unable to obtain the necessary goods and/or services by means of competitive sealed bid; Purchases of utilities/services with a rate established by public authority.

7. **Small purchases and delegated purchases**, which include purchase card procurements. Purchase card purchases are transacted without use of the requisition as well as other informal purchases under ten thousand dollars ($10,000.00) such as services procured by a department and paid by warrant voucher.

Small Purchases Totaling in Excess of $10,000 within 12 Months
The threshold limit of $10,000 applies to those products with the same commodity code that add up to more than $10,000 in any 12 month period. Departments must gain Council approval. The competitive bid exemption justification (form 002002) must be submitted for exemptions 1, 2, 3, 4, 6. (Refer to Exhibit 30)

SECTION 2.14 - PRE-BID CONFERENCE

The purpose of the Pre-Bid Conference is to promote competition through enhanced understanding. The pre-bid conference is held before the opening of the bid. A pre-bid conference provides a forum for the bidders to discuss and gain a clear understanding of the needs and requirements of the requisitioning department. ***Pre-bid conferences are sometimes conducted for purchases under $10,000 as well.***

1. The first step in conducting a pre-bid conference is notifying prospective bidders of the place and time of the meeting, which should be at minimum one week prior to the bid opening. The information should be included in the public bid advertisement.

2. Purchasing facilitates/chairs the conference. The using department and consulting Architect/Engineer is present to answer questions concerning the scope of the work.

3. There should be an attendee registration sheet with name, company, phone number, email address and the facsimile number of all parties attending the conference. (See Exhibit 10)

4. The Buyer may tape record the pre-bid conference as needed.

5. If any changes are the result from the pre-bid conference, Purchasing shall issue a written addendum; and, the bid opening date may be changed as necessary.

6. Purchasing sends a copy of the addendum to all bidders.

7. It is not mandatory for bidders to attend the pre-bid conference for the COC. It is possible that a department may have a state and/or federal project. If so, the department is required to provide Purchasing with written documentation of this fact and Purchasing shall comply with the requirements.

SPECIFICATION MEETINGS WITH VENDORS MAY BE HELD PRIOR TO COMPLETION OF SPECIFICATIONS TO ELIMINATE WRITING OUT SOME COMPANIES THAT COULD BID A PRODUCT THE CITY COULD USE. THE OUTCOME OF A SPECIFICATION MEETING SHALL BE THAT EACH VENDOR STATES AND SIGNS A DOCUMENT IN AGREEMENT THAT THEIR SPECIFICATION IS COMPARABLE WITH ALL OTHERS IN THE MEETING. ABSENT AGREEMENT, PURCHASING DIVISION SHALL DEVELOP SPECIFICATIONS UTILIZING INFORMATION GAINED DURING THE SPECIFICATION MEETING.

SECTION 2.15 - BID OPENING DAYS AND TIME

The Purchasing Division reserves Tuesdays through Thursdays as its bid opening days. The bid opening time for all bids is set for 2:00 p.m., Eastern Standard Time. This standard bid opening policy enables our normal suppliers to better schedule their itineraries to attend the bid openings, and reduces the percentage of late bids.

The City Attorney must be present at all bid openings for construction and labor services, and for material and equipment bid openings estimated to cost $500,000 or more.

The Buyer is allowed to inform a bidder as to the apparent status of their bid at opening. Generally, an abstract of the bids received shall be prepared within three working days after the bid opening date. Vendors participating in the bidding of a solicitation are eligible to review a copy of the bid abstract by contacting the responsible Buyer. The bid abstract will be posted to the City's website for two weeks after the bid opening and Council approval. A small reproduction fee may be charged if a hardcopy of the abstract is requested. A review of the actual bids shall not be made available for a minimum of seven days after the bid has been opened.

SECTION 2.16 - LATE BIDS

Late arrival bids received after the designated bid opening date and time will be returned to the sender unopened with a letter explaining why the bid is being returned. The outside of the bid envelope should be stamped showing the date and time the bid was received in Purchasing. (See Exhibit 12)

SECTION 2.17 - BID DISCOUNTS

Prompt payment discounts offered the COC for bid evaluation will be considered if the discount offer is valid for 30 days.

SECTION 2.18 - BID TABULATION ERRORS

Unit prices in bids shall govern; therefore, if a bidder commits an error in extending the bid totals during bid preparation, it shall not be sufficient reason to disqualify the bid.

SECTION 2.19 - SPECIFICATION QUESTIONS AND CLARIFICATIONS

Requests for interpretation or clarification of specifications and drawings shall be submitted in writing to the Buyer no less than five (5) days prior to the scheduled bid opening. Any interpretations or significant clarifications will be communicated to all prospective bidders in the form of an addendum to the solicitation. The addendum will be sent to prospective bidders no later than three (3) days prior to the scheduled bid opening. (See Exhibit 25)

All specifications should have previous year's quantities by item where appropriate, or estimate of item quantities for a year. When possible, avoid hourly rates unless a City staff person can verify the time spent on a project.

A vendor desiring to bid a solicitation and reviewing the most recent contract prices may visit the PD to personally review the previous contract prices and bid abstract.

SECTION 2.20 - SUBMITTAL OF SAMPLES AND/OR CATALOG INFORMATION

Samples

There are situations when samples are needed to verify quality levels or to test materials or equipment to determine conformance with the specifications stipulated in the solicitation. A request for bid samples must be clearly indicated in the solicitation. The bidder must specify the brand, make, model of all vendors and have an "or equal" defined for the bid. This should be accompanied with samples if the "or equal" is used to satisfy the bid.

The samples should be properly labeled, stored, and controlled until no longer needed. Those not destroyed during testing may be returned at the bidder's expense. If, after 30 days after the contract award, samples have not been picked up and bidders fail to provide disposition instructions; then, samples may be offered to other agencies or internal operating departments for use. If the items have significant reusable utility value, they should be disposed of using established property disposal procedures. The file should be documented as to the disposition of the samples.

Catalog Information

Sometimes the nature of the purchase makes it impractical/unnecessary to require samples. It may be more desirable to request catalog information and equipment data sheets and drawings. The Buyer should instruct the bidders to submit along with their bids the catalog information or equipment data indicating the material composition and performance specifications of the product(s) being offered, if other than the specified product(s).

Any literature furnished by the bidder should be reviewed carefully to ensure the salient characteristics of the product are equal to those of the brand name product specified. Once the COC determines the product offered is equal, the COC is obligated to accept the product unless the actual product differs from the descriptive literature provided.

SECTION 2.21 - BID MODIFICATION OR WITHDRAWAL

A bidder may request and be granted to modify or withdraw a bid in its entirety or any part thereof, if the request is received by the Buyer in writing and signed by an official of the company prior to the specified bid opening. Bids submitted may not be amended or withdrawn after the specified bid opening time. Only the Purchasing Agent has the authority to allow a bid to be withdrawn for good cause. If a modification is requested, the envelope containing the modification should be labeled "Bid Modification".

SECTION 2.22 - AWARD SPLITTING

The COC will not split an order between two vendors if the total savings is less than one hundred fifty dollars ($150). The COC estimates this to be the administrative cost to produce a single contract. However, there are other factors to consider when contemplating the splitting of an award such as:

1. The COC may desire to maintain alternative sources of supply for convenience in locations, and item contracts where vendors are split on the lower bid prices.

2. Discounts for prompt payment may be considered by the Buyer in determining best value to the COC. However, the discount should be open for thirty (30) days.

3. All COC vendors who are to be granted a contract must meet certain standards of responsibility such as:

a. They should have adequate financial resources or ability to obtain such resources required for the successful performance of the contract.
b. They should be able to comply with the required delivery or performance schedule, taking into consideration other existing business commitments.
c. They should have a good performance record. Contractors with poor past contract performance records may be considered not responsible.
d. They must have a satisfactory record of integrity and business ethics.
e. They must be qualified and eligible to receive an award.
f. They must be able to certify the firm is qualified, ready, willing, capable, bondable, and not contemplating or in receivership.
g. They must state any present/anticipated court litigation against the company.
h. They must certify the company does not owe the COC any back taxes.

SECTION 2.23 - ONLY BID

If only one (1) bid is received, the bid shall not be opened and the contract or service to be performed shall be re-bid. If after having re-bid the contract or service only one (1) bid is received; then, the bid may be accepted. Provided, a re-bid shall not be required when there is only one local supplier to perform the contract or provide the service required, or for the purchase of a unique or proprietary product. (City Code Part II, Section 2-353, Ordinance 10913 dated October 1, 1999)

The Buyer shall determine prior to the bid opening if other bids are anticipated. If additional bids are not received before the scheduled bid opening, the Buyer should:

1. Extend the bid opening for a re-bid (See Exhibit 16)

2. Contact the companies on the mailing list that did not submit bids to determine the reasons for not bidding,

3. Inquire and research for additional sources of supply or,

4. Cancel the invitation and re-advertise with revised specifications if it is determined the specifications are defective, insufficient, or restrictive.

5. To cancel the invitation to bid requires the approval of the Purchasing Agent.

6. If bids have not been opened, the bid may be canceled by approval of the Director of General Services.

7. When the bids are opened and you have one (1) complete bid and another bid that did not bid on everything, it would be determined by the Buyer/Purchasing Agent if you qualify the second bid or go out for re-bid.

SECTION 2.24 - BID AWARD PROTEST PROCEDURES

The Buyer is allowed to inform a bidder as to the apparent bid status of its bid anytime after the bid opening. On the rare occasions when a bidder feels his/her bid has not been properly considered for award and the bidder desires to file a formal protest regarding the City's bid evaluation process, the following procedures should be taken by the protestor.

1. The bidder is encouraged to contact the Buyer handling the bid in question. The Buyer shall explain the City's reason for the decision.

2. If the bidder is not satisfied with the explanation, the bidder shall submit a protest in writing addressed to the Purchasing Agent.

3. The written letter of protest shall be submitted within three (3) working days of notification of the award decision. The protest letter may be submitted by personal delivery, mail, e-mail to purchasing@chattanooga.gov, or via fax.

4. If submitted by letter, the envelope in which the protest is delivered or mailed should be clearly marked "*Award Protest*" with the bid solicitation number and title also listed on the outside of the envelope.

5. If submitted by e-mail or fax, the subject line should read: *Award Protest of Invitation for Bid No. _____- (Title of the Bid Solicitation)".*

6. The written protest letter should include the name of the protestor, the address, a detailed explanation/reason for the protestor's concerns supporting documentation or evidence to substantiate the protest, and what action is desired to resolve the protest.

7. Upon receipt of the written protest letter, evaluation will be made by Purchasing. Results of the Purchasing evaluation will be sent to the protestor.

8. The apparent low bidder shall submit a response within three (3) working days from date the protest is sent to them by the Purchasing Agent.

9. In rendering the protest decision, the apparent low bidder's rebuttal should be considered by the Purchasing Agent.

10. The Purchasing Agent shall render a decision and respond in writing within six (6) working days of receiving the formal protest. If more time for a decision is needed, the Purchasing Agent must notify the protestor in writing, explaining the extension.

11. If the protestor is not satisfied with the Purchasing Agent's decision, the decision may be appealed to the City Council, who has the authority to approve or reject the bid at the meeting where the recommendation of the award is presented for approval.

SECTION 2.25 – DEBARMENT

1. The Manager of Purchasing may debar a vendor from consideration for contract awards upon a finding based upon a reasonable belief that the vendor has done any of the following:

    a. Department Administrators or other lead employees, overseeing the work or delivery of commodities, have documented the deficiencies to the Manager of Purchasing
    b. Failed to substantially perform a contract according to its terms, conditions, and specifications within specified time limits

2. When the Manager of Purchasing believes that grounds for debarment exist, the Manager shall send the vendor a notice of proposed debarment indicating the grounds, and the procedures for requesting a hearing on the proposed debarment. The vendor shall be given 15 calendar days to request a hearing. If no hearing is requested, the Manager of Purchasing may issue a debarment decision without the hearing and shall notify the vendor of the decision by certified mail, return receipt requested. The debarment shall be a minimum of one year and maximum of five years.

3. The Manager of Purchasing shall determine the length of the debarment period and, if circumstances permit, may rescind the debarment after a period of one year.

4. The vendor may appeal the decision of the Purchasing Manager by sending a letter requesting such appeal; letter of appeal must be sent within 30 calendar days of the decision to debar. From the options listed below, the vendor must state the agent that is requested to rule on the debarment.

    a. The Mayor or his designee to rule on the debarment
    b. The City Council to rule on the debarment

5. In all cases, the decision of the agent shall be final. Bids will not be accepted from any vendor who is debared.

SECTION 2.26 - INFORMAL PURCHASES BETWEEN $4,000 AND $10,000

The Buyer may award these informal purchases without formal advertisement as stated herein. The objective of this informal purchase method is to obtain the necessary item at the lowest possible cost. The Buyer must obtain three competitive written quotations, when possible, using email, telephone, fax, mail, or standard Quotation Form before committing to a purchase order.

The steps to completing a purchase order for this expenditure level are:

1. The Buyer reviews the quotations received to determine if they are reasonable in price and responsive to the specifications. Providing these factors meet the City's needs, the Buyer may proceed with the next step of the purchase order process.

2. Should the Buyer determine that a deficiency or question exists with the quotes and/or specifications, he/she must take the necessary action to resolve the issue by conferring with the requisitioning customer and/or the vendor(s) quoting the requirement in order to appropriately resolve the concern before moving forward.

3. After analyzing the quotations and determining the lowest and best quotation, the Buyer will prepare the purchase order for the signature of the City Finance Officer and his/her signature only. Purchase orders under $10,000 need only the approval of the City Finance Officer and the Buyer in charge of the procurement.

4. The Buyer shall email or fax the vendor a copy of the purchase order.

5. Special Purchase Approvals are required for the following:

   a. Furniture - Approved by the Director of General Services
   b. Vehicles - Approval by the Fleet Manager and Director of GSA
   c. Information systems and related items - Information Systems

SECTION 2.27 - INFORMAL PURCHASES BETWEEN $1 AND $4,000

The Buyer can award these informal purchases without formal advertisement as stated in the first paragraph of Section 2.07 – Purchase Requisition Procedures – General. The purpose of this is to minimize the administrative procurement cost. The Buyer is not required to publically advertise or obtain competitive quotes for purchases between one dollar ($1) and four thousand dollars ($4,000). Quotations for these informal purchases can be solicited by telephone or verbally with the Buyer simply making written file notes of the vendor's telephone quotation. (TCA 6-56-305, Advertisements and Bids; Level of Expenditures) This business practice will alleviate discrepancies resulting from misinterpretations and/or quotation errors resulting from the telephone and verbal conversations.

The Purchase Card is a method of making purchases through Delegated Purchasing Authority. This purchasing method extends purchasing authority to certain key people through the use of purchasing cards. This delegated purchasing authority is limited to a maximum transaction amount (generally not to exceed $1,000) with a maximum monthly card expenditure (generally less than $10,000) and lacks independent authority. The PD is simply extending authority based on certain key conditions.

The steps to completing a purchase order for this expenditure level of purchase are:

1. Purchases up to one thousand dollars ($1,000) can be made by use of COC *Purchase Card*. This method of purchase can be placed in person, by telephone, fax or Internet. The purchase card is a purchasing method of delegating purchasing authority to certain key people based on certain conditions by the PD.

2. Purchase Requisition must be issued if the vendor will not accept the credit card for payment of a small purchase of one thousand dollars ($1,000) or less,

3. Purchase card transactions must be monitored closely including examining for repetitiveness and availability or the opportunity to utilize other purchasing methods i.e. term contracts, blanket agreements, etc.

4. Exception, the *warrant voucher* is another option to the purchase card if the purchase covers specific allowable services. However, the warrant voucher should not be used for the purchase of material, equipment, and supplies. (Refer to Section 3.03 for Warrant Voucher use).

5. The Buyer reviews the quotations obtained to determine if they are reasonable in price and responsive to the specifications. Providing these factors meet the City's needs, the Buyer may proceed with the next step of the purchase order process.

6. Should there be a deficiency, inconsistency or question existing with the quotes and/or specifications, he/she must take the necessary action to resolve the issue by conferring with the requisitioning customer and/or the vendor(s) quoting the requirement in order to appropriately resolve the concern before issuing a PO.

7. After analyzing the quotations and determining the lowest and best quotation, the Buyer will prepare the purchase order for the signature of the City Finance Officer and his/her signature only. Purchase orders under $10,000 need only the signature of the City Finance Officer and the Buyer in charge of the procurement.

8. The Buyer shall gain approval from the City Finance Officer. Upon approval, a copy may be sent to the awarded vendor, one is retained in the PD contract file.

SECTION 2.28 - REQUISITION SPLITTING

A requisition shall not be divided (split) into two requisitions so as to constitute a small purchase less than ten thousand dollars ($10,000) and circumvent competitive bidding.

1. ***Purchase card transactions*** - A purchase requirement shall not be divided into two purchase card transactions in order to circumvent the requisitioning process.

SECTION 2.29 - SURPLUS PERSONAL PROPERTY POLICIES AND PROCEDURES

Part 2, Administration, Sections 2-542.2, 2-544, 2-545 and 2-546 of the City Code Annotated designates the Purchasing Manager to conduct the transfer and sales of surplus personal property through scrap material sales, trade-in, public auction, sealed bid or proposal (mail invitation or public advertisement), on-line auction service, and government interagency assignments, sales, and transfers. All auction entities must have as part of their company a licensed auctioneer. Before surplus auctions are held, at least one

advertisement must be placed in a daily newspaper ten (10) days prior to the date scheduled for the sale, and a mailing of notices to interested persons is completed.

The Purchasing Manager makes surplus transfers, decreasing the need for new purchases. *Responsibility of the Department Administrator Declaring Property Surplus* - The declaration of surplus property is recorded and action is taken by Purchasing after the department administrator initiates the below procedures. (Exhibit 26)

1. The Administrator signs a surplus document declaring the item(s) surplus and available for transfer or sale; and location of the property, with copy to Finance.

    a. The worksheet is sent to Purchasing with a copy to Finance classifying the asset as follows:

        i. Scrap - Any ferrous materials that can be used for melting to produce iron, steel, or its alloys.
        ii. Waste – All non-metallic refuse which has market value.
        iii. Worn or Damaged – Either scrap or waste material that may be sold or used as trade-in.
        iv. Obsolete & Surplus - Any material that is of no use to the entity.
        v. Excess – Any Item that does not have a useful purpose for a particular department. The item may have value, however, and may be utilized by another department within the same entity.

    b. The items shall be classified as one of the above categories and listed on the Purchasing Surplus Property Declaration form stating the apparent condition, (excellent, good, fair, or poor) and estimated value, before sending to the Purchasing Manager.

        i. The Administrator reports surplus items being removed from inventory in his/her department on the Finance Fixed Assets Disposal form (Exhibit 23).
        ii. This includes used equipment being traded-in for new equipment

    c. Requests for special disposition of surplus property shall be identified by letter accompanying the surplus property form. PD then makes decision for recommendation to Council.

2. *Responsibility of the Purchasing Manager or his/her designee* – It is the responsibility of the Purchasing Manager or the Director's designee to determine and initiate the appropriate course of action for disposition of the property as follows:

    a. Arrange the transfer of the property to another department, location, or agency
    b. Prepare the property for sale or auction
        i. Sales under sealed bids/proposals take place where there are a limited number of prospective buyers for particular properties, and it is not economically feasible to conduct an auction.
    c. Sell the equipment as scrap metal, wood, used batteries, etc.
        i. These contracts are negotiated when determined by the Purchasing Division.
        ii. Purchasing Manager is to determine the method most advantageous to the City.

d. Arrange to send the salvageable and reusable property to the surplus storage facility for future use, or future auction sale.
e. Arrange for the destruction of unsalvageable property that no longer has value.
f. Report the transfer information to the Finance Department.

3. *The Purchasing Manager will determine the best method of proper disposal for the COC surplus personal property.*

4. *Responsibility of the Department Administrator Receiving Transferred Property*

   a. Prepare to receive the property.
   b. Complete and submit a fixed asset acquisition form to the Finance Department, listing the specific information about the incoming transfer property.

SECTION 2.30 - UNCLAIMED PERSONAL PROPERTY – FORFEITURE

1. Unclaimed personal property in the possession of any department for a period of 60 days or greater shall be delivered to the Purchasing Manager to be forfeited and disposed of by sale at public auction. The department coming into the possession of the unclaimed property shall make a reasonable effort to give appropriate notice to the actual owner before turning the property over to the Purchasing Manager. If this has not been done by the department; then, the Purchasing Manager shall make every reasonable effort to give notice to the actual owner of the subject property.

2. An exception where the 60 day unclaimed period is not applicable is the unclaimed personal property which comes into the possession of the Fire and Police Departments. In the case of these two departments, if the owner cannot be found or if no person shall claim the personal property after six (6) months, the property shall be sold.

3. The net proceeds from the sale of this unclaimed personal property shall be turned over to the City Finance Officer to be placed in a special firemen's and policemen's insurance and pension fund, as provided in Section 13.68 of the City Charter.

4. The unclaimed property should also be listed on the Surplus Property Declaration worksheet (Exhibit 26). All pertinent information regarding the specific description of the unclaimed property should be listed on the worksheet with the statement "UNCLAIMED PROPERTY" boldly printed on the worksheet.

5. The Purchasing Manager or his designee shall conduct public auctions, sealed bids, or Internet auctions as methods for the sale of unclaimed personal property at intervals during each year, preferably a minimum of three (3) times per fiscal year.

   a. The sales of the property shall be made to the highest bidder for cash.
   b. A receipt for each sales transaction should be completed and issued to the Buyer. The original receipt should be given to the Buyer and a copy retained in the Purchasing Division's receipt book/files.

c. The auction sale must be advertised in the daily newspaper at least ten (10) days prior to the scheduled auction. The disposal shall not be sooner than seven (7) days or later than fifteen (15) days after the advertisement publication.
d. The Purchasing Manager or his designee will furnish to the City Finance Officer a list of all unclaimed property items sold and the price of each article.

