

# City of Johnson City, TN

# Procurement

# Policies

# & Procedures



A handwritten signature in blue ink that reads 'Debbie Dillon'.

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Director of Purchasing

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## SECTION I – POLICIES AND PROCEDURES

1. **PURPOSE:** The purpose of this manual is to set forth policies, procedures and standards for the City of Johnson City’s Purchasing Department and all City departments that execute purchases. It serves as a procurement guide for City employees and officials, and all purchases shall be processed in accordance with these policies and procedures. The contents of this document are not intended to conflict with any existing law. In the unlikely event that any aspect of this manual conflicts with the law, the law shall take precedence and said sections(s) in conflict shall be severed from the manual. All other provisions, sections, and subsections hereof shall not be affected thereby and shall remain in full force and effect.
  
2. **MISSION STATEMENT AND OBJECTIVES:** To accomplish the purpose described above, the Purchasing Department’s mission statement and objectives are as follows:

*Our mission is to provide professional services to acquire quality goods and services in the most cost effective, efficient and timely manner, while adhering to all applicable procurement legislation, for departments of the City and Schools. It is our policy to ensure an open and fair, competitive environment for all vendors who wish to do business with the City.*

*Our objective is to maintain the integrity of the procurement process in a manner that facilitates fair and open competition while closely adhering to the City of Johnson City’s procurement code.*
  
3. **ENABLING LEGISLATION:** The Johnson City Charter addresses purchasing by designating the City Manager as the Purchasing Agent for the City. City Charter section 45.8 reads: “In addition to his other powers and duties, the City Manager of Johnson City shall act as purchasing agent for the City and shall purchase material, supplies, equipment and services for the proper conduct of the City’s business. He shall have the power to delegate the authority and responsibility of the daily procurement activities and shall establish a central purchasing office responsible for management and direction of the full spectrum of procurement activities. The Board of Commissioners shall prescribe, by ordinance, the maximum expenditure which the City Manager may make without specific authorization of the Board to the maximum amount authorized by applicable law and shall approve the operating procedures and policies relating to procurement and materials management”. The Municipal Purchasing Law of 1983 does not apply to purchases by authorized officials in municipalities having charter provisions or private act requirements governing competitive bidding and

purchasing (T.C.A. 6-56-302(1)). In November 1993 the City formally adopted Purchasing Policy Ordinance #3165.

In 2012, the Board of Commissioners passed Ordinance #4437-12 which authorizes the City Manager to expend funds at his discretion, without specific authorization of the Board of Commissioners, not to exceed the maximum sum of twenty-five thousand dollars (\$25,000).

In 2015, the Board of Commissioners passed Ordinance #4593-15 which, in accordance with T.C.A. 12-3-1212, increased the threshold over which public advertisement and sealed competitive bids or proposals are required to twenty-five thousand dollars (\$25,000) for nonemergency, nonproprietary purchases. Per this ordinance, the City Manager or his designee has authority to issue contracts for routine purchases up to twenty-five thousand dollars (\$25,000) within the following conditional guidelines:

- a. Purchases shall be obtained through the approved procurement methods
- b. Award shall be made to the lowest responsible and responsive bidder meeting quality and performance specifications that are in the City's best interest
- c. There is no apparent controversy surrounding the process or any question about selection of the awarded vendor

As the City Manager's designee, the Director of Purchasing is granted authority to purchase and contract for needed goods and services using procurement methods under the centralized purchasing concept that will foster competition in compliance with applicable Federal and State Anti-trust laws.

4. **GENERAL INFORMATION:** All purchases on the City's behalf shall be authorized either by a procurement card (p-card), repair order, parts order, purchase order or other contract approved by the City Manager, prior to ordering. A vendor has no legal authority to supply the item without proper authorization, and the City is not obligated to pay.

- 4.1 Estimated cost of items will enable purchasing to determine what method of purchase is required.
- 4.2 If a purchase request is incomplete or not properly prepared, the Purchasing Department may return it to the originating

department for completion. Incomplete requests can cause unnecessary delays.

- 4.3 Purchases shall not be split to circumvent any provision of the City Code/Charter, this manual, or any policy established by the City. Also, purchases shall not be charged to a wrong line item because there are funds available.
- 4.4 If a purchase request is urgent, it should be marked with a brief explanation. This process will be the exception rather than the rule and should not be due to poor planning.
- 4.5 Purchaser shall not give a verbal order to a vendor without a purchase order number. A purchase order is a contract, and a vendor has no legal authority to supply the item without written documentation.
- 4.6 All purchase requests submitted to the Purchasing Department will be reviewed and subject to change if determined to be in the City's best interest.
- 4.7 Travel/procurement cards shall be used for all approved travel related expenses and shall comply with the City's Travel Policy #HR-160.