SECTION 2.31 - SOLE SOURCE PROCUREMENT PROCEDURES

The COC permits the use of sole source purchases when the material, equipment, or services may not be procured by competitive means because of the existence of a single source of supply as stated in the *Tennessee Code Annotated 12-3-205, Sole Source Procurement – Noncompetitive negotiation authorized.* Departments and agencies should review any sole source request to make sure there is not another substitute of material, equipment, or services to perform the task with methods that can be competed. Vendors that sell materials and equipment to the City must acknowledge parts and services must be available to be competed. Vendors that have proprietary parts or service must acknowledge this in their bid documents and may be subjected to not being considered as best bid.

The definition of "Sole Source" procurement is applied when there are circumstances where only one person, institution or company has exclusive or predominant capability by reason of experience specialized facilities, proprietary rights, or technical competence to provide the needed services or supplies. This applies to work, and/or the necessary special equipment or parts for which no other items are known to exist within the time required and at reasonable prices. "**Sole Source" specifications should be advertised and proven as a sole source prior to negotiating on a "non-competitive" basis.**

1. Justification for this "Noncompetitive Procurement" is extremely important and shall be justified and approved by the Department Administrator before submitting a written memorandum and presenting the procurement recommendation to Purchasing and the City Council. The justification can be substantiated by the completion and submittal of the Competitive Bid Exemption Justification Form 002002 (Exhibit 30) to Purchasing.

2. The justification shall also reflect the degree of consideration that has been given to other sources in the field and the reasons they lack the capability which the proposed contractor evidences. Illustrations of such factors to be considered in preparing the justification are:

   a. The capability of the contractor important to the procurement which makes him clearly more desirable than another firm in the general field;
   b. The contractor's prior experience of a highly specialized nature which is vital to the proposed effort; and,
   c. The facilities and/or test equipment the contractor possesses which are specialized and vital to the effort.
   d. Contractor's substantial investment of some kind that would have to be duplicated at the City's expense by another source entering the field.

e. If schedules are involved, why they are critical and why the proposed contractor best meets them.
f. Where lack of drawings or specifications is a guiding factor, explain why the proposed contractor is best able to perform under the conditions. Explain why drawings and specifications are lacking, and the lead-time required to get the drawings and specifications suitable for competition.
g. Explain if Government-owned facilities are involved.
h. State if the procurement is/is not a continuation of previous effort performed by the proposed contractor. If a continuation, state:

    i. Why the initial selection was made (i.e. competitive or noncompetitive; and, if noncompetitive, the reasons), contract period, dollar value, and brief description of the scope of the initial work; and
    ii. A resume of all subsequent awards up to the current action containing details as described in the previous bullet above.
    iii. The proposed contractor personnel, if applicable, considered predominant experts in the particular field;
    iv. Whether competition is precluded because of the existence of patent rights, copyrights or secret processes;
    v. Whether parts or components are being procured as replacement parts in support of equipment specially designed by a manufacturer, where data available is not adequate to assure the parts or components will perform the same function in the equipment as those parts or components being replaced;
    vi. Statement if the potential of continuation of the procurement does/does not exist. If the potential does exist, it should be stated whether the procurement would be competitive or noncompetitive and identify the contemplated performance period.
    vii. Include a statement of how the department would satisfy this need if the present supplier could no longer fulfill their need.

3. Departments shall refrain from restrictive item specifications that subjects the City to only one supplier for years to come because of decisions made today. Several vendors may be capable of providing a comparable product that will accomplish the same end results, but the specification editor places a high priority on certain elements of the specifications that eliminate all but one vendor. Subsequently, the COC becomes subjected to the one supplier having no other choice but to procure its parts from the supplier as a single source since its parts are not interchangeable and no other substitutes are acceptable for that product.

4. The determination of whether a procurement shall be made as a sole source or not must be made by the Purchasing Manager and approved by the Director of General Services. In cases of reasonable doubt, competition should be solicited.

SECTION 2.32 - SINGLE SOURCE PROCUREMENT PROCEDURES

A "Single Source" procurement is defined as one where the circumstances dictate or permit the use of only one person, institution or company to provide the needed services or supplies. ***The City's single source procurements usually have been subject to competition initially either by formal advertising or competitive negotiation***. Occasionally, single source procurements are determined to be "only source" procurements after sufficient formal advertising procedures result in only one responsive bid.

1. Justification for this "Competitive Procurement" is also important and shall be justified and approved by the Department Administrator before presenting the procurement recommendation to Purchasing and the City Council. The exception to this procedure is the single source procurement resulting from acceptable formal advertising or competitive negotiation efforts. Examples of "single source" are:

    a. An "only responsive bid/proposal" resulting from acceptable formal advertising or competitive negotiation procedures
    b. A procurement against a State Wide Contract (SWC)
    c. Procurement against a "term contract" that was completed before awarding
    d. Procurement from another government entity, an "Interagency Agreement"
    e. Procurement of needed services or supplies from an "exclusive" authorized area distributor of an "only source" Original Equipment Manufacturer (OEM)

2. The justification procedures for single source procurements shall:

    a. Contain, in the first sentence of the document, and appropriate recommendation (e.g., "I recommend that we negotiate with [Name of company] …only for the detailed documentation and fabrication of [Item being procured] …")
    b. Fully express the circumstances which operate to make competitive negotiation impractical or not necessary
    c. Explain how competition was satisfied such as in the procurements against term contracts, State Wide, and GSA contracts awarded after formal advertisement/competitive negotiation by the issuing government institution
    d. Explain the exclusive or predominant capability the proposed contractor possesses which meets the requirements of the procurement

3. The justification shall also reflect the degree of consideration that has been given to other sources in the field and the reasons they lack the capability which the proposed contractor evidences. Illustrations of such factors to be considered in preparing the justification are:

    a. The capability of the contractor is important to the procurement which makes him clearly more desirable than another firm in the general field.
    b. The contractor's prior experience of a highly specialized nature which is vital to the proposed effort, and
    c. The facilities and/or test equipment the contractor possesses which are specialized and vital to the effort.

d. The contractor's substantial investment of some kind that would have to be duplicated at the City's expense by another source entering the field.
e. If schedules are involved, why they are critical and why the proposed contractor best meets them.
f. Where lack of drawings or specifications is a guiding factor, explain why the proposed contractor is best able to perform under the conditions. Explain why the drawings and specifications are lacking, and the lead-time required to get the drawings and specifications suitable for competition.
g. Explain if Government-owned facilities are involved.
h. State if the procurement is/is not a continuation of previous effort performed by the proposed contractor. If a continuation state:

    i. The basis upon which the initial selection was made (i.e. competitive or noncompetitive; and, if noncompetitive, the reasons), contract period, dollar value, and brief description of the scope of the initial work; and,
    ii. A resume of all subsequent awards up to the current action containing details as described in the previous item above.
    iii. Explain why the proposed contractor personnel, if applicable, is considered predominant experts or exclusive authorized area dealers/distributors in the particular field; and,
    iv. Whether competition is precluded because of the existence of patent rights, copyrights or secret processes.
    v. Explain whether parts or components are being procured as replacement parts in support of equipment specially designed by a manufacturer, where data available is not adequate to assure the parts or components will perform the same function in the equipment as those parts or components being replaced.
    vi. Include a statement if the potential of continuation of the procurement does/does not exist. If the potential does exist, it should be stated whether the procurement would be competitive or noncompetitive and identify the contemplated performance period.

4. The recommendation of whether procurement shall be made as sole source or not must be made by the Purchasing Manager. The final decision shall be made by the Director of General Services. In cases of doubt, competition should be solicited.

5. Purchasing shall require periodic researching of the "market" for acceptable changes and additions of services and supplies, or require renewed and updated "single source" justifications for items that are purchased regularly.

SECTION 2.33 - EMERGENCY PURCHASE PROCEDURES

An emergency is defined as an act of God or other uncontrollable or unforeseen circumstance(s). An emergency purchase situation is a condition which creates a threat of endangerment to the public health, welfare, or safety such as, may arise by reasons of floods, epidemics, riots, equipment failures, or other such reasons that may be proclaimed by the Mayor. The existence of such condition creates an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement

methods. The lack of the services or supplies would seriously threaten the functioning of the COC government and its operations, the preservation or protection of property, or the health or safety of any person or persons. The procedures for handling these circumstances will be in accordance with COC Code Section 2-543, and the *Tennessee Code Annotated (TCA) 12-3-206, Emergency purchases*.

1. ***Emergency Purchases***

   a. In the event an *apparent emergency* requires immediate procurement, the Mayor shall be empowered to authorize the Purchasing Manager to procure at the lowest available price, any needed supplies or services regardless of the expenditure amount. The Purchasing Manager shall file a full report of the circumstances for the emergency purchase with the City Council at the next meeting. The Department Head shall present the report to the City Council and sign it before the City Council in order for the report to be entered in the City Council meeting minutes.

   b. After determining that an *actual emergency* exists, with the consent of the Purchasing Manager and the approval of the Mayor or his designee, the Department Head may procure directly at the lowest available price any supplies, material, equipment and/or services whose procurement is essential to the prevention of delays in the department work which might vitally affect the life, health, safety or convenience of the public. The Department Head shall send to the Purchasing Manager a requisition, a copy of the delivery record, and a full written and signed report of the circumstances of the emergency for all purchases estimated to cost $4,000 or more. The following information shall be included in the written report:

      i. A statement justifying the need (who, what, when, and where), and nature of the emergency
      ii. An authorization of the emergency expenditure and its estimated amount (if known); however, true emergencies have no dollar limits
      iii. Must be submitted to Purchasing seven days after the purchase

2. ***Improper Emergency Purchases***

   If an Administrator is found to be in violation of the emergency purchase policy by inappropriately authorizing an emergency purchase, the Purchasing Manager shall issue a written warning to the Administrator and copy the General Services Director and Mayor's Office for appropriate corrective action.

3. ***Buyer Emergency Purchase Procedures***

   a. If time permits, the Buyer will compete the procurement to the extent deemed practical using expedited methods of solicitation, i.e.

      i. Telephone, email or fax bids
      ii. Shortened sealed bid advertising time (10 day minimum bid time)

   b. If time is of the essence and will not allow for competition, the Buyer shall contact the proper sources of supply to confirm a verbal PO number. The Buyer shall request a written quotation from supplier as practical.

SECTION 2.34 - SECONDHAND (USED) EQUIPMENT PURCHASES

There are circumstances when the purchases for secondhand (used) articles, commodities, equipment, materials, and supplies are exempt from the requirement of competitive bidding. Most instances, used equipment purchases shall be subject to competitive bidding.

Purchases from Government Entities – Exempt from Competitive Bidding
Purchases, leases, or lease-purchases, trades or transfers from any federal, state, or local government unit or agency of secondhand (used) articles or equipment or other materials, supplies, and commodities are exempt from the requirement to publically advertise and obtain competitive bids. [*TCA, Sections 6-56-304(6); 12-3-1005; and, 12-3-1005]*

Purchases from Other Entities – Competitive Bidding Required
Purchases of secondhand (used) articles, commodities, equipment, materials, and supplies from all other entities except for those mentioned in the preceding paragraph are subject to the usual laws and regulations of competitive bidding. This is a City requirement only. After competitive bidding reveals only one bidder, the following procedures shall apply:

1. For the records, the Department Administrator shall provide to Purchasing a completed Competitive Bid Exemption Justification Form 002002 or,

2. In lieu of the form 002002, the Administrator may submit to the Purchasing Agent and the City Council a written explanation justifying the single source or proprietary purchase; and, fully express the circumstances which operate to make competitive bidding impractical or not feasible. [*TCA Section 6-56-304.(2)]*

3. Explain with particularity the exclusive or predominant capability the proposed contractor possesses which meet the requirements of the procurement that no other bidder offers.

4. The memorandum shall include the specific amount of the purchase, the description of the item(s) to be purchased, and the contractor

    a. Efforts made by the department of due diligence to solicit competitive pricing for products comparable to the item(s) being purchased.
    b. A historical background of the equipment i.e. the previous owner(s), age of equipment, hours operated (if available), original purchase price of equipment, etc.

5. At a minimum, the documentation must include a general range of value for the item by either:

    a. A listing in a nationally recognized publication, or;
    b. Through an appraisal by a licensed appraiser
    c. A statement of how the department would satisfy their need if the present supplier could no longer furnish the requirement

6. The equipment, when delivered, shall not be received by the requisitioning individual, but by the department project manager or the Buyer.

SECTION 2.35 - BOOK, PERIODICAL, AND MAGAZINE PURCHASES

The process for ordering books, periodicals and magazines is different from the regular process used for other commodities. The Tennessee State code annotated allows for the prepayment purchase of these items in advance of receipt of the product. If a department determines a need of a book or periodical, there are possibly two options to accomplish the purchase. (*TCA Section 6-56-304)*

Option 1:
The department may issue a requisition complete with the title of the book or periodical, the publisher, author, edition, year, etc. included, if available. If an order form of the book or periodical is available, it should be attached to the requisition to the PD. Once the books or periodicals have been received, the vendor can be paid.

Option 2:
There are frequent cases where the vendor will require prepayment for the books or periodical. A warrant voucher is the preferred contractual document to encumber the purchase in this case. The use of the purchase card is also acceptable.

SECTION 2.36 - FUEL PURCHASES

Fuel and fuel products may be purchased in the open market without public advertisement, but shall whenever possible be based on at least three (3) competitive bids. Fuel and fuel products may also be purchased from the State Department of General Services contracts where available. [*TCA Section 6-56-304(7); and, COC Code Section 2-543.5]*

SECTION 3

CONTRACTUAL ADMINISTRATION

SECTION 3.01 - CONTRACT ENCUMBRANCES

The Purchasing Division, along with Finance, is responsible for ensuring that COC funds are properly encumbered for all purchases including open market, construction, competitively bid, and negotiated contracts. The funds are encumbered by using one of the contractual document types below. The contract document allows Finance to encumber and make payments to the contractor for services rendered. The services must be performed in accordance with the contract document terms and conditions. The end user must verify receipt of the contracted goods and/or services in acceptable condition; use Oracle receiving procedures.

SECTION 3.02 - REQUISITION ORIGINATED CONTRACT ENCUMBRANCES

1. **The Purchase Contract (Competed and Non-competed)** is a contractual document issued for the purchase of goods or services costing $10,000 or more. The purchase contract is more often the end result of the competitively bid solicitation process. However, it is also the product of noncompetitive negotiations when competition is not feasible or practical for a procurement of certain goods or services required. (See Exhibit 5)

2. The City Council must approve all proposed purchases of $10,000 or more prior to preparing and issuing the purchase contracts. The types of purchase contracts used to create encumbrances are competed and are stated below.

3. ***Normal One-time Purchase Contract*** is a purchase document which is for commodities or services with a specific quantity ordered and a definite delivery or completion date.

4. ***Term Purchase Contract*** is a purchase document for a commodity or service with a stated quantity for a definite period of time and a definite contract amount. The contract includes specific starting and ending dates.

5. ***Other Term Purchase* Contracts** - Methods that may be used to pay against these commitments are:

    a. ***Blanket Contract/Agreement*** is a blanket term purchase agreement for an estimated quantity of goods and/or services to be purchased repetitively over a specified period of time, for a specific line item cost. (See Exhibit 5). The usual method to initiate payment for a blanket contract is the use of the shipping release. Each shipping release serves as the contractual document that encumbers a portion of the blanket contract/agreement expenditure. Purchasing Division approval is

required before preparing and issuing a purchase shipping release of $10,000 or greater.

b. ***Indefinite Quantity Term Contract*** is a blanket term purchase contract for an estimated quantity of goods and services to be purchased repetitively over a definite period of time. The contractor agrees to sell the goods and services to the City for a stated unit price. The City guarantees to purchase a minimum quantity of the goods and services over the term of the contract; however the contractor may choose to extend the quantity, price and time as long as there is not a violation of statues. The usual method to initiate payment and encumber expenses is using a shipping release.

c. ***Requirements Contract*** is a term purchase contract for an estimated quantity of goods and services to be purchased repetitively over a definite period of time. The contractor agrees to sell the goods and services to the City for a stated unit price. In turn, the City obligates to purchase all of its needs for the contracted goods and services from the contractor over the term of the contract, provided the contractor can fulfill the City's needs upon request. The shipping release is also the usual means to initiate payment and encumber expenses for this type of purchase.

NOTE: Purchase Orders may be issued against Blanket Agreements, Indefinite Quantity Term Contracts and Requirements Contracts as a means of encumbrance.

6. **The Open Market Purchase Order** is a small purchase contract negotiated informally with the vendor and valued under $10,000. (See Exhibit 4) The same types of open market purchase orders/agreements can be informally negotiated to create encumbrances under $10,000.

7. **The Confirming Contract/Purchase Order (Over or Under $10,000)** is used when issuing contracts/purchase orders, and releases resulting from the Buyer having confirmed the order via telephone, letter, fax, email, or vendor's invoice prior to issuing the contract document, The Buyer shall include an "Acceptance" statement in the "header portion" of the contract document to read:
Acceptance: Confirming this order in accordance with my *…..(include the telephone conversation; vendor's letter, fax, email, or the invoice number)* ***to*** *(Full name of vendor contact)…..****on*** *(include date of communication, transmittal, vendor invoice, or vendor's reference number, as applicable).* ***"DO NOT DUPLICATE ORDER"***

8. Mutual agreements may be entered into with other government agencies as long as the item has been competed publically.

9. **The Memorandum of Understanding/Agreement (MOU/MOA)** is a contractual agreement between the City and an individual or company, other than a governmental agency, for personal or professional services to be rendered. This type of contractual agreement may also be pre-encumbered or unencumbered.

10. If the MOU/MOA is an one-time purchase for the services, the MOU/MOA can serve as the pre-encumbrance document upon satisfactory acceptance of the services. If the services provided cover a period of time, the expenses may be encumbered by issuing partial payments using the warrant vou

11. **The Change of Contract** is a modification to a previously issued purchase order/contract. This contractual document may be pre-encumbered or unencumbered depending upon the original contract. The method by which expenses are encumbered as a result of the change of contract will be in accordance with the original purchase order/contract.

SECTION 3.03 - DIRECT PAY NON-REQUISITIONED CONTRACT ENCUMBRANCES

1. **The Warrant Voucher** is a direct payment document initiated in accordance with the contractor's invoice for services rendered. No requisition is created to facilitate the processing of the warrant voucher. A warrant voucher is limited to the specific goods and services listed below:

   a. Utilities and telecommunications
   b. Employment reimbursements
   c. Petty cash reimbursements
   d. Refund payments (Recreation deposits, business license, property taxes, Kidz Kamp, etc.)
   e. Travel and training related payments
   f. Membership dues
   g. Professional licenses
   h. Professional publications
   i. Library books
   j. Payments to the State of Tennessee (licenses, sales tax remittance, court revenues, etc.)
   k. Payments to Hamilton County Government (tag renewals, recording fees, bankruptcy, etc.)
   l. Meeting Expenses (for elected officials, administrators, group tables, etc.)
   m. Parks & Recreation summer program expenses (such as entrance fees)
   n. Human Services assistance payments, foster grandparents, etc.
   o. Community Development sub-recipients
   p. Appropriations to agencies
   q. Court reports, court settlements, witness fees, etc.
   r. City Attorney payments (retainer fees, bookkeeping and payroll services, investigative services, court reports, witness fees, settlements, etc.)
   s. U. S. Postmaster payments
   t. Insurance payments, including some injured on duty related expenses

   The use of the warrant voucher does not exclude the user from the usual practice of soliciting competition in accordance with normal procurement procedures for services encumbered under this direct payment document.

2. **The Purchase Card** is another method of direct payment initiated by the vendor's/merchant's sales ticket or invoice for goods or services provided to the City. No requisition is created to facilitate the processing of the purchase card transaction.

   a. *Purchase card transactions* - A purchase requirement shall not be divided into two purchase card transactions in order to circumvent the requisitioning process.
   b. Purchase card instructions are available in the PD with signatories of understanding of the regulations governing the use thereof.

SECTION 3.04 - CONFIRMING REQUISITIONS

1. A Confirming Requisition must state in the first line of the requisition, in capital letters, that this is a "CONFIRMING" order.
2. A Confirming Requisition must be presented to Purchasing no later than 10 (ten) days after receipt of request for payment has been received by the department.
3. On a Confirming Requisition that is under $10,000.00, but over $4,000.00, the confirming requisition must always have three written quotes attached.
4. A Confirming Purchase becomes an Emergency Purchase if it is over $10,000.00 and shall then be handled as instructed for Emergency Purchases.

SECTION 3.05 - GOVERNMENT CERTIFICATE OF EXEMPTION

The City of Chattanooga is exempt from state, county and federal sales and excise taxes. Completion of a certificate which states that purchases of property or services are for the exclusive use of the government is necessary. The Purchasing Division issues the original certificate of exemption as needed for each purchase. The certificate of exemption is not to be reproduced for repetitive use by departments; and, it is illegal for the exemption to be used for personal purchases or for purchases made by a COC independent contractor.

SECTION 3.06 - BONDING AND INSURANCE REQUIREMENTS

The Purchasing Division, along with the requesting organization, is responsible for ensuring the necessary bonding and insurance requirements are included with the City's procurements when bidding and contracting for equipment and services.

1. The purpose of the surety bond is to afford protection to furnishers of materials and labor, since they have no lien on public property.

2. The Purchasing Manager may determine whether a bid bond, performance and payment bond, or insurance requirement may be required for any purchase, provided that such a requirement must be stated in the solicitation. Any consideration of a waiver must be after conferring with the City Attorney and the City's Risk Manager.

3. Failure of any public officer whose duty is to let or award a contract, and does so without requiring bonding for performance and payment of labor and material for any public work performed in this state, commits a Class C misdemeanor, and is indictable and liable for civil damages. (TN Code Annotated 12-4-201, & 202)

SECTION 3.07 - BID BONDS

1. Bid bonds, deposits or other surety are generally required for certain bids involving larger expenditure and certain specialty contracts. The purpose of the bid bond is to protect the COC's best interest if the successful bidder attempts to withdraw its bid or refuses to honor the contract. It shall be required when the contract award is expected to exceed twenty-five thousand dollars ($25,000). (See Exhibit 17) If the Purchasing Manager determines a bid bond is needed, it may be required.