5. **PURCHASING DEPARTMENT ROLE:** The Purchasing Department is a staff activity of the City of Johnson City, operating under the direction and supervision of the City Manager, who is designated as the Purchasing Agent by directive of the City Charter. The Director of Purchasing shall have general supervision over the department and reports to the Assistant City Manager.

- 5.1 The Purchasing Department is responsible for the procurement of all City supplies, equipment and services and for the disposal of all surplus property in accordance with the City Charter. Unless otherwise directed by the City Manager, in writing, the Board of Commissioners, City Manager and the Director of Purchasing (and their designees) are the only representatives authorized to obligate the expenditure of City funds above the small purchase threshold.
- 5.2 The Purchasing Department will provide assistance to all departments within the City to secure the best materials, supplies, equipment, and services at the lowest possible cost, consistent with the quality needed for the proper operation of each

department. To have an effective and efficient purchasing program, all City employees, directly or indirectly associated with the purchasing function, must work as a team to promote the City's best interests in obtaining the maximum value for each dollar of expenditure. For any purchases made on behalf of the City, the Purchasing Director, upon careful review, reserves the right to recommend alternate awards as may be in the City's best interest.

6. **PURCHASING DEPARTMENT RESPONSIBILITIES:** The Purchasing Department is responsible for ensuring that competition be free and open without preference or consideration of special interests. Service and material providers shall be selected in an atmosphere free of fear or favor, without political duress or similar contrast. Responsibilities of the Department include the following:

- a. To aid and cooperate with all departments in meeting their needs for procuring supplies, equipment and services
- b. To process all purchase requests in a timely manner and maintain all procurement files
- c. To select vendors, prepare purchase orders, process and maintain purchase order and requisition files
- d. To prepare, solicit and advertise formal quotes and sealed solicitations
- e. To negotiate contracts that are otherwise not suitable for competitive bidding
- f. To establish and enforce purchase specifications as needed
- g. To monitor established contract usage
- h. To prescribe forms and acquire information from using agencies relating to the purchase and management of goods and services
- i. To transfer or dispose of any items that are declared surplus
- j. To resolve contract performance issues
- k. To monitor and distribute wireless devices in accordance with the City's Cellular Devices Policy #IT-103.
- l. To provide procurement card training and distribution as per the City's Procurement Card Policies and Procedures.
- m. To delegate authority to staff and using departments to perform these duties according and subject to rules and regulations set forth and approved by the City Manager and the Board of Commissioners.

**7. REQUESTING DEPARTMENT RESPONSIBILITIES:**

- a. To properly plan their material, service and supply needs in order to provide ample lead time for the Purchasing Department to process the requisition, issue the purchase order and allow for delivery time from the supplier.
- b. To prepare a complete and accurate description of the materials, supplies and/or services needed.
- c. To assist Purchasing by suggesting sources of supply and obtaining prices if below the formal solicitation threshold.
- d. To initiate specification preparation on items to be solicited.
- e. To advise Purchasing of defective merchandise or dissatisfaction with vendor performance. **Written documentation is required.**
- f. To acknowledge receipt of merchandise or service by completing the proper paperwork and documenting any discrepancies in quantity, condition or quality of goods.
- g. To submit properly completed paperwork/photos of any proposed surplus
- h. To maintain/store departmental property that is surplus or obsolete until such time that it is sold or disposed of.

**8. REQUESTING DEPARTMENT PERSONNEL PURCHASE AUTHORITY:** The Purchasing Department maintains a signature file of departmental personnel who are authorized to make purchases or approve payments on behalf of the Department. Purchasing Authorization Forms will be completed every fiscal year.

**9. LIMITS OF EXPENDITURE AND AUTHORITY LEVELS:**

The following charts depict, in large part, the manner in which purchases are made and the associated authority levels. The thresholds indicate the lawful manner in which purchases may occur. When planning a purchase for the City, employees must bear the following thresholds in mind:

**9.1 LIMITS OF EXPENDITURE**

| <b>DOLLAR THRESHOLD</b> | <b>PURCHASE METHOD</b> | <b>PROCESS</b>  |
|-------------------------|------------------------|---|
| \$2,000 & under         | Small Purchase         | Procurement-card (p-card)   |
| \$2,001 - \$14,999      | Informal Quote         | Requisition to purchasing including price quotes (3 preferred)      |
| \$15,000 - \$24,999     | Formal Quote           | Requisition to Purchasing. Purchasing issues Formal quote requests. |
| \$25,000+               | Sealed Solicitation    | Requisition to Purchasing. Purchasing issues Sealed Solicitation.   |

**9.2 PROCUREMENT AUTHORITY LEVELS**

| <b>DOLLAR THRESHOLD</b> | <b>AUTHORIZED PERSONNEL</b>      |
|-------------------------|----------------------------------|
| \$ 2,000 & under        | All City Personnel               |
| \$ 50,000 & under       | City Manager/Purchasing Director |
| \$ 50,001+*             | Board of Commissioners           |

\*Per Ordinance 4707-19 November 21, 2019

10. **METHODS OF PURCHASE:** The following purchase methods detail the mechanisms by which the Purchasing Department procures products and services. Other purchase methods (sole source, emergency, cooperative contract, state contract, etc.) may be utilized if determined by the Director of Purchasing to be in the City’s best interest.