2. The bid bond assurances may be in the form of surety letter, money order, letter of credit, or cash.

3. Bid bonds should be required for all construction and major equipment procurement projects, and should be in the amount of five percent (5%) of the contract price.

4. The bid bond or deposit of the successful bidder will be forfeited if the bidder refuses to enter into a contract within ten (10) days after receipt of notification of award.

5. The bid bond should be returned to each unsuccessful bidder.

6. A copy of the letter and contractor's surety will be filed in the bid file.

SECTION 3.08 - PERFORMANCE AND PAYMENT BONDS (SURETY)

1. A performance bond guarantees the City that the contractor's work will be done according to contract specifications within the time specified. Performance bonds are limited to and required on contracts for public work such as construction contracts, this is absent unusual procurement circumstances. (See Exhibit 18)

2. The payment (labor and material) bond guarantees the COC that the contractor will pay for all the labor and materials used by the contractor for the project, including any subcontractor under the contract in lawful United States currency. In the event the contractor does not pay his employees, suppliers or subcontractors, the bond provides the City protection from the furnishers of materials and labor of the job since these third parties cannot place a lien against a public project. (See Exhibit 19)

3. The performance and payment bonds for all construction contracts priced in excess of Twenty-five thousand dollars ($25,000) shall be in the amount of:

   a. Payment Bond - one hundred percent (100%) of the contract price
   b. Performance Bond - one hundred percent (100%) of the contract price

4. Any bid bonds required of the successful bidder shall be included with the bid document. All bids received that do not include the proper bond documentation will be noncompliant and rejected

5. The City Finance Officer may retain a maximum amount of up to five (5) percent of the contract amount from the contractor until completion of the contracted job.

6. Performance and Payment Bond assurances may be in the form of a surety letter, money order, letter of credit, U.S. Treasury bonds, U.S. Treasury bills, State of TN bonds, certificates of deposit or evidence of other irrevocable deposits pledged from a State or National Bank, Federal Savings and Loan Association with its principal office in Tennessee, escrow account, or cash.

7. Bidders shall list their bond premium costs in their bids.

SECTION 3.09 - CERTIFICATES OF INSURANCE

1. Certificates of insurance are required for construction contracts and work that is performed on City property that particularly exposes the City to risk of lawsuit.

2. Insurance may be required for some service contracts, and some equipment and material contracts. The City Attorney should be consulted to determine if insurance is needed, and the type of insurance coverage required for these contracts.

3. The types of insurance coverage required depend upon the nature of procurement being contracted and the likelihood of the COC's exposure to risk of loss. Some examples of requirements that would introduce the need for different insurance coverage are contracting for the construction of a new building, security services, the installation of water treatment system, transportation services for youth, building maintenance services.

4. The insurance coverage types are:

a. Workers' Compensation	- see TCA section 50-6-113
b. Commercial General Liability	- $2,000,000
c. Automobile Liability	- $ 300,000
d. Owner's and Contractor's Protective Liability	– Negotiable depending on job
e. All Risk Property Damage	- Negotiable depending on job
f. Builder's Risk Liability	- Negotiable depending on job

5. It is the Buyer's responsibility to determine when the need for insurance coverage and what type coverage is required, and to contact the Purchasing Manager, City Attorney and/or the City Risk Manager to decide upon the appropriate coverage and insurance limits for inclusion in the bid specifications. (See Exhibit 15)

SECTION 3.10 - CONSTRUCTION SERVICE CONTRACTING

Contracting for construction services requires a special set of skills and attention to detail when preparing the solicitation, conducting the pre-bid meeting, evaluating the bids, conducting the pre-award and pre-construction meetings, and administering the contract to completion. Thorough preparation of the project specifications and IFB/RFP will prove beneficial for the desired end results at contract completion. **The COC does not utilize the Design Build construction contracting concept.**

Plans deposit for project cost of $500,000.00 or less	$35.00
Plans deposit for project cost of $501,000.00 to $1,000,000.00	$50.00
Plans deposit for project cost of over $1,000,000.00	$100.00

SECTION 3.11 - PREPARING THE PROJECT SPECIFICATIONS

The requesting department should prepare a complete set of specifications for the desired construction services project. This information should include the specifications, applicable drawings and schematics, technical clauses, terms and conditions relative to the specific project, and the project budget expenditure.

1. If the estimated cost of the project is less than twenty-five thousand dollars ($25,000), the department may develop its set of specifications, drawings and attachments independently.

2. If the project is merely a repair/replacement or general maintenance, the $25,000 limit may apply. Authorization from the Manager of Purchasing is required in writing for this classification of project.

3. If the cost of the project is estimated at $25,000 or more, then TCA *Section 62-2-107.Employment of licenses on public works - Excluded public works,* requires the department to employ the services of the City Engineer, or an independent certified and licensed architect/engineer (A/E) to prepare the specification documents for the project. The final set of specification documents and drawings must have the architect or engineer's Tennessee State Certification Stamp affixed before a solicitation can be advertised and issued.

    a. The Mayor/designee shall designate a project manager to oversee the project from the point of specification development until final completion of the job.
    b. After finalizing the specifications, drawings, and pertinent technical clauses, the department will issue a requisition with specifications, drawings, and pertinent attachments to Purchasing for public advertisement.
    c. The project package shall include the Drug Free Workplace, and No Bid Collusion affidavits. (See Exhibits 22 and 20)

d. Purchasing will review the project package upon receipt, and schedule a meeting with the PM, and consulting A/E to discuss the specifications, determine the advertising schedule, the pre-bid conference schedule, the bid opening date, and any other points of interest concerning the procurement. At this juncture, the project's team is formed consisting of these three individuals.
e. The Buyer makes a review of the bid package, ensuring that all other pertinent construction documents such as the bid bond (5%), performance and payment bonds (100%), insurance documents, Tennessee State Contractor's License requirements, and the COC standard terms and conditions are included.
f. On any construction contract over $25,000, the general contractor must list the subcontractor's state license number and expiration date. This includes Plumbing, Electrical and HVAC. Bids shall not be opened if these are not present.

4. The Buyer submits the project for public advertising to the newspaper, posts it on the COC Website, and advertises in the local minority news publications. The public advertisement will include:

   a. The location where the project plans and drawings may be obtained, which in most cases, unless otherwise stated, will be in the Buyer's office; and the date, time, and location of the pre-bid meeting;
   b. The purchasing contact name, location, and telephone number;
   c. The cut-off date for written submittal of all questions and inquiries concerning the project specifications; and the date, time, and location of the bid opening.
   The solicitation packages are mailed or distributed to the companies listed on the original bidders list.
   d. The project plans and drawings will be made available for all other prospective bidders at a fee of thirty-five dollars ($35) per set, non-refundable.
   e. Some departments maintain a non-standard list of bidders who are capable of providing the type of services routinely required.
   f. The Buyer should add all other companies receiving a copy of the solicitation package to the original bidder's mailing list.

SECTION 3.12 - THE PRE-BID MEETING

1. The PM, A/E, and Buyer shall be present for the pre-bid meeting.

   a. The meeting shall be held at least one week before bid opening.
   b. Most pre-bid meetings are conducted at the jobsite; however,
   c. The meeting may occasionally be conducted at another site.

2. The Buyer shall facilitate and preside over the meeting.
3. The Buyer shall have an attendee registration sheet for all individuals attending the meeting to sign their name, company affiliation, title, company address, telephone number, and, if available, their email address. (See Exhibit 10)
4. The PM and A/E review the scope of work and field all technical questions and issues.
5. To have accurate notes, the Buyer may tape the pre-bid meeting; to confirm the discussed issues, the Buyer shall issue an addendum to all prospective bidders.
6. No additional inquiries will be entertained after the established cut-off date.

SECTION 3.13 - THE BID OPENING

1. The Buyer, PM, A/E consultant, and the City Attorney (if possible) shall be in attendance for the bid opening. The City Attorney is required if the project is over $500,000.

2. The Buyer will have a bid opening attendance registration sheet for those individuals attending the bid opening. Like the pre-bid attendance list, the Buyer should capture the attendee's name, company affiliation, title, company address, telephone number, and, if available, email address. (See Exhibit 9)

3. At bid opening (Construction Contracts), the Buyer shall review the outside of the envelope prior to opening to validate if the bidder has attached the appropriate contractor's information. If the bidder's bid is $25,000 or greater, then the outside of the bid envelope should have listed the bidder's name, contractor's license number and expiration date, the license classification of the contractor applying to bid for the prime contract; the licensing information is required for any electrical, plumbing, heating, ventilation, and air conditioning subcontractors and must be listed and appear on the outside of the envelope containing the bid, except when the bid is an amount less than $25,000. When it is less than $25,000, the name of the contractor only may appear on the outside of the envelope containing the bid, and upon opening the envelope, if such bid is in excess of $25,000, the same shall automatically be disqualified. Only one (1) contractor in each classification may be listed. Prime contractor bidders who are to perform the electrical, plumbing, heating, ventilation and air conditioning must be so designated on the outside of the envelope.

4. Bidders failing to comply with the above requirements shall void such bid and the envelope containing such bid shall not be opened or considered. It is the duty and responsibility of the awarding person or entity who received the envelope containing the bid to verify only the completeness of the required licensure information prior to the opening of the envelope. Prior to the opening of the envelope, the names of all contractors listed thereon shall be read aloud at the official bid opening and incorporated in the bid. [Refer to TCA 62-6-119(b).

5. The Buyer reads aloud the base bid prices of each bidder.

6. The A/E, PM, and the City Attorney (if desirous) reviews each bid for certification and proper bonding requirements.

7. The Buyer records the prices of each bid (base bid) on the Bid Tabulation Spreadsheet, checking bid extensions for accuracy. Alternate bids may not be read aloud at bid opening. After determining the lowest and best bid, the alternate from the lowest and best bidder may then be considered.

8. After bid opening, the Buyer provides copies of all bids to the PM and A/E for their independent review and evaluation.

SECTION 3.14 - BID REVIEW AND EVALUATION

1. After reviewing the bids and alternate bids independently, the team reconvenes to discuss A/E consultant award recommendation.

2. Upon team consensus of the A/E's recommendation of award, the following actions are taken as appropriate:

   a. Bidder clarifications/verifications are obtained, if necessary.
   b. Additional negotiations are conducted, if appropriate.
   c. Buyer sends a copy of the Certified Bid Tabulation Sheet (CBTS), as certified by the Purchasing Agent or designee, which shows all bids, including base and alternate bids, to all requesting bidders prior to sending the recommendation for Council resolution.

SECTION 3.15 - AWARD RECOMMENDATION AND RESOLUTION

The team's final recommendation of award shall prompt the following actions:

1. The Department shall send a ***completed Request for Resolution*** (See Exhibit 21) to Purchasing, the City Attorney and a copy to the City Finance Officer requesting that a resolution be drafted for Council approval. Accompanying the request should be:

   a. A copy of the Certified Bid Tabulation Sheet (CBTS)
   b. A copy of the award recommendation with explanation for the basis of award.
   c. <u>The recommended contract amount should include an additional 10% contingency fee</u> above the contract amount originally bid. The 10% contingency fee serves as a safeguard from contract overruns and additional change of contract requests. The contingency is not included in the Purchase Order but may be drawn down by using a change order form properly issued with the appropriate vendors name and the reason for the change.

2. The ***City Attorney prepares and submits the resolution*** to the City Council for placement on the Council's meeting agenda for approval.

SECTION 3.16 - CITY COUNCIL APPROVAL AND CONTRACT AWARD

1. The ***Resolution for Approval*** is discussed prior to voting for the resolution.

   a. After resolution approval, the Buyer shall send a letter of notification to all bidders. The purpose of the ***Unsuccessful Bidder(s) Letter*** (Exhibit 13) is to advise each bidder of their unsuccessful bid attempt. The letter shall include the following information:

i. The name of the successful bidder
ii. The total amount of the award
iii. The basis for award to the successful bidder i.e. lowest bid, lowest bid meeting specifications, best overall bid, etc.; and,
iv. The reason why the unsuccessful bidder was not selected for award i.e., prices too high, non-responsive bid due to taking exceptions to the COC's terms and conditions, bid failed to meet specifications, unacceptable delivery schedule, poor past performance record, etc.
v. A statement of appreciation for the bidder for taking time, encouraging them to continue bidding our future requirements, and wishing them better success on the next solicitation.

b. The ***Notice of Successful Bidder(s) Letter or Notice of Award*** (Exhibit 14) will include the following information:

i. The notice of award and statement on being the successful bidder,
ii. The date to expect the written contract to be prepared, (10 days after date of award notice) for conveyance
iii. The scheduled date for the pre-award meeting
iv. The schedule date for the pre-construction meeting
v. Within ten days after receipt of notice of the award, Contractors are required to issue performance bonds and insurance documents to the City
vi. Notification to secure and pay all applicable permit fees

2. In ***Preparing the Purchase Contract for Award,*** provisions should be included to cover the following items:

a. The Notice to proceed
b. Handling contract contingencies
c. Request for Change Order Form
d. Progress Payments
e. Job Completion Final Closeout Documents
f. Equipment Mobilization
g. Facility access/availability
h. Contractor office and storage facility, if applicable
i. Invoicing Instructions

3. The ***Contract Distribution*** should go to these individuals and organizations:

a. Successful bidder/Contractor
b. Purchasing
c. Department Project Owner
d. Project Manager
e. Finance

4. A Purchase Order may be issued to assist a contractor in obtaining insurance and surety and this is noted on the Purchase Order.

SECTION 3.17 - PRE-AWARD MEETING

The purpose of the pre-award meeting is to assure the successful bidder has obtained the necessary bonding, insurance coverage, certifications, building permits, and clearances required for the project before the COC conveys the contract.

1. Customarily, the ***pre-award meeting*** is conducted within 10 days from the City Council's approval of the project. This gives the City sufficient time to prepare the contract documents; and, the successful bidder time to secure its insurance and bond surety documents.

2. Individuals attending the pre-award meeting typically include:

   a. The successful bidder and its project manager
   b. The COC's department administrator (optional)
   c. The A/E consultant
   d. The City Attorney (if needed)
   e. The Buyer
   f. The City Project Manager

3. Prior to the pre-award meeting, the Buyer should have the contract prepared and ready to present after the meeting. Pursuant to the satisfactory resolution of all contractual and procedural concerns and agreement among the COC team members, the Buyer presents the contract to the successful bidder/contractor.

4. Sometimes the pre-award and pre-construction meetings are combined into one meeting. The decision as to whether to conduct only one meeting to serve both purposes, or have the two separate meetings should be a COC team decision. Team members should be mindful in keeping the best interest of the City and the owner/customer as their first priority.

SECTION 3.18 - CONTRACT ADMINISTRATION - PRE-CONSTRUCTION MEETING

The pre-construction meeting is to ensure the successful bidder/contractor understands the full scope of the work required in accordance with the specifications and the City's needs. The City and Contractor's responsibilities are clearly defined in terms of the overall project, from start to successful project completion. The pre-construction meeting location will be determined by the project owner (customer).

1. Individuals attending the pre-construction meeting typically include:

   a. The Contractor/Bidder and Contractor's Project Manager
   b. The COC's Department Administrator
   c. The Department's Project Manager
   d. The Architecture/Engineer consultant
   e. The City Attorney (if needed)

f. The City Inspector(s) as applicable
g. The Buyer
h. Other individuals the contractor may elect to invite to the meeting include:

   i. Utility representatives such as electric utility, water utility, telecommunications, gas utility
   ii. Contractor's attorney

i. Other individuals the COC may elect to invite to the meeting include:

   i. the A/E Consultant of record
   ii. the Project Manager (if Project Manager is a third party)

2. Commencement and Completion Dates for the job are established considering the following factors:

   a. Customer's need for job commencement and/or completion dates
   b. Contractor staff augmentation
   c. Equipment mobilization
   d. Facility access/availability
   e. Other unanticipated issues

3. The Notice to Proceed shall be given the contractor by Purchasing at the conclusion of the pre-construction meeting, provided all items discussed are resolved to the satisfaction of the City's team members. This letter grants the contractor the authority to enter City's premises and commence work on the contract.

4. Contingency Notice to Proceed may be issued occasionally; there may be an unresolved matter that cannot be satisfied during the meeting. However, the matter can be resolved to the City team's satisfaction within a matter of a few days. In such case, the team may issue the letter to proceed with the contingency so as not to delay the start and completion of the project.

SECTION 3.19 - CONTRACT ADMINISTRATION - CONTINGENCY FUNDS

A 10% percent contingency amount should be built into the project amount approved by the City Council. The contingency fund will not be placed on the original purchase order. The contingency fund should be handled in the following manner.

1. Issue a "Change of Request for Existing Contract" (CRF) and requisition for any other contractor.

2. Individuals who are authorized to sign a CRF or requisition up to the project contingency:

   a. Construction Manager
   b. Department Project Manager
   c. City Engineer, as necessary
   d. Department head

3. CRF draws and/or requisitions are added to the project payment form

4. Copy distribution for CRF/requisition draws and project payment forms are:

   a. Project Owner
   b. Purchasing
   c. Finance
   d. Department Head

SECTION 3.20 - CONTRACT ADMINISTRATION - PROGRESS PAYMENTS

Progress payments are incremental payments to the contractor for a percentage of the work completed on the project. These payments are initiated and recommended by the A/E Consultant/Project Manager and approved in writing by the department administrator. The approved document is sent to Finance for payment.

Five percent (5%) of the total contract amount will be retained by the COC for payment to the contractor until the construction job is substantially completed.

SECTION 3.21 - COST PLUS CONTRACTING

The Purchasing Manager may negotiate with the lowest responsible bidder to have portions of the work to be done by force account or on a cost-plus basis if, in the opinion of the Director of General Services, the making of such agreement is advantageous to the City. Contracts for repair of buildings or structures may be let on a cost-plus basis which shall include the cost of labor, material, insurance or other legitimate expenses of the contractor and a fixed fee or percentage for profit with a maximum cost to the City of such contract. All such agreements shall be in writing and approved by the City Council.

SECTION 3.22 - PROFESSIONAL SERVICES CONTRACTS

Professional Services contracts are contracts requiring a high degree of skills and technical expertise by the contractor. Those persons or groups must qualify for licenses by testing and must maintain high ethical standards in performing their duties and services. Occupations such as architects, educational consultants, engineers, financial advisors, fiscal agents, medical doctors (including veterinarians), and legal services are classified as professionals. These persons or groups are tested, licensed, bonded, insured, and regulated by the State of Tennessee and its governing and regulating bodies. Their services are performed independent of City personnel. Deliverables for professional services are usually in the form of a report, drawing, specification, analysis, etc.

The Design Build contracting concept is not considered a professional service type of contract and is not used as a contracting method by the City of Chattanooga.

SECTION 3.23 - REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL SERVICES IN EXCESS OF $10,000.00

1. After determination that a professional individual is needed for a certain project, the department administrator:

a. Completes a requisition that includes attached qualifications
b. Purchasing sets a date for RFQ responses
c. Purchasing advertises the RFQ for a minimum of ten days in a local paper
d. Purchasing accepts the proposals at the appointed date and time
e. A committee or purchasing individual evaluates the proposals and schedules a meeting with the Consulting and Professional Services Committee (CAPS)
f. The department designee presents the recommendation to the committee for approval. Request for resolution is completed by the requesting department to go before the Council for final approval.

2. ***Criteria for Professional Services/Request for Qualifications***

The Section 2-556 of the City Code Annotated and Section 12-4-106 of the Tennessee Code Annotated (TCA) exempts professional service contracts from the competitive bidding process***. Contracts for legal, medical and other similar professional services shall not be based on competitive bidding; they shall be awarded on the basis of recognized competence and integrity***. The estimated value of the services shall be the customary rates of compensation as determined by the appropriate committee or official. The project contract must be clearly defined: The hiring authority shall state in writing:

a. The technical requirements, extent and limitations of the project.
b. A list of objectives and what is to be accomplished.
c. Scope of required work and the desired process:
   i. Mandatory approaches that must be taken
   ii. Required format of reports, etc.
d. All applicable bond requirements for the project (See requirements Sections 3.06, 3.07 and 3.08)
e. Time guidelines: commencement date, and final contract completion date.
f. Financial requirements to be determined after finalists are selected.

3. ***Preparing the Request for Proposal (RFP)***

A request for proposal for specified needs is a highly useful instrument in some situations. All RFP's submitted should include the following information:

a. A description of the general needs of the City
b. Minimum qualifications of the proposer
c. Examples of similar type work should be provided with samples

d. A description of the personnel proposed for the project as follows:
   i. A resume of each person covering information about the person's experience, education, training, and other pertinent information.
e. A complete description of the proposed technique(s) the vendor will use.
f. The amount of time and manpower to be expended in completing the project,
g. The equipment and facilities to be utilized in performing the project,
h. A detailed specification sheet about the equipment proposed for usage,
i. Information regarding all subcontractors (if any are to be used)
j. The cost of the proposal with a breakdown of pricing.
k. The proposals, will be evaluated by a committee, or Purchasing Agent,

   i. The requesting owner (department administrator or representative)
   ii. The City Engineer, or the contracted project consultant Architect or Engineer (if construction is involved)
   iii. The Buyer responsible for drawing up the request for proposal
   iv. A knowledgeable employee with expertise in the area to be examined
   v. The key operating personnel who will be managing the services
   vi. A financial representative (if determined appropriate)
   vii. Additional technical representative (if desired)

4. *Review and Evaluation of the RFP*

The selection person or committee will evaluate the following:

a. General quality and responsiveness of the offer;

   i. Responsiveness to terms, conditions, and time requirements
   ii. Completeness and thoroughness of the proposal,
   iii. Grasp of the problem or work to be performed and of the approach to be used

b. **Organization of the proposal**

   i. Evidences of good organizational and management practices
   ii. Qualifications of personnel
   iii. Experience and past performance
   iv. Financial condition
   v. Price range and cost schedule should be considered when evaluating a proposal

5. *Preparing the RFP Competitively Negotiated Award Recommendation and Contract*

Once the selection has been made, a recommendation of award should be submitted to the Buyer from the department administrator. The Buyer completes the following:

a. The Buyer, being the lead person of the selection committee, shall recommend that the department complete a resolution request form; the department shall forward it to the designees as listed at the bottom of the resolution request form.
b. The City Attorney prepares a resolution and submits it to City Council.
c. After approval of the resolution by the Council, the Buyer notifies the successful person or company in writing of the award detailing the contract.

d. The Buyer should notify those not selected in writing.
e. The contract should be reviewed with the winning contractor.
f. The City Attorney shall sign each contract as to form and legality.

SECTION 3.24 - PERSONAL (NON-PROFESSIONAL) SERVICE CONTRACTS

Personal (Non-Professional) Service contracts require skills and expertise but not to the degree as professionals and is not as highly regulated. There are several occupations which fall within these categories but may be expanded. Completion of the job is the usual deliverable for personal service contracts, but the deliverables for personal service contracts are sometimes in the form of a report, drawing, or analysis too.

1. ***Criteria for Personal Services***

Personal service contracts shall be awarded based upon competitive bidding. These contracts will be awarded with greater emphasis based upon the lowest price although quality of service, competence, and integrity are factors of consideration. Competitive sealed bid is commonly used and the Buyer may negotiate with the lowest bidder.

2. ***Preparing the Sealed Bid (Invitation for Bid)***

The following guidelines shall apply to preparing the invitation for bid for personal services contracts. The invitation will include the following information:

a. The Buyer shall assist the requesting department representatives and staff specialists in developing the project specifications as needed.
b. The Buyer develops the invitation for bid after receipt of a set of clear specifications.
c. A clear and complete description and location of the work to be performed along with the beginning and ending date for the work shall be provided.
d. References and attachments as to the applicable specifications, drawings, special and general conditions should be included.
e. See Bond and Insurance Requirements in Sections 3.06, 3.07, 3.08 and 3.09.
f. Information on when and where the pre-bid conference will be performed (Potential bidders should be strongly encouraged to attend the pre-bid conference)
g. Instructions as who, where, how and when to submit questions
h. Include a statement as to the bid opening date, time and location
i. Include the terms of payment describing the method by which the contractor will be paid for the services rendered, i.e. monthly, partial progress, or lump sum.

3. ***Bid Review and Evaluation***

a. The bid review and evaluation for personal (non professional) services contracting is essentially the same process with bid openings as cited in Section 2.09.5. After opening the bids and preparing the bid abstract, the Buyer forwards copies of the bids to the requesting organization for review, analysis, and recommendation.
b. The requisitioning organization reviews and analyzes the bid documents, selects the lowest and best qualified bidder meeting specifications, and returns the bid copies along with a written recommendation of award to Purchasing.

c. Buyer verifies concurrence with the recommendation and prepares a letter of award recommendation for presentation to the City Council by the requesting department.
d. After Council approval, the Buyer prepares the purchase contract for distribution. The Purchase Order/Contract numbers are automatically assigned.
e. The completed contract is approved by the Buyer, Purchasing Manager (if over $25,000), the City Finance Officer, and the City Attorney (*if contract amounts to $500,000 or greater*). The documents should state Council approval date.
f. After receiving the necessary contract approvals, the Buyer sends the original contract to the successful bidder/contractor, and distributes copies of the contract to Finance and the requesting department. A copy of the contract is retained in Purchasing.
g. Buyer notifies unsuccessful bidders of the award decision.

4. *Preparing the RFP for Competitive Negotiation*

If the personal services contract is to be awarded as a proposal, the same guidelines described in Section 3.06 shall apply.

SECTION 3.25 - COMPETITIVE NEGOTIATIONS

The use of ***competitive negotiation*** may be exercised after competitive bidding is deemed impracticable. A contract may be awarded by negotiation when it has been determined the use of competitive sealed bidding is not practicable for the goods and/or services needed to be obtained by competitive sealed bid. The Request for Proposal process shall be used for the competitive bidding.

1. ***After unsuccessful competitive bidding***, contracts may be competitively negotiated when the Purchasing Manager determines the bid prices received by the competitive bidding method are unreasonable as to all or parts of the requirement, or the needs of the specifications were not completely satisfied in open bidding competition. In this case:

   a. Negotiation begins with the lowest bidder.
   b. The standards of the project are not substantially lowered.
   c. The negotiated price is the lowest price offered by any responsible supplier.

2. The ***request for proposal*** shall be publically advertised in the same manner as the invitation to bid, but proposals shall not be opened publically.

   a. Competitively negotiated contracts are not awarded based upon the lowest price alone. ***Evaluation factors*** are used to evaluate the quality of the total proposal. The request for proposal solicitation shall indicate the relative importance of price as well as other significant evaluation factors. Specific evaluation criteria (categories) need to be developed for the request for proposal; and, should be included in the original solicitation document. Evaluation criteria includes: Experience, Plan Methodology, Financial Responsibility, Delivery Schedule and Price. The evaluation factors, but not the percentage (points) are listed in the solicitation package.

b. Different ***rating systems*** may be used to evaluate the proposals such as point ratings, color coded ratings, and adjective ratings, etc. The contract is awarded to the proposer offering the overall best proposal based upon the weighted evaluation scoring.
c. ***Written or oral discussions*** may be conducted with all responsible proposers submitting proposals and determined to be potentially eligible for an award or within the determined competitive range for award.

   i. The discussions are usually conducted by an evaluation team, normally consisting of two (2) to seven (7) members, including the Buyer. Other team members may include the user department management representative, the project leader, the projects technical expert(s), possibly a finance representative, and possibly a legal representative.
   ii. The Buyer is the facilitator of the team and assures the selection process is executed in a professional, legal, and ethical manner.
   iii. The team members deliberations are confidential (if not in writing)
   iv. Communication with proposers shall be completed through the Buyer.
   v. The Buyer will courteously prohibit vendors from reviewing proposal files prior to the selection of the successful proposal.

3. ***Competitive negotiation resulting from excessive pricing*** may be conducted in the event that all bids submitted pursuant to a competitive bid solicitation results in all bid prices in excess of the funds available for the desired purchase. A competitively negotiated award may be pursued, if the Purchasing Manager determines the following circumstances exist and such action is appropriate.

   a. That there are no additional funds available; and,
   b. The delay required for re-solicitation under revised specifications and/or quantities by competitive sealed bidding would not best serve the City. **Competitive negotiations shall be conducted with the lowest responsive and responsible bidder(s).** In the event negotiations are unsuccessful with the lowest responsive bidder(s), then a new solicitation shall be issued.

SECTION 3.26 - NONCOMPETITIVE NEGOTIATIONS

1. The Buyer may conduct ***noncompetitive negotiations*** when one or all of the following circumstances exist as determined by the Purchasing Manager.

   a. Only (sole) source of supply available.
   b. Emergency purchase when "time is of the essence", impractical to compete.
   c. Changes to an existing contract that result in a lower price.
   d. Purchases from State-wide Contracts and state entities such as the state prisons (TRICOR), and Industries of the Blind and Severely Handicapped;
   e. Except where otherwise prohibited by law items such as the following:

      i. Perishable commodities
      ii. Animals
      iii. Artifacts and other museum pieces
      iv. Items purchased for resale
      v. Copyrighted material such as publications and films

SECTION 3.27 - CERTIFICATION OF LEGAL REVIEW

All contacts for Construction, Professional Services, Personal Services, or any non-standard procurement document, must have, in writing, approval of the City Attorney before the contract is presented to the City Council.

SECTION 4

TITLE VI CONTRACT ADMINISTRATION REQUIREMENTS

SECTION 4.01 - TITLE VI REQUIREMENTS

The City of Chattanooga, as a recipient of any Federal financial assistance, has agreed to and is obligated to comply with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d-42 U.S.C. 2000d-4, and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and other pertinent directives, to the end that in accordance with the Act, Regulations, and other pertinent directives, no person in the United States shall, on the grounds of race, color, sex, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity promoted by the City, whether the program or activity is funded with federal funds or non-federal funds.

This assurance has been given by the City to the Federal Government in consideration of, and for the purpose of, obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance and is binding on it, other recipients, sub-grantees, contractors, subcontractors, transferees, successors in interest and other participants in the Federal-Aid Program.

The City has given the following specific assurances without limiting the above stated general assurance.

1. Each program will be conducted and operated in compliance with all requirements imposed by, or pursuant to, the Regulations.

2. The City will insert the notification of the Title VI Regulations in **ALL** solicitations for bids of work or material, informing all bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, sex or national origin in consideration for an award.

3. The City shall insert the necessary applicable clauses of this assurance in every contract subject to the Act and the Regulations.

4. Real estate transactions must comply with Federal Housing Laws and Ethical Practices which protects all categories and classes of buyers and sellers. The Civil Rights Act of 1866 prohibits discrimination in housing based on race without exception. The Civil Rights Act of 1964 prohibits discrimination in federally funded housing programs.

5. The Civil Rights Act of 1968 (Title VIII) prohibits discrimination on the basis of race, color, religion, or national origin with certain exceptions. The Housing and Community Development Act of 1974 prohibits discrimination in housing based on sex. The Fair Housing Amendments Act of 1988 extends protection to handicapped and familial status.

6. Conveyance of property by deeds should not be subject to additional encumbrances as the real estate industry is federally regulated within the residential arena. In general, provisions in a deed conveying a fee simple estate that bars the grantee from selling, mortgaging, or conveying it are considered void. Such restrictions attempt to limit the basic principle of the free alienation (transfer) of property, and the courts consider them against public policy and therefore unenforceable.

7. Deed restrictions and encumbrances impact the ability of the Buyer to obtain financing and title insurance and can affect the value of the property.

8. Finally, the City's major consideration is to properly purchase and dispose of any real estate asset through Federal compliance and additional encumbrances will not only affect the marketability of the properties, but restrict the conveyance between Buyers and the City. The City closes with only reputable title companies.

9. The City agrees that the United States has a right to seek enforcement with regard to any matter arising under the Act, the Regulations, and this assurance.

SECTION 4.02 - ADVERTISING, SOLICITING, AND REPORTING APPROACH

The City has formulated a Title VI reporting process in accordance with the Federal guidelines. The steps outlined in this section address the program activity reporting for procurement activity only.

1. The method and sources used for advertisements calling for bids on all ongoing projects, in particular methods of advertisement used to reach minority/women owned businesses. The report shall state the nature of the advertisement specifying when, where and how proposals, plans, and specifications have been made available for the inspection of prospective minority, women and non-minority bidders.

    a. The PD utilizes the following businesses and agencies to advertise the City's bid solicitations over $10,000 in the minority community:

        i. Local advertising businesses and agencies
        ii. The Chattanooga Courier Newspaper (minority owned)
        iii. The Tennessee Multicultural Chamber of Commerce

    b. Regional advertising businesses and agencies:

        i. The NMP East Tennessee Black Pages (minority owned directory publication and Internet website)

ii. Tennessee Minority Supplier Development Council

2. Bidding activity that includes efforts to solicit bids, the bidder's ethnicity and gender, the names of companies contacted and their bid prices. Also, if known, the reasons that minority/women owned businesses have chosen not to bid.

   a. The PD uses a semi-annual diversity business report to capture this information and the bid activity results of the diverse businesses solicited for all bids.
   b. PD maintains a list of minority owned construction contractors that it uses.
   c. The PD also refers to the TN Multicultural Chamber of Commerce, the TN Minority Supplier Development Council, and the Chattanooga Minority Contractor's Association for potential sources.
   d. DBEs must be certified by the State of Tennessee.
   e. Upon request, all tracking data shall be made available to OMA.

3. Title VI assurance provisions citing specific nondiscrimination provisions shall be included in contracts subject to the Civil Rights Acts of 1964 and the U.S. DOT Title VI Regulation.

   a. The PD should include the provisions in each bid solicitation package issued. All contractors will be notified of their responsibilities under Title VI and of their ensuing obligations through language included in each contract.
   b. A computerized record of contract award reviews will be maintained. Prime Contractors and subcontractors will be tracked and reported.
   c. All staff with contracting authority and contract administrative/management responsibility, including all managers, will be instructed by the Purchasing Department on minority/women. The staffs will receive orientation to understand the components of small business outreach, and solicitation procedures, with documentation of such instruction provided to the Office of Multicultural Affairs Compliance Officer. The OMA Compliance Officer will provide Title VI compliance guideline updates.

SECTION 4.03 - SPECIFIC PROCUREMENT CONTRACTING ACTIVITY

The Prime Contractor is not allowed to change its subcontractors without prior approval from the Purchasing Agent in writing. In the event there is a request for subcontractor change, the Prime Contractor will submit the request in writing to the Purchasing Agent, copy the Department Head, and copy the Buyer. The request should state the subcontractor being replaced, the reasons for the desired replacement, the name of the new subcontractor requested for replacement, the replacement subcontractor's experience qualifications, resume, and a letter of intent signed by the replacement subcontractor. With concurrence of the City Attorney, the approval of the replacement subcontractor shall be communicated to the prime contractor in writing by the Department Head/Project Manager with a copy of the approval to the Buyer.

SECTION 4.04 - ACCEPTANCE OF COMPLAINTS FOR REFERRAL

It is the general practice of the Title VI Compliance Officer to refer all administrative complaints that are complete and properly pleaded to the appropriate state or federal authorities.
A complete or properly pleaded complaint is:

1. In writing, signed, and provides contact information (e.g., phone, address, etc.)
2. Describes the alleged discriminatory act(s) that violates Title VI regulations (i.e., an act of intentional discrimination or one that has the effect of discriminating on the basis of race, color, national origin, sex, age or disability);
3. Filed within 180 calendar days of the alleged discriminatory act(s); and
4. The Title VI Program staff will refer (to the appropriate federal/state agency) a complaint within seven (7) calendar days of its receipt.
5. The COC will establish whether the person or entity that took the alleged discriminatory act is in fact a COC sub-recipient. If the complaint does not specifically mention that the alleged discriminatory actor is a COC financial assistance recipient, the COC may presume so for the purpose of referring the complaint to the federal/state agency.

SECTION 4.05 - PROCESSING COMPLAINTS

The Office of Multicultural Affairs will maintain a log of all complaints and refer complaints to the appropriate state or federal agency. The complaint will be noted in the log by case number based on year, month and sequence in which complaint was received.

(Example: A complaint received in December, 1999 and is the second complaint received in 1999 will be case number 99 (year)-12 (month)-002 (sequence).

1. The Office of Multicultural Affairs will refer any claim violation, within seven (7) working days, to the appropriate state or federal agency.
2. A copy of the complaint will be maintained in the files of the OMA.
3. Corrective legal action regarding Title VI contract provisions may be pursued in extreme cases to enforce specific contractor performance on COC contracts. Legal action may be pursued after the concurrence of the department head sponsoring the project, the Director of OMA, the City Attorney, and the Purchasing Manager.

SECTION 4.06 - APPEALS PROCEDURE

The complainant has the right to appeal all written reports to the state or federal agency investigating the claim violation through an official formal appeals process. Each agency has established its appeal procedures which dictates strict adherence. Complainants should be referred to the investigating agency for the applicable appeal procedure.

SECTION 4.07 - SMALL DIVERSITY BUSINESS ENTERPRISE MAILING LIST INFORMATION

On October 25, 2004, the City of Chattanooga announced its decision to enter into a partnership with the State of Tennessee in Governor Phil Bredesen's "Governor's Office of Diversity Business Enterprise (GO-DBE) Initiative", as set forth and established by T.C.A. 12-3-801 and Executive Order 14, to increase our opportunities for diversity business contract participation. This partnership agreement is for an indefinite term as approved and signed by the Mayor. As a result of this partnership, effective November 10, 2004, the COC discontinued maintaining a standard mailing list.

- Vendors can register on-line if they so desire by going to the following website: http://www.state.tn.us/generalserv/purchasing and click on "Register".

SECTION 4.08 - LARGE BUSINESS ENTERPRISE MAILING LIST INFORMATION

Large business enterprises interested in conducting business with the City may contact the PD on-line by sending their company's information to purchasing@chattanooga.gov. The information should include the following: the company's name, street address, mailing address (if different from the street address), the company contact person, telephone number, fax number, email address, Taxpayer Identification Number, state if the company is a manufacturer, wholesaler, dealer, consultant, etc.; and, give a brief description of the goods and/or services they are interested in providing to the City. The information will be given to the appropriate Buyer(s) to add to their personal list of potential sources of supply.

SECTION 4.09 - CERTIFICATION / UTILIZATION OF DIVERSE BUSINESS ENTERPRISE; STATE AND CITY AGREEMENT

The Policy shall be for the City of Chattanooga (City) to agree to participate with the State of Tennessee Department of General Services (State) by adopting and promoting the subject Diversity Business Enterprise Initiative. The terms of this Agreement, which shall be considered Policy, include the roles and responsibilities as follows:

The City of Chattanooga's roles and responsibilities shall include, but not be limited to, these terms:

1. The City agrees to recognize diversity businesses registered by the Governor's Office of Diversity Business Enterprise (GO-DBE) and afford these businesses bidding opportunities.
2. The City agrees to use GO-DBE diversity business database to increase business contracting.
3. The City agrees to share its website information and procurement information with GO-DBE.
4. The City agrees to track the number of solicitations sent to diversity businesses, and the number in which there was participation on behalf of diversity businesses.
5. The City agrees to track the number of contracts awarded to all businesses, and the number of contracts awarded to diversity businesses.
6. The City agrees to supply tracking information to the GO-DBE within a timely manner as mutually decided by both parties, but the date shall not be later than November 1st of each year.
7. The City agrees to supply information about its procurement opportunities to the GO-DBE.

The State of Tennessee Department of General Services GO-DBE roles and responsibilities shall include, but may not be limited to, these terms:

1. GO-DBE agrees to perform and verify the certification and the registration of minority owned, woman owned, and small businesses for the State.
2. GO-DBE agrees to provide the City access to its database of registered diversity businesses.
3. GO-DBE agrees to provide the City technical and financial counseling assistance, to diversity businesses, through resources supplied by the Tennessee Department of Economic and Community Development and its Business Enterprise Resource Office, either directly or through one of its partner organizations (TSBDC, SBA, SCORE, Women's Resource Centers, District Development Councils, etc).
4. GO-DBE agrees to assist the City in developing an upcoming procurement opportunity publication or webpage to disseminate the information about procurement contracts to diversity businesses. The webpage can link to GO-DBE website.

SECTION 5

ORACLE REQUISITION, SOLICITATION, AND CONTRACT DATA ENTRY PROCEDURES

SECTION 5.01 - ORACLE REQUISITIONING INSTRUCTIONS

When completing a requisition that has a large number of items to be bid, the requisitioner should enter the historical quantity of each item in descending order so the bidder will be able to see his most used item and give it the greatest discount.

SECTION 5.02 - ORACLE INVITATION TO BID INSTRUCTIONS

SECTION 5.03 - ORACLE REQUEST FOR QUOTATION INSTRUCTIONS

SECTION 5.04 - ORACLE BID TABULATION INSTRUCTIONS

SECTION 5.05 - ORACLE PURCHASE ORDER INSTRUCTIONS

The instructions for creating the above documents may be obtained from Oracle On-Line by following these procedures:

1. Go to the City of Chattanooga's Intranet Homepage.

2. Click on the Oracle Launch Page.

3. Click on "Tips" tab.

4. Click on "Training Documents".

SECTION 6

FIXED ASSET MANAGEMENT AND SURPLUS PROPERTY DISPOSITION

SECTION 6.01 - FIXED ASSET MANAGEMENT POLICIES AND PROCEDURES

The Finance Department records all of the City's fixed assets valued in excess of five thousand dollars ($5,000). The property information is reported to the Finance Department by the department administrator or the administrator's duly appointed property coordinator. This information is documented and stored in the Finance Department on the "Fixed Asset Acquisition" form (see Exhibit 24) in case of loss of property for reasons of theft, damage, destruction, or unknown transfer and resulting in a loss to the City's taxpayers. To be good stewards of the taxpayer's property, it is imperative the City maintains accurate records of all City property.

1. ***Responsibility for Listing Departmental Assets*** - Although the Finance Department maintains the records for all City personal property valued in excess of $5,000, it is the responsibility of each department administrator/property coordinator to maintain a list of all departmental assets in accordance with the sensitive assets policy.

2. ***The Duties of the Department Administrator*** *(Property Coordinator)* shall be to:

   a. Oversee the City property assigned to that department/office.
   b. Notify the Finance Department when items are received and need a City tag.
   c. The department administrator or designated property coordinator shall complete the appropriate Fixed Asset Acquisition Form and affix the City property tag.
   d. Departments shall conduct an annual inventory survey and certify the accuracy.
   e. Notify Purchasing when property becomes surplus, and eligible for transfer or scrapping. Purchasing will make arrangements for appropriate disposal.
   f. Theft, severe damage, vandalism, or unexplained loss must have a police report completed and the report is sent to the Purchasing Division.