10.1 **SMALL PURCHASE (\$2,000 & Under):** Any procurement not exceeding the small purchase amount can be made by an authorized procurement card holder in accordance with the Procurement Card Policies and Procedures; however, that procurement requirement shall not be artificially divided so as to constitute a small purchase under this section. Small/P-card purchases are governed by monthly credit limits, and single purchase limits, all of which are governed by the Procurement Card Policies and Procedures Manual.

10.2 **INFORMAL QUOTE (\$2,001 To \$14,999):** An approved requisition shall be submitted to the Purchasing Department with all applicable information including product and/or service details. A minimum of three (3) written or e-mail quotes are preferred but requisitioners are encouraged to obtain

as many quotes as possible. Quotes can be submitted with the requisition or obtained by the Purchasing Department. If three sources are not available, an explanation will be supplied with the request. Upon concurrence of the Purchasing Director and the required approvals and requirements have been met, the Purchasing Department will issue the purchase order and/or contract and notify the vendor and requisitioner.

- 103 **FORMAL QUOTE/INVITATION TO QUOTE (ITQ) (\$15,000 to \$24,999):** An approved requisition shall be submitted to the Purchasing Department with all applicable equipment/service specifications (electronically preferred). The Purchasing Department will prepare and solicit the formal request for quote which will also be available/downloadable on the City website. All formal quote requests will include the Invitation to Quote Terms and Conditions that will become a part of the contract (Exhibit A). Quote results will be forwarded to the requisitioner for review.
- 104 **SEALED SOLICITATIONS/INVITATION TO BID (ITB) (\$25,000 +):** An approved requisition shall be submitted (electronically preferred) to the Purchasing Department with applicable specifications. The Purchasing Department will prepare and solicit either an Invitation to Bid (ITB), Request for Proposal (RFP) or Request for Qualifications (RFQ), which will also be available/downloadable on the City website. All sealed solicitations will include the Sealed Solicitation General Terms and Conditions (Exhibit L) and the Requirements for Bids, Request for Proposals, and Contracts, etc. (Exhibit M), both of which will become part of the contract.
11. **SOLICITATION PROCESS: FORMAL QUOTES \$15,000 to \$24,999:** Formal quote requests will be prepared and solicited by the Purchasing Department. Electronic responses are acceptable. Solicitations will be posted on the City website and are due prior to the deadline specified in the solicitation. Quote results will be available as soon as practical thereafter and posted on the City website. The Purchasing Department shall be notified when a recommendation is ready. Upon concurrence of the Purchasing Director and the required approvals and requirements have been met, the Purchasing Department will issue the purchase order and/or contract and notify the vendor and requisitioner.
12. **SOLICITATION PROCESS: SEALED SOLICITATIONS \$25,000+ (ITB'S/RFQ'S & RFP'S):** Public notice of the intent will be advertised at least once, not less than five (5) calendar days before the date set for receipt of solicitation. Solicitations will also be posted on the City website. Solicitations will be publicly opened at the time, date, and place specified in the solicitation. Solicitations received after the

deadline will not be considered and will be destroyed or returned unopened, upon vendor request. The official time will be that of the date and time clock in the Purchasing Department. The City reserves the right to postpone any solicitation opening under circumstances warranting such action, including but not limited to instances when the City receives fewer than two responses.

12.1 All solicitations will be closed from public inspection during the evaluation process until the Purchasing Department finalizes and posts the award recommendation on the City website. The Purchasing Department shall be notified when a recommendation is ready. Upon concurrence of the Purchasing Director and the required approvals and requirements have been met, the Purchasing Department will issue the purchase order and/or contract and notify the vendor and requisitioner.

12.2 Acceptable solicitation methods which can be utilized include: the Sealed Bid, Multi-Step Bid, Competitive Proposal process or Request for Qualification process.