SECTION 7

PROCUREMENT EXHIBITS

Purchase Requisition Form	**Exhibit 1**
W-9 Request for Taxpayer Identification Number and Certification	**Exhibit 2**
Purchase Request for Quotation	**Exhibit 3**
Invitation to Bid Form	**Exhibit 3A**
Open Market Purchase Order Under $10,000	**Exhibit 4**
Annual Blanket Purchase Agreement Over $10,000	**Exhibit 5**
Public Advertisement Legal Notice of Purchase	**Exhibit 6**
Buyer Invitation to Bid/ Proposal Pre-Issue Check-list	**Exhibit 7**
Notice of Bid Proposal Opening	**Exhibit 8**
Official Bid/Proposal Opening Attendance Register	**Exhibit 9**
Official Pre-Bid/Proposal Meeting Attendance Register	**Exhibit 10**
City Council Letter for Purchase Approval	**Exhibit 11**
Late Bid Notification Letter	**Exhibit 12**
Unsuccessful Bidder Notification Letter	**Exhibit 13**
Successful Bidder Notification Letter	**Exhibit 14**
COC Standard Insurance Requirements	**Exhibit 15**
Invitation Rebid Cover Letter	**Exhibit 16**
Bid Bond Form	**Exhibit 17**
Performance Bond Form	**Exhibit 18**
(Labor & Material) Payment Bond Form	**Exhibit 19**
No Collusion Affidavit	**Exhibit 20**
COC Resolution Request Form	**Exhibit 21**
Drug Free Workplace Affidavit	**Exhibit 22**
COC Fixed Asset Disposals Form	**Exhibit 23**
COC Fixed Asset Information Sheet for New Fixed Assets	**Exhibit 24**
Invitation to Bid/Request for Proposal Addendum	**Exhibit 25**
Purchasing Surplus Property Declaration Form	**Exhibit 26**
Construction, Labor, & Services Bid Package Pick-up List	**Exhibit 27**
Contractor's ID Bid Envelope Cover Sheet (Form 00201)	**Exhibit 28**
Purchase Approval by Resolution	**Exhibit 29**
Competitive Bid Exemption Justification (Form 00202)	**Exhibit 30**
Ownership/Partnership Disclosure	**Exhibit 31**
Alternate Bid Form	**Exhibit 32**
Standard Terms and Conditions	**Exhibit 33**

EXHIBIT 1 – PURCHASE REQUISITION FORM

BuySpeed Online - City of Chattanooga

NIGP Code Browse | My Account | Customer Service | About

Open Market Requisition R0127376

General | Items | Vendors | Address | Accounting | Routing | Attachments | Notes | Summary

Overall Validation Warnings

- Bid threshold of $0.00 is exceeded
- Item #1: No vendor, and there is no recommended vendor at header level

Header Information

Requisition Number:	R0127376	**Short Description:**	Summit Brass Ensemble	**Status:**	1R Ap
Department:	PR - Parks and Recreation	**Location:**	PR002 - Parks & Recreation Admin	**Required By Date:**	09
Entered Date:	09/11/2009	**Requisition Type:**	Open Market	**Type Code:**	
Requestor:		**Purchaser:**	Buyer name	**Fiscal Year:**	20
Contact:		**Contact Phone:**	(423)643-6886	**Alternate ID:**	
Estimated Cost:	$65.00				
Ship-to Address:	1102 South Watkins Street Chattanooga, TN 37404 Phone: (423)643-6883	**Bill-to Address:**	101 East 11th Street Room 101 Chattanooga, TN 37402 Phone: (423)757-0533		
Notes:	PO needed to pay Stacey Bunch, 338 Serena Drive, Hixson, Tennessee 37343 for providing at the Summit of Sof				

Item Information

Item # 1 : Providing music for the Summit of Softball Grand Opening

Hujiaabudula Hasima	15	Primary	09/11/2009 08:11:18 09/14/	2009 09:52:42	Hujiaabudula
Christy Creel	15	Alternative	09/11/2009 08:11:18		
Fredia Kitchen	20	Primary	09/11/2009 08:11:18 09/14/	2009 19:15:45	Fredia Kitcher
Brian Smart	20	Alternative	09/11/2009 08:11:19		
Natalie Dickey	25	Primary	09/11/2009 08:11:18		
Gene Settles	25	Alternative	09/11/2009 08:11:18		
Add New		Primary			

Add/Delete Approver

Approval Actions

Options: Approve | Disapprove | Cancel Requisition

Comment

Save & Exit

Clone Requisition | Print

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EXHIBIT 2 – W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER & CERTIFICATION

Form **W-9**
(Rev. January 2002)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name: Arthur L. Marvel

Business name, if different from above: Marvel Specialty Enterprises, Inc.

Check appropriate box: ☐ Individual/ Sole proprietor ☒ Corporation ☐ Partnership ☐ Other ► ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.): 3785 Cherry Avenue

Requester's name and address (optional): City of Chattanooga,TN

City, state, and ZIP code: White Oak, Tennessee 37230

List account number(s) here (optional)

Part I **Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.

Social security number

or

Employer identification number 6 2 1 4 2 2 9 3 5

Note: *If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.*

Part II **Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

EXHIBIT 2

Certification instructions. You must cross out item **2** above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item **2** does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here **Signature of U.S. person ►** Arthur L. Marvel **Date ►** September 2, 2008

Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee.

If you are a foreign person, use the appropriate Form W-8. See **Pub. 515,** Withholding of Tax on Nonresident Aliens and Foreign Entities.

Note: *If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.*

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments **after** December 31, 2001 (29% **after** December 31, 2003). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or

2. You do not certify your TIN when required (see the Part II instructions on page 2 for details), or

3. The IRS tells the requester that you furnished an incorrect TIN, or

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions on page 2 and the separate **Instructions for the Requester of Form W-9.**

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Cat. No. 10231X Form **W-9** (Rev. 1-2002)

Specific Instructions

Name. If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first and then circle the name of the person or entity whose number you enter in Part I of the form.

Sole proprietor. Enter your **individual** name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, **enter the owner's name on the "Name" line.** Enter the LLC's name on the "Business name" line.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Exempt from backup withholding. If you are exempt, enter your name as described above, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. For more information on exempt payees, see the Instructions for the Requester of Form W-9.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

Note: *If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.*

Part I—Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box.

If you are a **resident alien** and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see **How to get a TIN** below.

If you are a **sole proprietor** and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are an **LLC** that is **disregarded as an entity** separate from its owner (see ***Limited liability company (LLC)*** above), and are owned by an individual, enter your SSN (or "pre-LLC" EIN, if desired). If the owner of a disregarded LLC is a corporation, partnership, etc., enter the owner's EIN.

Note: *See the chart on this page for further clarification of name and TIN combinations.*

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get **Form SS-5,** Application for a Social Security Card, from your local Social Security Administration office. Get **Form W-7,** Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or **Form SS-4,** Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS Web Site at **www.irs.gov**.

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: *Writing "Applied For" means that you have already applied for a TIN* ***or*** *that you intend to apply for one soon.*

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II—Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see ***Exempt from backup withholding***.

Signature requirements. Complete the certification as indicated in **1** through **5** below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item **2** in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item **2** of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA or Archer MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship	The owner [3]
For this type of account:	**Give name and EIN of:**
6. Sole proprietorship	The owner [3]
7. A valid trust, estate, or pension trust	Legal entity [4]
8. Corporate	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] **You must show your individual name,** but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

[4] List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: *If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.*

EXHIBIT 2

EXHIBIT 3 – PURCHASE REQUEST FOR QUOTATION

REQUEST FOR QUOTATION B0005945

Quotations will be received until **March 27, 2009** **2:00 PM**

Reqn. No.: R0120418

PURCHASING OFFICE
City of Chattanooga
101 East 11th Street, Suite G13
Chattanooga TN 37402

Phone: (423) 757-5184
Fax: (423) 757-0949
Page 1 of 1 Date: 3/25/2009

VENDOR NOTICE (THIS IS NOT A PURCHASE ORDER)

The City of Chattanooga reserves the right to reject any and/or all bids, waive all informalities in the bids received, and to accept any bid, which is in its opinion may be for the best interest of the City.

The City of Chattanooga will be non-discriminatory in the purchase of all goods and services on the basis of race, color or national origin. The city is exempt from all federal and state tax. Tax is not to be included in the bid price.

DELIVERY LOCATION: 2302 Ocoee St.
Chattanooga TN 37406

BUYER:

VENDOR QUOTATION

Item	Description of Material, Service or Construction	Qty	Unit	Unit Price	Extended Price
	Requisition No. R0120418 **Ordering Dept.:Head Start** **Buyer:** **Phone No.: (423) 757-0649** ********** **SHIP TO:** **ATTN:** **Avondale Head Start** **2302 Ocoee Street** **Chattanooga, TN 37406** ********** **ALL ITEMS MUST BE PRICED F.O.B DESTINATION** **********				
1.0	**What will we do today? Schedule Chart (2A)** **LL408**	1.00	EA		
2.0	**Heavy Duty pocket chart (2C)** **LK297**	1.00	EA		
3.0	**Classic Birch Magnetic Write & Wipe (G) Big Book Center (20) 2E** **JJ987**	3.00	EA		
4.0	**Giant Dancing Scarves - Set of 6 2C,G** **D5236**	2.00	EA		
5.0	**Easy Ride 3-Wheel Scooter (3-6)** **LA152**	3.00	EA		
6.0	**Giant Safety Signs** **JJ373**	3.00	EA		

EXHIBIT 3

THIS SECTION MUST BE COMPLETED BY VENDOR

Delivery shall be made _____ calendar days after receipt of order. Payment Terms: _____

Vendor: Lakeshore Learning Materials - 2695 E Dominguez St, Carson CA, 90895
Phone: (213) 537-8600 FAX: 3105377990Lwells@lakeshorelearning.com

Vendor Tax I.D. No.	Email Address

Signature _____ Date _____ Typed Name and Title _____

EXHIBIT 3A – INVITATION TO BID FORM

BID SOLICITATION

Printed: 2/16/2009

City of Chattanooga
101 East 11th Street, Suite G13
Chattanooga TN 37402

BID OPENING DATE AND TIME:
03/03/2009 2:00 PM
BID NUMBER: B0005836

SEALED BIDS

Mail or submit two (2) signed copies of bid form to this office in the enclosed envelope. Retain one copy for your file.

BUYER:
PHONE #: (423) 757 - 5184 ext.
DELIVERY REQUIRED:

VENDOR
.
. TN

MAIL TO
City of Chattanooga
101 East 11th Street, Suite G13
Chattanooga TN 37402

Item	Class-Item	Quantity	Unit	Unit Price	Total
	Requisition No: R0115415 Ordering Dept: Fire Buyer & Phone: (423) 757-0643 ********** ITEMS BEING PURCHASED: TSI Porta-Count Plus Respirator Fit Tester & Maintenance ********** NO SUBSTITUTIONS ********** TRAINING: Successful Bidder Must Train At Least Four (4) Fire Department Employees. ********** ATTACHEMENTS: Insurance Requirements (2 Pages) Affirmative Action Plan (2 Pages) ********** TRADE-IN: Provide Pricing For Trade-In On One (1) Port-A-Count Model 8020 With N95 Companion $_____ ********** *** BIDS MUST BE RECEIVED NO LATER THAN *** *** 2:00 PM EST on March 3, 2009 *** ********** City of Chattanooga (COC) Terms and Conditions posted on Website http://www.chattanooga.gov/finance/66_standardtermsand conditions.htm If you can't download call buyer for a copy. . NOTE: ALL BIDS MUST BE SIGNED All bids received are subject to the terms and conditions contained herein and as listed in the above referenced website. The undersigned Bidder acknowledges having received, reviewed, and agrees to be bound to these terms and conditions, unless specific written exceptions are otherwise stated. **********				

EXHIBIT 3A

NOTE: ALL BIDS RECEIVED ARE SUBJECT TO THE TERMS AND CONDITIONS.

ALL BIDS MUST BE SIGNED: The undersigned offers the above quoted prices under the conditions contained herein.

The City is Exempt from all Federal and State Tax.
Bids will be received at the above mentioned address.

COMPANY: _____

SIGNATURE: _____

TERMS OF PAYMENT: _____

TELEPHONE NUMBER: _____

NAME AND TITLE: _____

BID SOLICITATION

City of Chattanooga
101 East 11th Street, Suite G13
Chattanooga TN 37402

BID OPENING DATE AND TIME:
03/03/2009 2:00 PM
BID NUMBER: B0005836

SEALED BIDS

Mail or submit two (2) signed copies of bid form to this office in the enclosed envelope. Retain one copy for your file.

BUYER:
PHONE #: (423) 757 - 5184 ext.
DELIVERY REQUIRED:

VENDOR
.
. TN

MAIL TO
City of Chattanooga
101 East 11th Street, Suite G13
Chattanooga TN 37402

Item	Class-Item	Quantity	Unit	Unit Price	Total
2.0	938-78 Annual Maintenance/Re-Calibration of TSI-CL-8030 Clean and Calibrate Porta-Count Pro: Vendor must provide annual maintenance and re-calibration. This maintenance shall include any and all repairs, repair parts, upgrades, cleaning and re-calibration. All maintenance and re-calibration must meet OSHA Standard 1910-134 or the most recent standard. The vendor must be able to repair and return products within two weeks.	1.00	YR	_____	_____
				TOTAL:	_____

EXHIBIT 3A

NOTE: ALL BIDS RECEIVED ARE SUBJECT TO THE TERMS AND CONDITIONS.

ALL BIDS MUST BE SIGNED: The undersigned offers the above quoted prices under the conditions contained herein.

The City is Exempt from all Federal and State Tax.
Bids will be received at the above mentioned address.

COMPANY: _____

SIGNATURE: _____

TERMS OF PAYMENT: _____

TELEPHONE NUMBER: _____

NAME AND TITLE: _____

Affirmative Action Plan

The City of Chattanooga is an equal opportunity employer and during the performance of this Contract, the Contractor agrees to abide by the equal opportunity goals of the City of Chattanooga as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or handicap. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin, or handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin, or handicap.

EXHIBIT 3A

3. The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. In all construction contracts or subcontracts in excess of $10,000 to be performed for the City of Chattanooga, any contractor and/or subcontractor is further required to file in duplicate within ten (10) days of being notified that it is the lowest responsible bidder, an affirmative action plan with the EEO Director of the City of Chattanooga. This plan shall state the Contractor's goals for minority and women utilization as a percentage of the work force on this project.

5. This Plan or any attachments thereto shall further provide a list of all employees annotated by job function, race, and sex who are expected to be utilized on this project. This plan or attachment thereto shall further describe the methods by which the Contractor or Subcontractor will utilize to make good faith efforts at providing employment opportunities for minorities and women.

   During the term of this contract, the Contractor upon request of the City, will make available for inspection by the City of Chattanooga copies of payroll records, personnel documents and similar records or documents that may be used to verify the Contractor's compliance with these Equal Opportunity provisions.

6. The Contractor will include the portion of the sentence immediately preceding paragraph 1 and the provisions of paragraphs 1 through 6 in every subcontract so that such provisions will be requested of each subcontractor. The Contractor agrees to notify the City of Chattanooga of any subcontractor who refuses or fails to comply with these equal opportunity provisions. Any failure or refusal to comply with these provisions the contractor and/or subcontractor shall be a breech of this contract.

_____
(Signature of Contractor)

_____
(Title and Name of Company)

EXHIBIT 3A

_____
(Date)

The Contractor shall not commence work under these Contract Documents until he has obtained all insurance required herein nor shall the Contractor allow any Subcontractor to commence work on his subcontract until similar insurance required of the Subcontractor has been obtained by the Subcontractor. Insurance shall be placed by the Contractor with one or more insurance carriers licensed to do business in the State of Tennessee. Each insurance policy shall be renewed ten (10) days before the expiration date of the policy.

Certificates of insurance shall be filed with the City prior to commencement of the work. These certificates shall contain a provision that coverage's afforded under the policies will not be changed or canceled unless at least fifteen (15) days' written notice has been given to the city. The Contract shall not be binding upon the city until the insurance coverage required herein has been obtained and certificates have been filed with the City.

Adequate insurance coverage shall be maintained by the Contractor at all times. Failure to maintain adequate coverage shall not relieve the Contractor of any responsibilities or obligations under these Contract Documents. In the event any insurance coverage is canceled or allowed to lapse, the Contractor will not be permitted to prosecute the work until adequate and satisfactory insurance has been obtained and certificates of insurance furnished to the City. Failure to keep insurance policies in effect will not be cause for any claims for extension of time under these Contract Documents.

All such policies shall be subject to approval by the City Attorney. Should the City Attorney at any time in his sole discretion determine that the insurance policies and certificate provided may not be sufficient to protect the interests of the City because of the insolvency of the insurance company or otherwise, the Contractor shall replace such policies with policies meeting his approval.

EXHIBIT 3A

The Contractor shall procure and maintain at his own expense, during the Contract Time, insurance as hereinafter specified:

<u>Workmen's Compensation Insurance</u> that shall protect the Contractor against all claims under applicable state workmen's compensation laws shall be maintained. The Contractor shall also be protected against claims for injury, disease or death of employees which, for any reason, may not fall within the provisions of a workmen's compensation law. This policy shall also include an endorsement providing coverage in all states in which work is performed. The Contractor shall require all the Subcontractors to provide similar Workmen's Compensation Insurance for all the Subcontractors' employees on the work unless such employees are covered by the protection afforded by the Contractor. The liability limits shall not be less than that required by statute.

General Public Liability and Property Damage Insurance that shall be written in comprehensive form and shall protect the Contractor against all claims arising from injuries including death, to members of the public or damage to property of others arising out of any act or omission of the Contractor or his agents, employees, or Subcontractors. In addition, this policy shall specifically insure the contractual liability assumed by the successful bidder to defend and indemnify the City of Chattanooga against such claims or suits.

To the extent that the work may require blasting, explosive conditions or underground operation, the comprehensive general public liability and property damage coverage shall contain no exclusion relative to blasting, explosion, collapse of buildings, or damage to underground property.

The comprehensive general public liability and property damage coverage shall also protect the Contractor against all claims resulting from damage to:

1. Private driveways, walks, shrubbery and plantings;
2. Public utility facilities; and
3. U.S. Government monuments.

The liability limits shall not be less than:

EXHIBIT 3A

Bodily Injury	$ 500,000 each person $1,000,000 each occurrence
Property Damage	$ 250,000 each occurrence $ 500,000 aggregate

The general public liability and property damage insurance shall carry an endorsement in form satisfactory to the City to the effect that the Contractor shall save harmless the City from any claims and damage whatsoever, including patent infringement. General public liability and property damage insurance shall be kept in force at all times during the course of the work until such time as the work covered by these Contract Documents has been completed and accepted by the City.

Comprehensive Motor Vehicle Liability and Property Damage Insurance that shall be written in comprehensive form and shall protect the Contractor against all claims for injuries to members of the public and damage to property of others arising from the use of motor vehicles, and shall cover operation on or off the site of all motor vehicles licensed for highway use, whether they are owned, non-owned, or hired.

The liability limits shall not be less than:

Bodily Injury	$ 250,000 each person $ 500,000 each occurrence
Property Damage	$ 100,000 each occurrence

EXHIBIT 4 – OPEN MARKET PURCHASE ORDER UNDER $10,000

Purchase Order

Printed: 10/1/20

City of Chattanooga
100 East 11th Street, Room 200
Chattanooga TN 37402

VENDOR

Vendor Number: 015427
Vendor Alternate Id: 748924

Keen Resource Group, Inc/KRG
7411 River Ridge Drive
Chattanooga TN 37416

PO Date: 09/24/2007
Buyer:
FOB:
Terms:

Purchase Order Number
P0027260

INVOICES: Direct invoices in DUPLICATE to the Invoice address shown below.

SHIP TO

City of Chattanooga
3300 Amnicola Hwy.
Chattanooga TN 37406

INVOICE

City of Chattanooga
101 East 11th Street
Room 101
Chattanooga TN 37402

Department	Requisition Number	Bid Number	Delivery Date
Police Department	R0102511	B0004505	

Item	Class-Item	Bid #	Requisition #	Quantity	Unit	Unit Price	Total
	********** ****** THIS IS AN ORDER ****** ****** PLEASE DELIVER AS REQUESTED ****** ********** Attn: Louis Keen Phone: 423-326-1652 Fax: 423-326-1378 ********** Contact: **********						
1.0	924-16 A one day workshop (Hiring Winning Talent) to provide participants with the skills and a process they need to select the best candidates for any job vacancy or requirement. One-day workshop based on (estimate) twenty (20) participants, fee covers preparation time, workshop facilitation and all materials for the 20 participants.			20.00	EA	$125.00	$2,500.0
	ACCOUNT NUMBER C-1100-C00901-711202-300- -		AMOUNT $2,500.00				
						Subtotal:	$2,500.0
						TOTAL:	$2,500.0

********** NOTICE **********

ERMS AND CONDITIONS set forth in our Bid or Quotation, see conditions attached or corporated herein by reference become a part of this order.
is Purchase Order valid only when signed below by the Finance Officer.

ertify that unencumbered appropriation is available to meet the expenditure covered by this urchase Order; I further authorize payment upon proper certification of receipt of goods and/or rvices.

FINANCE OFFICER

DIRECTOR OF PURCHASING/BUYER

MAYOR, ADMINISTRATOR OR DESIGNATED OFFICIA

EXHIBIT 5 – ANNUAL BLANKET PURCHASE AGREEMENT OVER $10,000

Notice of Blanket Award

Purchasing File

Printed: 3/20/2009

City of Chattanooga
101 East 11th Street, Suite G13
Chattanooga TN 37402

VENDOR

Vendor Number: 016123
Vendor Alternate Id: 755923

Apalachee Pole Company
P.O. Box 610
Bristol FL 32321

PO Date: 03/20/2009
Buyer:
FOB: 02 FOB Destination
Terms:

Blanket Order Number
P0032168

INVOICES: Direct invoices in DUPLICATE to the Invoice address shown below.

SHIP TO

City of Chattanooga
1001 E. 12th Street
Chattanooga TN 37403

INVOICE

City of Chattanooga
101 East 11th Street
Room 101
Chattanooga TN 37402

Department	Requisition Number	Bid Number	Delivery Date
Public Works	R0118813	B0005811	

Item	Bid #	Requisition #	Quantity	Unit	Unit Price	Total
	PRICE ESCALATION CLAUSE: If as a result of a general change in prices or discounts, the contractor has changed prices to all of its customers, then, at the time of contract renewal, the price under this contract may be adjusted accordingly after acceptance. All price increases must be justified by providing a copy of the prevailing labor wage or material cost increases. Prompt notice of price changes (increases or reductions) must be furnished to the Purchasing Agent at least 30 days prior to the requested effective date and the prices for these services/materials shall remain firm for twelve (12) months. The effective date of price increases shall be the date the Purchasing Agent accepts the price changes or the effective date of increase stated by contractor's notice to Purchasing Agent, whichever is later. **********				EXHIBIT 5	
1.0	725-44 Class 2, 30 foot wooden pole		0.00	EA	$145.00	$0.00
2.0	725-44 Class 2, 35 foot wooden pole		0.00	EA	$200.00	$0.00
3.0	725-44 Class 2, 40 foot wooden pole		0.00	EA	$228.00	$0.00
4.0	725-44 Class 2, 45 foot wooden pole		0.00	EA	$276.00	$0.00

********** NOTICE **********

TERMS AND CONDITIONS set forth in our Bid or Quotation, see conditions attached or incorporated herein by reference become a part of this order.
This Purchase Order valid only when signed below by the Finance Officer.

I certify that unencumbered appropriation is available to meet the expenditure covered by this Purchase Order; I further authorize payment upon proper certification of receipt of goods and/or services.

FINANCE OFFICER

DIRECTOR OF PURCHASING/BUYER

MAYOR, ADMINISTRATOR OR DESIGNATED OFFICIAL

EXHIBIT 6 – PUBLIC ADVERTISEMENT LEGAL NOTICE OF PURCHASE

Public Advertisement Legal Notice of Purchase

Please run one issue in the Chattanooga Times Free Press on Sunday, July 25, 2008 and Monday, July 26, 2008. Use P0019842, Ref. 634

AFFIDAVIT REQUIRED_____ NOT REQUIRED__X__

Please run the following classified advertisement __1_ ISSUE(S)
Starting on July 25, 2008 and on July 26, 2008. Advertising is charged to Purchase Order No. P0019842.

Legal Notice:

The City of Chattanooga Purchasing Department will issue proposals on July 25, 2008.
Sealed Proposals in Duplicate and Electronic form will be received by The City of Chattanooga Purchasing Division, Suite G13, City Hall, Chattanooga, Tennessee 37402 until August 19, 2008.
(TIME) _____2:00 p.m. EST_____ Req. _____R0077255____

At that time Proposals will be accepted without public opening for the purchase of:

Commercial Banking Services

The City of Chattanooga, Tennessee is seeking proposals from public depositories (a state or national bank located in this state) to provide banking, payroll card processing, merchant card processing, purchasing card administration, and investment custody services. Proposers must have a current Community Reinvestment Act (CRA) rating of not less than Satisfactory.

Proposal Forms and additional specifications may be obtained by contacting the Purchasing Department.

The City of Chattanooga, at its discretion, may not open a single proposal. The City of Chattanooga reserves the right to reject any and/or all proposals received, waive any informalities in the proposals received, and to accept any proposal that, in its opinion, may be for the best interest of the City.

The City of Chattanooga will be non-discriminatory in the purchase of all goods and services on the basis of race, color, or natural origin.

Buyer

EXHIBIT 7 – BUYER INVITATION TO BID / PROPOSAL PRE-ISSUE CHECK LIST

Buyer ITB/RFP Pre-Issue Check List

PRE-ISSUE CHECK LIST OF DOCUMENTS

- [X] NEWSPAPER AD
- [X] INTERNET
- [X] BULLETIN BOARD COPY
- [X] SPECIFICATIONS (CHECK FOR $ AMOUNT....NOT TO BE VISIBLE)
- [X] BID NOTIFICATION MEMO TO DEPARTMENTS
- [X] COPY OF BID TO TN MINORITY DEV. COUNCIL
- [X] COPY OF BID TO TN MULTICULTURAL CHAMBER (TMCC)
- [X] INSURANCE REQUIREMENTS
- [X] AFFIRMATIVE ACTION PLANS
- [X] TABULATION SHEET
- [X] PREBID SIGN-IN SHEET
- [X] BID SIGN-IN SHEET
- [X] VEHICLE TEXT – DOCUMENT DELIVERY - (SEND WITH LETTER OF AWARD)

CONSTRUCTION OR EQUIPMENT INSTALLATION

- [X] 5% BID BOND
- [X] 100% PERFORMANCE BOND & PAYMENT & LABOR BOND (OVER $25,000)
- [X] TENN. GENERAL CONTRACTORS LICENSE & LICENSE CLASSIFICATION (LARGE ENVELOPE)

ANY TYPE OF CONSTRUCTION OR EQUIPMENT INSTALLATION
(ATTACHED TO BUILDING – OVER $25,000)

NOTICES / MANUAL CHANGES:
ARCHITECT [X] DEPT. [X] BIDDER [X] CONTRACT MGR. [X]

ADDENDUM (S):
DEPT.[X] CONTRACT MGR. [X] BIDDER [X]
(SEPARATE & LIST EACH ADDENDUM WITH ATTACHED)

CONTRACTORS – SIGN GENERAL CONDITIONS BOOKLET
Buyer ITB/RFP Pre-Issue Check List

SIGNATURES: BUYER: Greenwood TECHNICIAN: N/A
PRE-AWARD BID/PROPOSAL RESULTS

4 NUMBER OF BIDS/PROPOSALS RECEIVED
2 NUMBER OF NO BIDS/PROPSALS RECEIVED
Yes REASONS GIVEN FOR NOT SUBMITTING A BID/PROPOSAL
Could not complete the bid within the required time

0 NUMBER OF MINORITY BIDDERS/OFFERORS (Names):

REASON FOR NOT AWARDING TO MINORITY BIDDER/OFFEROR:
No bids received

NAME OF RECOMMENDED AWARDEE:
Done Right Construction Company

ESTIMATED AWARD AMOUNT: $75,000.00
Type Business: Lg. ☐ Sm. ☒ W ☐ M ☐ Local Bus. ☒ yes ☐ no

SPECIAL CONSIDERATIONS (Noteworthy terms, conditions, specification exceptions, etc. to be addressed before contract award):
None

BASIS FOR CONTRACT AWARD:
Low Bidder (if other than low bidder/offeror provide specific justification)

WRITTEN RECOMMENDATION OF AWARD ATTACHED: ☒ YES ☐ NO

Technical/Program Manager - Thomas Poloski

Dept. Administrator – John Doe

Mayor Approval - Yes

EXHIBIT 8 – NOTICE OF BID PROPOSAL OPENING

Notice of Bid/Proposal Opening

PURCHASING MEMORANDUM

From: Buyer

To: Department

Date: October 12, 2009

Subject: NOTICE OF BID/PROPOSAL OPENING – R0122190/B0006452

The following Invitation for Bid (IFB)/Request for Proposal (RFP) has been mailed to the public on October 9, 2009. Bids/proposals will be received until the date and time designated below. Please be mindful during this advertising period until a contract/purchase order has been awarded, all inquiries and discussions regarding this solicitation should be directed to the buyer assigned this procurement. You should not engage in any discussions with potential bidders without prior approval from the buyer. This rule applies to requests for proposals with an added restriction. You are not allowed to discuss the RFP proposal with anyone outside of the RFP Evaluation Team except your Division Manager and/or Department Administrator.

Your adherence to these instructions will help Purchasing and the City of Chattanooga to maintain the integrity and fair treatment of potential suppliers during the City's competitive bidding process. Also, it will minimize the potential for bid protests.

You are encouraged to have a representative present for the bid opening.

Requisition/Bid No.: R0128190/B0006452

Buyer:

Description:	Urban Tree Canopy Analysis
Bid/Proposal Deadline Date & Time:	October 26, 2009, 2:00 P.M., EST.
Bid/Proposal Attachments Included:	Affirmative Action Plan - Urban Tree Canopy **Analysis Specifications**: Requirements for Insurance Coverage - COC Terms & Conditions

Companies Sent Solicitations:

Green Forests, Inc., The Tree Resource Company, MCDD Nature Trees Analysis Data Company

Should you know of additional potential bidders/proposers that you would like to receive a copy of this solicitation, please convey the information to the above listed buyer by email, phone, mail, or fax as soon as possible.

EXHIBIT 9 – OFFICIAL BID / PROPOSAL OPENING ATTENDANCE REGISTER

ATTENDING BID OPENING

FOR **Contract for**

DATE **Bid Opening**

VENDOR NAME AND SIGNATURE OF PERSON ATTENDING:

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

EXHIBIT 10 – OFFICIAL PRE-BID / PROPOSAL MEETING ATTENDANCE REGISTER

ATTENDING PRE-BID CONFERENCE

Bid/Proposal Number _____

Opening Date _____

Name & Company	e-mail	Phone #	Fax#

EXHIBIT 11 – CITY COUNCIL LETTER FOR PURCHASE APPROVAL

City of Chattanooga

Purchasing Department

Jane Doe
Purchasing Agent

Ron Littlefield
Mayor

February 9, 2010

Mr. John Doe
Director
General Services Department
100 E. 11th Street – Suite 101
Chattanooga, TN 37402

Subject: 23357 – Commercial Property Insurance – General Services Department – Building Maintenance Division - Organization D00701

Dear Mr. Doe

Council approval is recommended for the purchase of Commercial Property Insurance for the Building Maintenance Division of the General Services Department.

This sole source purchase from Arthur J. Gallagher Risk Management Services, Inc. located in Atlanta, GA will be in the amount of $302,865.00. A memorandum of justification from the department and written invoice from the company are attached for your review.

TCA 6-56-304.2 allows for this single source purchase exempted from the usual advertising and bidding procedures.

Sincerely,

Jane Doe

Jane Doe
Purchasing Manager

Attachments

101 East 11th Street • Suite G13 • Chattanooga, TN 37402
OFFICE: (423) 757-5184 • FAX: (423) 757-0949 • Email: purchasing@chattanooga.gov

EXHIBIT 12 – LATE BID NOTIFICATION LETTER

Late Bid Notification Letter

May 1, 2007

ABC Company
Attention: Jane Doe
7776 Rolling Hills Road
Mentor, OH 44760

Subject: R0097760/B0004083 – Crystal G600 Scanner

Dear Ms. Doe:

We regret having to return this bid; however, it was received after the bid opening deadline. The bid opening date was May 1, 2007 at 2:00 P.M., EST. and we received your bid on May 1, 2007 at 4:00 P.M. EST.

We encourage you to arrange to submit your bids earlier in the future in order that you may be considered for a contract award.

We appreciate your interest and desire to do business with the City of Chattanooga.

Sincerely,

June Doe

June Doe
Buyer
City of Chattanooga

EXHIBIT 13 – UNSUCCESSFUL BIDDER NOTIFICATION LETTER

Unsuccessful Bidder Notification Letter

June 21, 2007

Mr. Ralph B. Crampton
Durango Enterprises
317 Walnut Pike
Chattanooga, TN 37419

Subject: R0099283-B0004275 – Soft Goods – Memorial Auditorium – Education, Arts and Culture Department - Organization N06001

Dear Mr. Crampton:

An award has been recommended and approved by the City Council on the above referenced invitation to bid. This contract will be awarded to Roseland Brand as the best bid for the City of Chattanooga. Your bid was not recommended for this contract award since your bid was higher* than the recommended bidder.

The City of Chattanooga greatly appreciates you for participating in this bid competition, and wishes you success on future bid opportunities.

Sincerely,

June Doe

June Doe
Buyer

JD:mc
(Buyer initials):(clerical initials)

*Sample explanations:

1) prices were higher than the recommended bidder.
2) bid failed to meet the required specifications. Our specifications required _____, however, your bid specified _____.
3) company's previous performance on contract _____ was not satisfactory.

EXHIBIT 14 – SUCCESSFUL BIDDER NOTIFICATION LETTER

Successful Bidder Notification Letter

June 21, 2007

Mr. Wes R. Snips
Roseland Brand
513 Grover Avenue
Niota, TN 37866

Subject: R0099283-B0004275 – Soft Goods – Memorial Auditorium – Education, Arts and Culture Department - Organization N06001

Dear Mr. Snips:

Congratulations for your successful offer to us. Your bid was the low and best bid on the above referenced solicitation.

The City of Chattanooga appreciates your participation. We look forward to a successful and mutually beneficial business relationship with your company.

Sincerely,

June Doe

June Doe
Buyer

JD
(Buyer initials):(clerical initials)

EXHIBIT 15 – STANDARD INSURANCE REQUIREMENTS

REQUIREMENTS FOR INSURANCE COVERAGE

The Contractor shall not commence work under these Contract Documents until he has obtained all insurance required herein nor shall the Contractor allow any Subcontractor to commence work on his subcontract until similar insurance required of the Subcontractor has been obtained by the Subcontractor. Insurance shall be placed by the Contractor with one or more insurance carriers licensed to do business in the State of Tennessee. Each insurance policy shall be renewed ten (10) days before the expiration date of the policy.

Certificates of insurance shall be filed with the City prior to commencement of the work. These certificates shall contain a provision that coverage's afforded under the policies will not be changed or canceled unless at least fifteen (15) days' written notice has been given to the city. The Contract shall not be binding upon the city until the insurance coverage required herein has been obtained and certificates have been filed with the City.

Adequate insurance coverage shall be maintained by the Contractor at all times. Failure to maintain adequate coverage shall not relieve the Contractor of any responsibilities or obligations under these Contract Documents. In the event any insurance coverage is canceled or allowed to lapse, the Contractor will not be permitted to prosecute the work until adequate and satisfactory insurance has been obtained and certificates of insurance furnished to the City. Failure to keep insurance policies in effect will not be cause for any claims for extension of time under these Contract Documents.

All such policies shall be subject to approval by the City Attorney. Should the City Attorney at any time in his sole discretion determine that the insurance policies and certificate provided may not be sufficient to protect the interests of the City because of the insolvency of the insurance company or otherwise, the Contractor shall replace such policies with policies meeting his approval.

The Contractor shall procure and maintain at his own expense, during the Contract Time, insurance as hereinafter specified:

Workmen's Compensation Insurance that shall protect the Contractor against all claims under applicable state workmen's compensation laws shall be maintained. The Contractor shall also be protected against claims for injury, disease or death of employees which, for any reason, may not fall within the provisions of a workmen's compensation law. This policy shall also include an endorsement providing coverage in all states in which work is performed. The Contractor shall require all the Subcontractors to provide similar Workmen's Compensation Insurance for all of the Subcontractors' employees on the work unless such employees are covered by the protection afforded by the Contractor. The liability limits shall not be less than that required by statute

General Public Liability and Property Damage Insurance that shall be written in comprehensive form and shall protect the Contractor against all claims arising from injuries including death, to members of the public or damage to property of others arising out of any act or omission of the Contractor or his agents, employees, or Subcontractors. In addition, this policy shall specifically insure the contractual liability assumed by the successful bidder to defend and indemnify the City of Chattanooga against such claims or suits.

To the extent that the work may require blasting, explosive conditions or underground operation, the comprehensive general public liability and property damage coverage shall contain no exclusion relative to blasting, explosion, collapse of buildings, or damage to underground property.

EXHIBIT 15 (CONTINUED)

The comprehensive general public liability and property damage coverage shall also protect the Contractor against all claims resulting from damage to:

1. Private driveways, walks, shrubbery and plantings;
2. Public utility facilities; and
3. U.S. Government monuments.

The liability limits shall not be less than:

Bodily Injury	$500,000 each person $1,000,000 each occurrence
Property Damage	$250,000 each occurrence $500,000 aggregate

The general public liability and property damage insurance shall carry an endorsement in form satisfactory to the City to the effect that the Contractor shall save harmless the City from any claims and damage whatsoever, including patent infringement. General public

liability and property damage insurance shall be kept in force at all times during the course of the work until such time as the work covered by these Contract Documents has been completed and accepted by the City.

Comprehensive Motor Vehicle Liability and Property Damage Insurance that shall be written in comprehensive form and shall protect the Contractor against all claims for injuries to members of the public and damage to property of others arising from the use of motor vehicles, and shall cover operation on or off the site of all motor vehicles licensed for highway use, whether they are owned, non-owned, or hired.

The liability limits shall not be less than:

Bodily Injury	$250,000 each person $500,000 each occurrence
Property Damage	$100,000 each occurrence

The Contractor (not the Owner) shall purchase and maintain until Substantial Completion Builder's Risk Insurance (not all Risk Insurance) in the amount of the initial Contract Sum plus any amounts added by Change Order. The insurance shall list and include as named insured the City of Chattanooga, the Contractor, and all Subcontractors A.T.I.M.A. The deductible amount shall be $1,000.00 for each occurrence, which shall be paid by the Contractor. The Builder's Risk Insurance shall also provide coverage for portions of the work in transit and for temporary storage of portions of the work to the value approved by the City in the Certificate for Payment.

EXHIBIT 16 – INVITATION REBID COVER LETTER

INVITATION REBID COVER LETTER

REBID #1
BID / REQUISITION # __B0005331/R0110593_____

RE: ___Redi Rock_____

ORIGINAL BID OPENING DATE _June 21, 2008_____

DEPARTMENT__Public Works, City Wide Services Division____

THIS INVITATION TO BID IS BEING REBID DUE TO INADEQUATE RESPONSE

NEW BID OPENING DATE AND TIME:

July 12, 2008, 2 P.M., EDST.

PLEASE SIGN ONE (1) COPY OF THIS NOTICE AND RETURN TO THE PURCHASING DEPARTMENT ALONG WITH YOUR BID.
RETAIN A COPY FOR YOUR FILES.

_June Doe_____June 23, 2008 __
SIGNATURE DATE

EXHIBIT 17 – BID BOND FORM

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, _XYZ Contracting Company, 2320 Chumley Road, Chattanooga, TN 37421_____
as Principal, and Hartford Fire Insurance Company, Hartford Plaza, Hartford, CT_06115_____
as Surety, are hereby held and firmly bound unto City of Chattanooga, Tennessee, as Owner in the penal sum of five percent of the total bid for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors and assigns.

The condition of the above obligation is such that whereas the Principal has submitted to City of Chattanooga, Tennessee, a certain Bid, attached hereto and hereby made a part hereof to enter into a contract in writing for the construction of Contract Number P00326589**.**

NOW, THEREFORE,

a) If said Bid shall be rejected, or in the alternate,
b) If said Bid shall be accepted and the Principal shall execute and deliver a contract in the Form of Contract attached hereto (properly completed in accordance with said Bid) and shall furnish a bond for his faithful performance of said contract, and for the payment of all persons performing labor or furnishing materials in connection therewith, and shall in all other respects perform the agreement created by the acceptance of said Bid,then this obligation shall be void, otherwise the same shall remain in force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligations of said Surety and its bond shall be in no way impaired or affected by any extension of the time within which the Owner may accept such Bid; and said Surety does hereby waive notice of any such extension.

IN WITNESS WHEREOF, the Principal and Surety have executed this Bond by causing their respective names to be hereunto subscribed and their seals to be hereunto affixed by their duly authorized officers, on this the 1st day of _October_, 2008.

CONTRACTOR - PRINCIPAL:

_____XYZ Contracting Company_____

By _____George Thomas_____

Name _____George Thomas_____
(Please Type)

Title _____President and Chief Executive Officer_____
(SEAL)

SURETY:

__Hartford Fire Insurance Company_____

By _____Carl House_____

Name _____Carl House_____
(Please Type)

Title __Supervisor, Underwriting Department_____

WITNESS:

__James Bond_____

Name ___James Bond_____ (SEAL)
(Please Type)

Title ____Notary Public_____ My commission expires July 12, 2011.

Note: Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the project is located.

Form 00302-1

END OF DOCUMENT

EXHIBIT 18 – PERFORMANCE BOND FORM

PERFORMANCE BOND NO. 37BCSFK832

KNOW ALL MEN BY THESE PRESENTS: that

XYZ Contracting Company, 3220
Chumley Road, Chattanooga, TN 37421
Name and Address of Contractor

Partnership of the State of Tennessee, the "Principal," and
Corporation, Partnership, or Individual

Hartford Fire Insurance Company, Hartford Plaza, Hartford, CT 06115, the "Surety," are held
Name and Address of Surety
and firmly bound, unto the City of Chattanooga, Tennessee (the "Owner") existing under and by virtue of the laws of the State of Tennessee, The Engineer, and their agents and employees in the sum of One Hundred Seventeen Thousand Nine Hundred Seventy-Four and 62/100 -------Dollars ($117, 974.62) of the United States, for the payment of which sum in lawful money of the United States well and truly to be made we do hereby bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally firmly by these presents.

The condition of this obligation is such that whereas Principal has entered into a certain Contract with the Owner, by written agreement Purchase Order P00326589 dated the 11th day of November, 2008, which by reference is incorporated in and made a part hereof as fully as if copied here verbatim, for the following work:

Refurbishing Seats at the Tivoli Theater, 709 Broad Street, Chattanooga, TN in accordance with Drawings and Specifications prepared by Superior Architectural & Engineering Company,

which contract by reference is made a part hereof, and is hereinafter referred to as the Contract.

Contract Number: P00326589
Contract Title: Tivoli Theater Seats Refurbishing

NOW, THEREFORE, if the Principal shall in all respects comply with and perform all the terms and conditions of the Contract (which includes the Drawings, Specifications, and Contract Documents) and such alterations as may be made in said contract as the documents therein provide for, during the original term thereof and any extensions thereof which may be granted by the Owner, with or without notice to Surety, and during the one-year warranty period, and if Principal shall satisfy all claims and demands and shall fully indemnify, protect, defend, save and hold harmless the Owner, the Engineer, and their agents and employees against and from all costs, expenses, damages, injury, or conduct, want of care, skill, negligence, or default, including compliance with performance guarantees and patent infringement by the Principal, then this obligation shall be void; otherwise, Principal and Surety jointly and severally agree to pay to Owner any difference between the sum to which the Principal would be entitled on completion of the contract and that which the Owner may be obliged to pay for the completion of the work by contract or otherwise, together with any damages, direct or indirect, or consequential, which Owner may sustain on account of such work, or on account of the failure of the Principal to keep and execute all provisions of the Contract.

Principal and Surety further bind themselves, their heirs, executors, administrators, and assigns, jointly and severally, that if the Principal shall keep and perform its agreement to repair or replace defective work or equipment during the warranty period of one (1) year as provided, then this paragraph shall be void; but if default shall be made by Principal in the performance of its contract to so repair or replace said work, then this paragraph shall be in effect and Owner shall have and recover from Principal and its Surety damages for all defective conditions arising by reason of defective materials, work, or labor performed by or on the account of Principal and it is further understood and agreed that this obligation shall be a continuing one against the Principal and Surety hereon, and that successive recoveries may be had hereon for successive breaches until the full amount shall have been exhausted; and it is further understood that the obligation therein to maintain said work shall continue throughout said maintenance period, and the same shall not be changed, diminished, or in any manner affected from any cause during said time; and to fully indemnify, protect, defend, save and hold harmless the Owner, the Engineer, and their agents and employees for any damages it may be caused to pay on account of injury to person, loss of life or damage to property. And the Surety, for value received, hereby stipulates and agrees that the obligations of the Surety and this Bond shall in no way be impaired or affected by any extension of time, modification, omission, addition, or change in or to the contract, the work to be performed thereunder, or by any payment thereunder before the time required therein, or by any waiver of any provision thereof, or by any assignment subletting or other transfer thereof, or of any part thereof, of any work to be performed, or of any moneys due to become due thereunder; and the said Surety does hereby waive notice of any and all such extensions, modifications, omissions, additions, changes, payments, waivers, assignments, subcontracts, and transfer, and hereby stipulates and agrees that any and all things done and omitted to be done by and in relation to executors, administrators, successors, assignees, subcontractors, and other transferees shall have the same effect as to said Surety as though done or omitted to be done by and in relation to the Principal.

00600-2

IN WITNESS WHEREOF, the Principal and Surety have executed this Bond by causing their respective names to be hereunto subscribed and their seals to be hereunto affixed by their duly authorized officers, on this the _15th_ day of ___November_____, 2008.

CONTRACTOR - PRINCIPAL:
XYZ Contracting Company_____

By: George Thomas_____
Name: George Thomas_____
(Please Print or Type)
Title: President and Chief Executive Officer

ATTEST:
__Gregory Jones_____

Name: _____Gregory Jones_____
(Please Print or Type) (SEAL)

Title: Vice President and Chief Operating Officer

Note: Attest for a corporation must be by the corporate secretary; for a partnership by another partner; for an individual by a Notary.

SURETY:

Hartford Fire Insurance Company

By: Carl House_____

Name: Carl House_____
(Please Print or Type)

Title: Supervisor, Underwriting Department

WITNESS:

____James Bond_____

Name: __James Bond_____
(Please Print or Type (SEAL)

Title: Notary Public_____ My commission expires July 12, 2011.

Note: Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the project is located.

Form 00600-1

END OF DOCUMENT

EXHIBIT 19 – (LABOR AND MATERIAL) PAYMENT BOND FORM

PAYMENT BOND NO. 37BCSFK832

KNOW ALL MEN BY THESE PRESENTS: that XYZ Contracting Company,
Name and Address of Contractor

3220 Chumley Road, Chattanooga, TN 37421, a _____Partnership_____,
Corporation, Partnership, or Individual

of the State of Tennessee, the "Principal", and Hartford Fire Insurance Company, Hartford
Name and Address of Surety
Plaza, Hartford, CT 06115, the "Surety," are held and firmly bound unto the City of Chattanooga, Tennessee (the "Owner") existing under and by virtue of the laws of the State of Tennessee, in the sum of One Hundred Seventeen Thousand, Nine Hundred Seventy-Four and 62/100 Dollars ($117,974.62) in lawful money of the United States, for the payment of which sum in lawful money of the United States well and truly to be made we do hereby bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally.

The condition of this obligation is such that whereas Principal has entered into a certain Contract with the Owner, dated as of the 11th day of November, 2008, which is by reference incorporated in and made a part hereof as fully as if copied here verbatim, for the following work:
Refurbishing Seats at the Tivoli Theater, 709 Broad Street, Chattanooga, TN in accordance with Drawings and Specifications prepared by Superior Architectural & Engineering Company, which contract by reference is made a part hereof, and is hereinafter referred to as the Contract.

Contract Number: P00326589
Contract Description: Tivoli Theater Seats Refurbishing

NOW, THEREFORE, if the Principal shall fully pay for all the labor and materials used by said Principal or any immediate or remote subcontractor or furnisher of labor or materials under him in the performance of the work in lawful money of the United States as the same shall become due, including all amounts due for materials, lubricants, oil, gasoline, electricity, coal and coke, repairs on machinery, equipment, and tools, consumed or used in connection with performance of the work and all insurance premiums and other charges incurred under said contract, then this obligation shall be void; otherwise to remain in full force and effect.

Principal and Surety further bind themselves, their heirs, executors, administrators, and assigns, jointly and severally, that they shall promptly make payments of all taxes, licenses, assessments, contributions, penalties, and interest thereon, when, and if, the same may be lawfully due the State of Tennessee or any County, Municipality, or political subdivision thereof by reason of and directly connected with the performance of the Contract, or any part thereof.

And the Surety, for value received, hereby stipulates and agrees that the obligations of the Surety and this Bond shall in no way be impaired or affected by any extension of time, modification, omission, addition, or change in or to the contract, the work to be performed thereunder, or by any payment thereunder before the time required therein, or by any waiver of any provision thereof, or by any assignment subletting or other transfer thereof, or of any part thereof, of any work to be performed, or of any moneys due to become due thereunder; and the said Surety does hereby waive notice of any and all such extensions, modifications, omissions,

additions, changes, payments, waivers, assignments, subcontracts, and transfer, and hereby stipulates and agrees that any and all things done and omitted to be done by and in relation to executors, administrators, successors, assignees, subcontractors, and other transferees shall have the same effect as to said Surety as though done or omitted to be done by and in relation to the Principal.

IN WITNESS WHEREOF, the principal and Surety have executed this Bond by causing their respective names to be hereunto subscribed and their seals to be hereunto affixed by their duly authorized officers, on this the 15th day of November, 2008.

CONTRACTOR - PRINCIPAL:

XYZ Contracting Company

By: George Thomas

Name: George Thomas
(Please Print or Type)

Title: President and Chief Executive Officer

ATTEST:
Gregory Jones

Name: Gregory Jones
(Please Print or Type) (SEAL)

Title: Vice President and Chief Operating Officer

Note: Attest for a corporation must be by the corporate secretary; for a partnership by another partner; for an individual by a Notary.

SURETY:

Hartford Fire Insurance Company

By: Carl House

Name: Carl House
(Please Print or Type)

Title: Supervisor, Underwriting Department

WITNESS:

James Bond

Name: James Bond

(Please Print or Type) (SEAL)

Title: Notary Public_____ My commission expires July 12, 2011.

Note: Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the project is located.

Form 00600-4

END OF DOCUMENT

EXHIBIT 20 – NO COLLUSION AFFIDAVIT

CONTRACT NUMBER P00326589
FOR THE CITY OF CHATTANOOGA

STATE OF __TENNESSEE_____)

COUNTY OF WILLIAMS_ _____)

The undersigned, Harold I. Outlandish_____,
having been duly sworn, deposes and states as follows:

1. I am the (title) Secretary_____
(sole owner, a partner, president, secretary, etc.)

of _____XYZ Contracting Company_____
(Name of Corporation) (Partnership) (Limited Partnership) (Joint Venture)

which is a __Partnership_____
(Corporation) (Proprietorship) (Partnership) (Limited Partnership) (Joint Venture)

in good standing formed under the law of_____Tennessee____ (State of Incorporation or formation), hereinafter referred to as "bidder."

2. I am authorized to make this affidavit on behalf of said bidder, and I have personal knowledge of the matters set forth herein.

3. On November 8th, 2007, said bidder is submitting a bid to the City of Chattanooga for the above captioned contract. This bid was prepared under my personal supervision and direction. During the preparation of the bid, I have taken affirmative steps to inquire about the circumstances of the bid preparation in general and about any contacts between or among this bidder and any other bidders or prospective bidders in particular.

4. I am aware of the Federal and State laws including without limitation, the Sherman Act (15

5. U.S.C. 1) and the Tennessee antitrust laws (T.C.A. 47-25-101, et seq.), which make it illegal to agree to fix or rig bids or otherwise agree to restrain competition in bidding for contracts with the City of Chattanooga. I am aware in particular that violations of the Sherman Act are federal crimes punishable by a fine of up to $1.0 million for a corporation, and a fine of up to $100,000 for an individual or by imprisonment not exceeding three years, or both.

I hereby certify and attest that the bid identified in paragraph 3 is based solely upon the independent knowledge, expertise and business judgment of the bidder acting through its officers and agents and is not the product of,

nor was it prepared in connection with, any contract, combination, conspiracy, understanding or collusion between or among any other bidder or prospective bidder on said contract.

Harold T. Outlandish

Signature

Subscribed and sworn to before me this _8th____ day of November_____, 2007.

Will B. Sure

Notary Public

My Commission Expires: (SEAL)

_July 30, 2010_____

Form 00440-2

END OF DOCUMENT

EXHIBIT 21 – COC RESOLUTION REQUEST FORM

City of Chattanooga

CITY OF CHATTANOOGA CORPORATION SEAL TENNESSEE

Resolution Request Form

(This form is only required for resolutions requiring expenditure of City funds)

Date Prepared: May 15, 2008

Preparer: Department: Police Department

Brief Description of Purpose for Resolution: Resolution Number (if approved by Council):

A Resolution Authorizing the Execution of Contract for Renovation of Equipment Room/Penthouse at the Police Service Center to XYZ Construction in the amount of Nineteen Thousand and Eight Hundred Dollars ($19,800.00)

EXHIBIT 21

Name of Vendor/Contractor/Grant, etc.	XYZ Construction	New Contract/Project? (Yes or No)	Yes
Total project cost $	19,800	Funds Budgeted? (YES or NO)	Yes
Total City of Chattanooga Portion $		Provide Fund	1100
City Amount Funded $		Provide Cost Center	A01703-770100
New City Funding Required $		Proposed Funding Source if not budgeted	
City's Match Percentage %		Grant Period (if applicable)	

List all other funding sources and amount for each contributor.

Amount(s)	Grantor(s)
$	
$	

Agency Grant Number

CFDA Number if known

Approved by:

Reviewed by: FINANCE OFFICE DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, City Attorney and City Finance Officer

EXHIBIT 22 – DRUG FREE WORKPLACE AFFIDAVIT

DRUG FREE WORKPLACE AFFIDAVIT

STATE OF Tennessee

COUNTY OF Hamilton

Comes the affiant after having first been duly sworn and testifies as follows:

1. My name is George Thomas

I hold the principal office of
President and Chief Executive Officer for XYZ Construction Company.
(Name of Principal Office) (Name of Bidding Entity)

XYZ Construction Company has submitted a bid to the City of Chattanooga
(Name of Bidding Entity)
for the construction of the Tivoli Theater seat refurbishing (P00326589)

XYZ Construction Company employs more than five (5) employees.
(Name of Bidding Entity)

In accordance with Tenn. Code Ann. §50-9-113, this is to certify that

XYZ Construction Company has in effect at the time of its submission
(Name of Bidding Entity)
of a bid to perform the construction of the seat refurbishing project identified above, a drug-free workplace program that complies with Title 50, Chapter 9 of the Tennessee Code.

This affidavit is made on personal knowledge.

Further the affiant saith not this 1st day of October 2007.

James Bond

Title: Notary Public

Subscribed and sworn to before me this 1st day of October, 2007.
My Commission Expires: July 12, 2011.

Form 00486-1
END OF DOCUMENT

EXHIBIT 23 – COC FIXED ASSET DISPOSALS FORM

COC FIXED ASSET DISPOSALS FORM

PART-1

REGISTER NO. 246441 DATE ____09/16/2009_____
DESCRIPTION 1995 Ford Crown Victoria Transferred from 2075
DEPT. NO._____E07702_____ DEPARTMENT Storm Water Management
LOCATION CityYards

MAKE ___1995 Crown Victoria_____ **SER. NO**.___2FALP72W4SX175964___

TRANSFERRED WITHIN CITY

PART-2

DATE _____

(FROM) DEPT. NO. DEPARTMENT_____

(TO) DEPT. NO. DEPARTMENT_____

LOCATION _____

CITY OWNERSHIP TERMINATED

PART-3

DATE ___**04/21/2009**
REASON: _____Accident_____
HOW DISPOSED: _AMN 3 American National P&CC_____
AMOUNT COLLECTED:$ _____ **COLL. REPORT NO.:** Policy # 41-A-WE474
APPROVED BY: _____
INSTRUCTIONS:
(PART-1) USE CURRENT DATE AND SUPPLY BALANCE OF INFORMATION FROM FIXED ASSET REGISTER IN YOUR FILES.
(PART-2) USE DATE OF ACTUAL TRANSFER, AND DEPARTMENT TRANSFERRED FROM, AS LISTED ON YOUR FIXED ASSET SHEET.
(PART-3) *USE DATE ITEM TERMINATED AND REASON*, i.e., WRECKED, BURNED OR BEYOND USE. *HOW DISPOSED* - SOLD FOR JUNK, USING FOR SPARE PARTS ETC., *AMOUNT COLLECTED* - MONEY RECIEVED FOR JUNK VALUE.

PREPARED BY _____

EXHIBIT 24 – COC FIXED ASSET INFORMATION SHEET FOR NEW FIXED ASSETS

COC FIXED ASSET INFORMATION SHEET FOR NEW FIXED ASSETS

Departments should fill in all available information below

Fixed Asset Number	
Asset Description	1995 Ford Crown Transferred from 2075
Cost	$0
How acquired (purchase, donated, etc.)	Transferred from Fund 2075 G204
Acquisition Date	9/16/2009
Make	Ford
Model	Crown Victoria
Manufacturer	Ford
Serial Number	2FALP72W4SX175964
Check Number	
PO Number	
Department	Public Works
Division	Storm Water Management
Cost Center	
Permanent Location	City Yards
Responsible Party	

Signed _____

(Print Name and Sign)

Return the completed form to Accounting

EXHIBIT 25 – INVITATION TO BID / REQUEST FOR PROPOSAL ADDENDUM

INVITATION TO BID / REQUEST FOR PROPOSAL ADDENDUM

Authorizing Person:

ADDENDUM NO.: 1

BID NO.: B0004481-R0102499 - Mulch

DATE OF NEW BID OPENING: **October 2, 2007**

DEPARTMENT: **Parks & Recreation**

REASON: NEW BID OPENING DUE TO INADEQUTE RESPONSE

New Bid Opening Date: **October 2, 2007 2:00 P.M., EDST.**

If you are unable to respond to this Invitation to Bid please indicate the reason on this form and return it via fax.

Additional Information:
Please submit sealed bids to:

Purchasing Department
City of Chattanooga
Suite G13
101 E 11th St
Chattanooga, TN 37402

PLEASE SIGN ONE 1) COPY OF ADDENDUM AND RETURN TO THE PURCHASING DEPARTMENT. RETAIN THE OTHER COPY FOR YOUR FILES. FAX SIGNED COPY TO 423-757-0949, Attn:

EXHIBIT 26 – PURCHASING SURPLUS PROPERTY DECLARATION FORM

Item No.	Department	Contact Name & Number	Item Description	Make, Model, & Serial No.	COC ID/Tag No.	Present Condition	Present Estimated Value	Purchase Year
1.	City Court		Desk Chairs (10)	N/A	None	Very Poor	$10	1992
2.	City Court		Telephones (10)	Northern Telecom/ Meridian	None	Fair	$100	1992
3.	City Court		(4) Dell Computer Monitors & Keyboards	Dell #D10286	38942, 38943, 38944, and 38945	Fair	$160	1992
	Comments/ Recommended Disposition:	**Sell by auction**						

EXHIBIT 27 – CONSTRUCTION, LABOR, & SERVICES BID PACKAGE PICK-UP LIST

BID PACKAGE PICK-UP - (CONTRACTORS)

COMPANY NAME	DEPOSIT
XYZ Construction Company - George Thomas	$35
Done Right Construction Co. - Jefferson Dunn	$35
Acme Building Partners - Larry Fault	$35
Potts Contracting - Peter Potts	$35
A - Z Building Partners - Calvin Smith	$35

EXHIBIT 28 – CONTRACTOR'S ID BID ENVELOPE COVER SHEET (FORM 00201)

EXHIBIT 28

SECTION 00201

CONTRACTOR'S IDENTIFICATION

(ALL BLANKS MUST BE FILLED. USE N/A AS NECESSARY)

This form shall be attached to the sealed envelope containing the Bid. Failure to provide all of this information on the sealed envelope will be considered a non-responsive Bid.

BIDDER:

Name: XYZ Contracting Compay

Address: 3220 Chumley Road

Chattanooga, TN 37421

If TaxID Number (TIN) issued, list below. Otherwise, list Owner's Social Security Number (SSN).

TaxID Number: 62-92039303

Tennessee License No.: 30405

License Registration Date: 16-Apr-85

License Expiration Date: 30-Apr-11

Monetary Limit: Unlimited

N/A ($ _____)

Classification : Commercial Building Construction (BC)

Complete the following for all applicable Electrical, Plumbing and Heating, Ventilation, and Air Conditioning Subcontractors: General must fill in space below when performing the Sub-Contractor works:

Subcontractor: Electric City

Tennessee License No.: 98934

License Expiration Date: 31-Jan-10

License Classification: Electrical Construction (EC)

Subcontractor: Crooms Mechanical Company

Tennessee License No.: 33430

License Expiration Date: 30-Nov-12

License Classification: Mechanical Construction (MC)

Subcontractor: N/A

Tennessee License No.: N/A

License Expiration Date: N/A

License Classification: N/A

CITY OF CHATTANOOGA
Purchasing Department
Suite G13 101 E 11th Street
Chattanooga, Tennessee 37402

DATE OF BID OPENING: **Tuesday, May 9, 2009**

LOCATION: Purchasing Department
Suite G13 101 E 11th Street
Chattanooga TN 37402

SEALED BID PROPOSAL FOR :

Contract Description Fire Training Academy

Contract Number: **B00030298**

TIME: 2:00 p.m.

EXHIBIT 29 – PURCHASE APPROVAL BY RESOLUTION

RESOLUTION NO. 26279

A RESOLUTION AUTHORIZING THE ADMINISTRATOR OF PUBLIC WORKS TO AWARD CONTRACT NO. E-09-017-201, ARRA RESURFACING OF BARTON AVENUE, TO HIGHWAYS, INC., FOR ONE HUNDRED EIGHTY-NINE THOUSAND TWO HUNDRED SIXTY-THREE DOLLARS ($189,263.00), PLUS A CONTINGENCY AMOUNT OF EIGHTEEN THOUSAND NINE HUNDRED TWENTY-SIX DOLLARS ($18,926.00), FOR A TOTAL AMOUNT NOT TO EXCEED TWO HUNDRED EIGHT THOUSAND ONE HUNDRED EIGHTY-NINE DOLLARS ($208,189.00).

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That the Administrator of Public Works is authorized to award Contract No. E-09-017-201, ARRA Resurfacing of Barton Avenue, to Highways, Inc., for $189,263.00, plus a contingency amount of $18,926.00, for a total amount not to exceed $208,189.00.

ADOPTED: April 20, 2010.

/mms

EXHIBIT 30 – COMPETITIVE BID EXEMPTION JUSTIFICATION (FORM 00202)

COMPETITIVE BID EXEMPTION JUSTIFICATION

The purpose of this **justification** form is to show that **competitive bidding** is impractical because only one vendor or contractor can meet a specific need. **Purchase** requisitions and proposed contracts for goods or services exceeding $2,000 to be obtained non-**competitively** must be accompanied by this form. The **purchasing** department or contract office, as appropriate, will determine whether the **bid** process should be waived on a case-by-case basis. For more information on the City's **purchasing** policies, see the COC Agency Procurement and Surplus Property Instructional Manual, Sections 2 and 3 respectively.

This form is not required in the following circumstances: (1) services obtained from an individual not exceeding $1,000 per day nor $10,000.00 in a calendar year from date of first purchase (9/7/09), (2) services from speakers, entertainers, or artists for any amount, (3) **purchases** from existing City contracts, (4) contracts for real property acquisition and disposition, (5) real property leases, (6) contracts requiring City Council approval, (7) contracts for professional services, and (8) agreements with other government agencies; or, (9) secondhand equipment or specialized equipment or equipment purchased from any federal, state or municipal agency, where it is not practicable to take bids, may be purchased without taking bids.

Note: Properly documented emergency **purchases** may be excluded from **competitive bidding** under certain conditions. The **purchasing** department should be called as soon as possible to expedite the process. Departments should then complete this form to confirm the emergency.

Please check each applicable item to **justify** the non-**competitive purchase** of a product or service and provide detailed explanations in the space provided below.

(X) Only one product or service can meet the specific need and the product or service is available from only one
source. Describe the unique features and circumstances below.

( ) Urgent need or an emergency situation prevents **competitive** methods. Explain below why **competition**
is/was not feasible.

( ) Compatibility or consistency with past acquisitions of products or services is essential (e.g., for maintaining
continuity of research or avoiding additional costs by changing the supplier of the product or service). Explain
below.

( ) The contract is for services from another governmental unit, such as a Federal agency, or from another
state or local government agency. Specify below.

Purchase for Secondhand, Specialized Equipment Documentation
(X) Historical background information of the equipment is provided such as the previous owner(s), age of
equipment, hours operated (if available), and original purchase price of equipment.
(X) Documentation is included that shows a general cost comparison range of value for the equipment to be
Purchased which have been obtained by either;
(1.) __ A listing in a nationally recognized publication, or;
(2.) __ Through an appraisal given by a licensed appraiser acquired through the Purchasing Division.

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Provide a full description to support the **justification**(s) checked above. Also, explain how you would fulfill your need if this supplier went out of business. Attach additional pages as needed.

Approvals

_____ Sept. 7, 2009
_____ R0035630 _____
Department Head(or person responsible for the account) Date Requisition Number

Approved **Denied**
(X) ( )

_____ Sept. 7, 2009
Purchasing Agent Date

Authority: City Code § 2-552

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EXHIBIT 31 – OWNERSHIP / PARTNERSHIP DISCLOSURE

OWNERSHIP/PARTNERSHIP DISCLOSURE

Company Name (Submitting Bid, RFP, RFQ) _____

Address of Company_____

City_____ **State**_____Zip Code_____

Sole Proprietor_____Limited Partnership_____Corporation_____

Disclose below the name(s) of any Principal(s) with equal to or greater than 10% ownership of the company, if they are party to any other **CURRENT** contract or Memorandums of Understanding (MOU) with the City of Chattanooga. *The same disclosure rule applies to Principals which are* ***CURRENTLY*** *supplying goods or services under an* ***EXPIRED*** *contract or MOU.*

Name of Principal(s) Company Name(s)

_____

_____

List the CONTRACT(S) or MOU(S) for the Principal(s) cited above. (Use reverse side, if needed)

_____

_____

_____

Disclose below the name(s) of any Principal(s) associated with this company, which has a **direct or indirect financial affiliation or interest** in any company which ***they know is*** supplying goods or services in relationship to this proposal, bid, or RFQ.

Name(s) of Principle(s) with Affiliation or interest(s): Name(s) of Affiliated Company(s)

_____ →_____

_____ →_____

_____ →_____

_____ →_____

Signature:_____ Title:_____ Date_____

EXHIBIT 32 – ALTERNATE BID FORM

REQ NO:

DATE:

PURCHASING DEPARTMENT

CITY HALL G13 101 E 11th Street
CHATTANOOGA, TENNESSEE 37402

Alternate Bid Form

Bids will be received at this office
City Hall G13

Requisition No.:
Ordering Dept.:
Buyer:
Phone No.: (423) 757-5184

Items Being Purchased:

Contract for:

***** Alternate Bids Must Be Received *****
NO LATER THAN
2:00 PM Local Time

The City of Chattanooga reserves the right to reject any and/or all bids, waive any informalities in the bids received, and to accept any bid which in its opinion may be for the best interest of the City.

The City of Chattanooga will be non-discriminatory in the purchase of all goods and services on the basis of race, color or national origin.

PLEASE PROVIDE US WITH THE FOLLOWING
Phone/Toll Free No.:_____
Fax No.:_____
E-Mail Address:_____
Contact Person:_____
Mailing Address:_____
Employer's ID No.:_____

EXHIBIT 33 – STANDARD TERMS AND CONDITIONS

General Conditions and Instructions to Bidders

Vendor:

The General rules and conditions which follow apply to all purchases and become a definite part of each formal Invitation to Bid, purchase order or other award issued by the City Purchasing Agent, unless otherwise specified. Bidders, or their authorized representatives, are expected to fully inform themselves as to the conditions, requirements and specifications before submitting bids; failure to do so will be at the Bidder's own risk and he cannot secure relief on the plea of error.

Subject to State and City laws, and all rules, regulations and limitations imposed by legislation of the Federal Government, bids on all advertisements and invitations issued by the Office of the City Purchasing Agent will bind bidders to applicable conditions and requirements here in set forth, unless otherwise specified on the Invitation to Bid.

Conditions of Bidding

1. **Proposal Forms –** Bids shall be submitted only on the forms provided by the City of Chattanooga. The Bidder shall submit two (2) copies signed and sealed, in the envelope provided by the City for that purpose.

2. **Withdrawal of Bids –** A written request for the withdrawal of a bid or any part thereof shall be granted if the request is received by the City of Chattanooga prior to the specified time of opening. Bids submitted may not be amended or withdrawn after the specified time of bid opening.

3. **Late Bids –** Bids received after the specified time of Bid Opening **will not** be accepted.

4. **Submittal of Bids –** Bids must be presented in the special mailing envelope, contained in all bid packages, supplied to all prospective bidders. In the event that the bid contains bulky subject material, the special mailing envelope must be firmly affixed to any other package being used.

5. **Completeness –** All information required by Invitation to Bid must be supplied to constitute a proper bid.

6. **Bids Binding 45 Days –** Unless specified otherwise, all Formal Bids submitted shall be binding for 45 calendar days following bid opening date, unless the Bidder, upon request of the Purchasing Agent, agrees to an extension.

7. **Conditional Bids –** Qualified bids are subject to rejection in whole or in part.

8. **Payment terms –** Terms discount of less than 10 days **will not** be considered in evaluating the bid.

9. **Bids For All or Part –** Unless otherwise specified by the City or by the Bidder, the Purchasing Agent reserves the right to make an award on all items, or on any of the items according to the best interests of the City. Bidder may restrict his bid to consideration in the aggregate by so stating, but should name a unit price on

each item bid upon; any bid in which the bidder names a total price for all the articles without quoting a price on each and every separate item, may be rejected at the option of the City.

10. **Errors in Bids** – When an error is made in extending total prices, the unit bid price will govern. Carelessness in quoting prices or in preparation of bid otherwise, **will not** relieve the bidder. Erasures or changes in bids must be initialed.

11. **Questions Regarding Specifications** – Requests for interpretation of specifications and drawings shall be made to the Purchasing Agent, in writing, not less than five (5) days before the opening of the bids. Any interpretations made to prospective bidders will be expressed in the form of an addendum to the specifications which, if issued, will be sent to all prospective bidders no later than three (3) days before the date set for opening of bids.

12. **Response to Invitations** – In the event you cannot submit a bid on our requirements as set forth in the "Invitation to Bid" and Specifications attached hereto, please return the Invitation to Bid forms with any explanation as to why you are unable to bid on these requirements. It is necessary, periodically, to delete from our Bidders' list, the names of those persons, firms or corporations who fail to respond after having been invited to bid on a commodity or commodities for three (3) successive bid openings.

13. **Taxes** – City of Chattanooga is Tax Exempt.

14. **Catalogs** – Each bidder shall submit in duplicate where necessary or when requested by the Purchasing Agent, catalogs, descriptive literature, and detailed drawings, fully detailing features, designs, construction, finishes, etc., necessary to fully describe the material or work he proposes to furnish.

15. **Competency of Bidder** – No proposal will be accepted from, or Contract awarded to, any person, firm or corporation that is in arrears or is in default to the City of Chattanooga upon any debt or Contract, or that is a defaulter, as surety or otherwise, upon any obligation to said City of Chattanooga, or had failed to perform faithfully any previous Contract with the City of Chattanooga. The bidder, if requested, must present within 48 hours evidence satisfactory to the Purchasing Agent of performance ability and possession of necessary facilities, pecuniary resources and adequate insurance to comply with the terms of these specifications and Contract Documents.

Bid Deposit

16. **Bid Bond, Certificate or Cashier's Check** – When required, each bid shall be accompanied by one of the following: a bid bond signed by a surety company authorized to do business in the State of Tennessee, a Cashier's check, a Certified check, a Treasurer's check, or any other direct obligation drawn on a bank doing business in the United States of America; these shall be made payable to the City of Chattanooga for an amount representing 5% of the total bid. However, if the bidder has on file with the Purchasing Agent an annual bid bond approved by the City, with an uncommitted balance equal to the deposit requirement, a separate deposit need not be furnished. When computing amount of bid for certified check purposes, do not deduct for Trade-ins. U.S. Postal Money Orders are acceptable in lieu of certified checks.

17. **Annual Bid Bonds** – Bidders who regularly do business with the City shall be permitted to file with the Purchasing department an annual bid bond in the amount specified below. Such annual bonds shall be acceptable as surety in lieu of the furnishing of surety with each individual transaction. Annual bid bonds shall be in an amount as determined be the bidder, of no less than failure of the bidder to clearly identify samples as

indicated may be considered sufficient reason for rejection of bid. $2,000.00. If at any time the requirements of a specific bid invitation exceed the amount of the annual bid bond, or should the aggregate amount of the bid security requirements on all unresolved bids submitted by your firm exceed the amount of the annual bid bond, additional surety will be required in the appropriate sum.

18. **Performance Bond** – The successful bidder or bidders must furnish a performance bond as stipulated on the bid cover within ten days of notification that the bid has been accepted. This bond shall be prepared on an approved form made out to the City of Chattanooga, and shall serve as security for the faithful performance of the contractual agreement. The surety thereon must be certified by such surety company or companies as are authorized and licensed to transact business in the State of Tennessee.

19. **Samples** – The samples submitted by bidders of items for which they have received an award may be retained by the City until the delivery of contracted items is completed and accepted. Bidders whose samples are retained may reclaim them after delivery is accepted.

Samples on which bidders are unsuccessful must be reclaimed as soon as possible after award has been made on the item or items for which the samples had been submitted. The City will not be responsible for such samples if not removed by the bidder within 30 days after the award has been made.

Bidders shall make all arrangements for delivery of samples to place designated as well as the removal of samples. Cost of delivery and removal of samples shall be borne by the bidder.

All sample packages shall be marked "Sample for Purchasing Department" and each sample shall bear the name of the bidder, item number, bid number and shall be carefully tagged or marked in a substantial manner.

Any reference to manufacturer's name, Trade name or Catalogs in a request for proposal is intended to be descriptive but not restrictive and only to indicate to the prospective bidder articles that will be satisfactory. Bids on other makes and catalogs will be considered, provided each bidder clearly stated on the face of his proposal exactly what he proposes to furnish, and forwards with his bid, a cut, illustration or other descriptive matter which will clearly indicate the character of the article covered by his bid.

20. **Trade Names** – In bids offering an item identified by a manufacturer's name, trade name, catalog number or reference, it is understood that the bidder proposes to furnish the item so identified and **does not propose to furnish an "equal"** unless the proposed "equal" is definitely indicated therein by the bidder.

If no particular brand, model or make is specified, and if no data are required to be submitted with the bid, the successful contractor, after award and before manufacture or shipment, may be required to submit working drawings or detailed descriptive data sufficient to enable the Purchasing Agent to judge if each requirement of the specifications is being complied with.

21. **Formal Specifications** – The bidder shall abide by and comply with the specifications and not attempt to take advantage of any obvious error or omission, but shall fully complete every part of the bid in accordance with the plans, specifications and General Conditions. Whenever mention is made of any article, material, or workmanship to be in accordance with laws, ordinances, building codes, underwriter's codes, A.S.T.M. regulations, or similar expressions, the requirements of these laws, ordinances, etc., shall be construed as to the minimum requirements of these specifications.

If exceptions to the specifications are taken, **this fact must be clearly stated on Cover Page of the Bid**, and all deviations from the specifications must be noted in detail by the bidder, in writing, at the time of submittal of the formal bid. The absence of a written list of exceptions to the specifications at the time of submittal of the bid will hold the bidder strictly accountable to the City to the specifications as written. Any deviation from the specifications as written not previously submitted, as required by the above, will be grounds for rejection of the material and/or equipment when delivered.

Award

22. **Award or Rejection of Bids** – The Contract will be awarded to the lowest responsive and responsible bidder, complying with all the provisions of the Invitation, provided the bid price is reasonable and it is to the interest of the City to accept it. The Purchasing Agent reserves the right to reject any or all bids and to waive any informality in bids receives whenever such rejection or waiver is in the interest of the City. The Purchasing Agent also reserves the right to reject the bid of a bidder who has previously failed to perform properly or complete on time contracts of a similar nature, or a bid of a bidder who investigation shows is not in a position to perform the contract.

In determining responsibility, the following other qualifications, in addition to price, will be considered by the Purchasing Agent.

a. The ability, capacity and skill of the Bidder to perform the service required.

b. Whether the Bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.

c. The character, integrity, reputation, judgment, experience and efficiency of the Bidder.

d. The quality of performance of previous contracts or services.

e. The previous and existing compliance by the Bidder with laws and ordinances relating to the contract or service.

f. The sufficiency of the financial resources and ability of the Bidder to perform the contract or provide the service.

g. The quality, availability and adaptability of the supplies, or services, to the particular use required.

h. The ability of the Bidder to provide future maintenance and service for the use of the subject of the contract.

i. Whether the Bidder is in arrears to the City on a debt or contract or is a defaulter on surety to the City or whether the Bidder's taxes or assessments are delinquent.

j. Such other information as may be secured having a bearing on the decision to make the award.

k. Consideration will be given to standardization, interchangeability and availability of parts.

In determining a bidder's responsiveness, the Purchasing Agent shall consider material deviations from the advertised specifications which materially affect price, quantity or limit the bidder's liability.

23. **Notice of Acceptance** – A written award (or Acceptance of Bid) mailed (or otherwise furnished) to the successful Bidder within the time for acceptance specified in the Invitation to Bid shall be deemed to result in a binding contract without further action by either party.

24. **Tie Bids** – The COC will investigate the following items to make sure the most local bid gets the contract:

i. The bidder submits copy of gross receipts tax to determine who pay the most

ii. Determination of home office locations

iii. Residence of employees

iv. Flip a coin

25. **Specific Bid Quantities** – Where quantities are specifically stated, acceptance will bind the City to order quantities specified and to pay for, at contract prices, all such supplies or services delivered that meet specifications and conditions of the contract. However, the City will not be required to accept delivery of any balances unordered, as of the contract expiration date, unless Contractor furnishes the Purchasing Agent with a statement of unordered balances not later than ten (10) days after the termination date of the contract.

26. **Requirements Bid Quantities** – On "Requirements" bids, acceptance will bind the City to pay for, at unit bid prices, only quantities ordered and delivered.

Contract Provisions

These Provisions Shall Be a Part of Every Contract

27. **Availability of Funds** – A contract shall be deemed to be in effect only to the extent that there are appropriations available to each Agency for the purchase of such articles. The City's extended obligation on those contracts which envision extended funding through successive fiscal periods shall be contingent upon actual appropriations for the following fiscal year.

28. **Contract Alterations** – No alterations or variations in the terms of a contract shall be valid or binding upon the City unless made in writing and signed by the Purchasing Agent or his authorized agent.

29. **Termination of Contracts** – Contracts will remain in force for full periods specified and until all articles ordered before date of termination shall have been satisfactorily delivered and accepted and thereafter until all requirements and conditions shall have been met, unless terminated prior to expiration date by unsatisfactory deliveries of entire contract requirements.

30. **Subletting of Contracts** – It is mutually understood and agreed that the Contractor shall not assign, transfer, convey, sublet or otherwise dispose of his contract or his right, title or interest therein, or his power to execute such contract, to any other person, firm or corporation, without the previous written consent of the City Purchasing Agent, but in no case shall such consent relieve the Contractor from his obligations, or change the terms of the contract.

31. **Default** – In the event of default, the City may award the contract to the next lowest bidder, if such bidder is willing to enter the contract, or may cover in the open market, or may seek any other remedy provided by the

Tennessee Uniform Commercial Code, and may hold the defaulting contractor liable for all damages provided by law, including cost of cover.

32. **Non-Liability** – The Contractor shall not be liable in damages for delay in shipment or failure to deliver when such delay or failure is the result of fire, flood, strike, act of God, act of government, act of alien enemy or by any other circumstances beyond the control of the contractor. Under such circumstances, however, the Purchasing Agent may in his discretion, cancel the contract.

33. **New Goods, Fresh Stock** – All contracts, unless otherwise specifically stated, shall produce new commodities, fresh stock, latest model, design or pack.

34. **Non-Discrimination** – Contractor, in performing under this contract, shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, creed, color, age or national origin, or handicap, or sex, nor otherwise commit an unfair employment practice. Contractor further agrees that this article will be incorporated by Contractor in all contracts entered into with suppliers of materials or services, contractors and sub-contractors and all labor organizations, furnishing skilled, unskilled and craft union skilled labor, or who may perform any such labor or services in connection with this contract.

35. **Guarantee** – Unless otherwise specified, the Contractor shall unconditionally guarantee the materials and workmanship on all equipment furnished by him for a period on one year from date of the acceptance of the items delivered and installed, or the guarantee period, whichever is longer, unless otherwise specified herein. If, within the guarantee period, any defects or signs of deterioration are noted, which, in the opinion of the City are due to faulty design or installation, workmanship or materials, upon notification, the contractor, at his expense, shall repair or adjust the equipment or parts to correct the condition, or he shall replace the part or entire unit to the complete satisfaction of the City. These repairs, replacements or adjustments shall be made only at such time as will be designated by the City at least detrimental to the operation of City business.

36. **Diversity Business**

Contractor is encouraged to provide documentation of commitment to diversity as represented by its business strategy, business relationships, and workforce. This documentation should include the following:

- A list of the Minorities Contractor that will participate in the project.
- The percent given to Minorities in the project.
- Effort made to include Minorities in project.

37. **Placing of Orders** – Orders against contracts will be placed with the Contractor on either a Purchasing Order or Blanket Purchase Order executed release by the Purchasing Agent. Telephonic orders placed directly with the Contractor by the ordering Agency may be authorized by the Purchasing Agent only after execution of a Shipping Release.

38. **Provision of Other Agencies** – Unless otherwise stipulated by the bidder, the bidder agrees when submitting his bid that he/she will make available to all City agencies and departments, joint City agencies, in-City municipalities, the bid prices he/she submits in accordance with the bid terms and conditions, should any said department or agency wish to buy under this bid proposal.

39. **Open Records - Which is through our City Attorney's Office**

Pursuant to recently adopted provisions in the Tennessee Open Records Act, which became effective October 1, 2008, and the policies adopted by the Office of Open Records Counsel (OORC), municipal record custodians are now required to provide some response to public records requests no later than 7 business days after receipt of a records request. Pursuant to the Tennessee Open Records Act, the municipal record custodian must respond within 7 days and either:

1) provide the requested records for review, or

2) provide a written explanation of why the records will not be made available and /or

3) provide communication that record production will take longer than 7 days to compile/research the data. In this event the municipal record custodian will provide an estimated length of time necessary before production or requested records will occur.

There is no charge to view documents which are determined to be public records. However, as provided by the written policies adopted by the OORC, applicable charges for expenses incurred by the municipality to respond to a public records request many include:

1) the cost of employee(s) time in excess of one hour to compile/research/redact the documents requested and

2) if copies of the documents are requested, the copying cost is $.15 for b/w and $.50 for color on 8 1/2" X 11" pages.

The Schedule of Fees and the Policy on Frequent and Multiple requests of copies of public records as established by the OORC are attached. Pursuant to the policies adopted by the OORC, municipalities are permitted to charge for any labor in excess of one hour that is required to compile documents for citizens' review. In the event that more than four (4) requests are made by any citizen per calendar month, records custodians are also permitted to stop providing a free hour of labor beginning with the fifth (5th) request for records. See the policy on Frequent and Multiple Requests for Copies of Public Records adopted by the OORC on January 9, 2009. If a records custodian reasonably believes a group of individuals are acting in concert and chooses to group together their requests for copies for purposes of charging for labor, the records custodian must file a Notice of Aggregation with the OORC.

40. **Responsibility for Materials Shipped** – The contractor shall be responsible for the materials or supplies covered by the contract until they are delivered at the destination point, but the contractor shall bear all risk on rejected material or supplies after notice of rejection. Rejected materials or supplies must be removed by and at the expense of the contractor promptly after notification of rejection, unless public health and safety require immediate destruction or other disposal of rejected delivery.

41. **Inspections** – Inspection and acceptance of materials or supplies will be made after delivery. Final inspection shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud. Final inspection and acceptance or rejection of the materials or supplies will be made as promptly as practicable, but failure to inspect and accept or reject materials or supplies shall not impose liability on the City for such materials or supplies as are not in accordance with the Specifications. All delivered materials shall be accepted subject to inspection and physical count.

42. **Time of Delivery** – Deliveries will be accepted between 8:30a.m. and 4:00p.m. on weekdays only. No deliveries will be accepted on Saturdays, Sundays or Holidays.

43. **Packing Slips or Delivery Tickets** – All **Shipments** or **Deliveries** shall be accompanied by Packing Slips or Delivery Tickets, and shall contain the following information for each item delivered:

The Purchase Order Number

The Name of the Article and Stock Number (Supplier's)

The Quantity Ordered

The Quantity Shipped

The Quantity Back Ordered

The Name of the Contractor

Bidders are cautioned that failure to comply with these conditions SHALL BE CONSIDERED SUFFICIENT REASON FOR REFUSAL TO ACCEPT THE GOODS.

44. **General Guaranty** – Contractor agrees to:

a. Save the City, its agents and employees harmless from liability of any nature or kind for use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of the contract which the contractor is not the patentee, assignee licensee or owner.

b. Protect the City against latent defective material or workmanship and to repair or replace any damages or marring occasioned in transit or delivery.

c. Furnish adequate protection against damage to all work and to repair damages of any kind, to the building or equipment, to his own work or to the work of other contractors, for which he or his workmen is responsible.

d. Pay for all permits, licenses and fees and give all notices and comply with all laws, ordinances, rules and regulations of the City and State of Tennessee, and the United States of America.

45. **Indemnity** – Contractor shall indemnify, keep and save harmless the City, its agents, officials and employees, against all injuries, death , loss, damages, claims, patent claims, suits, liabilities, judgments, cost and expenses, which may in any way accrue against the City in consequence of the granting of the contractor or which may in any way result there from, whether or not it shall be alleged or determined that the act was caused through negligence or omission of the Contractor or his employees, of the subcontractor or his employees, if any, or of the City or its employees, and the Contractor shall, at his own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising there from or incurred in connection therewith, and if any judgment shall be rendered against the City in any such action, the Contractor shall at his own expense, satisfy, and discharge the same. Contractor expressly understands and agrees that any performance bond or insurance protection required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the City as herein provided.

46. **Collusive Bidding** – The Bidder certifies that his bid is made without any previous understanding, agreement or connection with any person, firm, or corporation making a bid for the same project without prior

knowledge of competitive prices, and is in all respects fair, without outside control, collusion, fraud or otherwise illegal action.

47. **Identical Bidding –** All identical bids submitted to the City as a result of advertised procurement for materials, supplies, equipment or services exceeding $1,000.00 in total amount shall, at the discretion of the City, be reported to the Attorney General of the United States in accordance with Form DJ-1510 and the Presidential Order dated April 24, 1961 for possible violation and enforcement of antitrust laws.

48. **Waiver or Modification of General Conditions and Instructions** - The Director of Purchasing may in his discretion waive or modify one or more of these General Conditions and Instructions that are inapplicable or inappropriate for a particular contract or purchase. A request for a waiver of or modification of any such condition or instruction shall be submitted in writing to the Director of Purchasing together with supporting justification for any waiver or modification. Any such waiver or modification approved by the Director of Purchasing must be in writing to modify any general Condition or instruction.

DATE_____

COMPANY_____

ADDRESS_____

ADDRESS_____

SIGNED_____

TITLE_____