12.2.1 **COMPETITIVE SEALED BIDDING - INVITATION TO BID (ITB)** is a written invitation to bid containing specifications and contractual terms and conditions applicable to the material or service requested. Only bids submitted on bid forms furnished by the City will be considered. Bids on company letterhead, company bid forms or other substitutions will be declared non-responsive.

a. A public bid opening will be held at which time the bids are read aloud and public inspection is allowed. Bid tabulations will be available as soon as practical thereafter and posted on the City website. Evaluation is based on the requirements set forth in the invitation that may include, but not be limited to, life cycle costing, value analysis, inspection, testing, samples, demonstrations, delivery/completion timeframe, quality, performance and suitability for a particular purpose. Award, if made, will be to the lowest responsible and responsive bidder meeting quality and performance standards.

b. Each solicitation must contain the full name and address of the business and be signed in ink by a person authorized to bind that company to a contract. Unsigned responses will not be considered, read or tabulated, and cannot be signed during or after the opening, even if the company representative is present. The Director of Purchasing has the authority to waive

technicalities, irregularities, and/or abnormalities concerning solicitation submissions. Additionally, the Purchasing Director may follow up with individual Respondent's after the solicitation opening to obtain documents, clarifications or other information pertinent to the solicitation when it is in the best interest of the City.

12.2.2 **MULTI-STEP SEALED BIDDING** is a two phase process. It consists of a technical first phase composed of one or more steps in which the bidder submits an unpriced technical offer to be evaluated by the City and a second phase in which those bidders whose technical offers are determined to be acceptable during the first phase, have their price considered. A public bid opening will be held at which time only the name of the Respondents are read aloud. No public inspection is allowed at this time. The list of respondents will be available as soon as practical thereafter and posted on the City website.

a. This method is designed to obtain the benefits of Competitive Sealed Bidding by award of a contract to the lowest responsive, responsible bidder while also obtaining the benefits of the Competitive Sealed Proposals procedure. Technical offers and vendor presentations are utilized to evaluate and determine acceptability.

12.2.3 **COMPETITIVE NEGOTIATION/REQUEST FOR PROPOSAL (RFP) AND REQUEST FOR QUALIFICATIONS (RFQ)** processes are used when the Competitive Sealed Bid (including Multi-Step Bid) process is not practicable or advantageous to the City. A public opening will be held at which time only the name of the Respondents are read aloud. No public inspection is allowed at this time. The respondent's list will be available as soon as practical thereafter and posted on the City website.

a. A written Request for Proposal shall be issued indicating in general terms what is to be procured. It will specify the factors that will be used in evaluating the proposal and contain or incorporate by reference other applicable contractual terms and conditions, outlining any unique capabilities, qualifications, expertise and experience that will be required of the contractor or service provider.

- b. Selection shall be made of two or more proposers deemed to be fully qualified and best suited among those submitting proposals, based on the factors involved in the request, including price, if so stated. Negotiations shall then be conducted with the top rated proposer and a contract offered if both parties agree. If a contract cannot be negotiated with the top rated proposer, then negotiations shall be conducted with the second rated proposer and a contract offered if both parties agree, and so on.
- c. Offerors shall be accorded fair and equal treatment regarding any opportunity for discussion and revision of proposals. Such revisions may be permitted after submission and before award in order to obtain the best and final offer. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing proposers. This method of contracting is suitable for use in acquiring professional services.

13. **EXCEPTIONS TO THE ABOVE PURCHASE METHODS:** The following methods of purchase/award may be used in the event the above methods are not practicable or advantageous to the City, as determined by the Director of Purchasing. These methods can include, but not be limited to:

- a. Sole source of supply or proprietary items
- b. Preferred/best source
- c. Emergency expenditures
- d. Purchase of used items (T.C.A. § 12-3-1202)
- e. State of Tennessee contract purchase (T.C.A. § 12-3-1201)
- f. Federal and State surplus property acquisitions
- g. Property obtained from other governmental agencies (T.C.A. § 12-2-420)
- h. Purchases for and from other local governmental units (T.C.A. § 12-3-1203)
- i. Purchases utilizing cooperative contracts (T.C.A. § 12-3-1205)
- j. Federal Government (GSA) contracts
- k. Repair orders issued by Fleet Management (no greater than \$5,000)
- l. Parts orders issued by Fleet Management (no greater than \$ 1,500)
- m. Any other methods that may be determined to be in the best interest of the City by the Purchasing Director

- 13.1 **SOLE SOURCE PROCUREMENT POLICY:** Where permitted by law, and notwithstanding any other provision of this manual, a contract may be awarded for a supply, service, or construction item without competition when, under procedures established by the City, the Director of Purchasing, or a designee, determines, in writing, that there is only one product/service and only one source for the required supply, service or construction item. Purchasers having knowledge of only one source of supply shall provide justification with the requisition. A single source or proprietary item must be documented by a complete explanation as to the special need and why it is not available from other sources. Note that the Purchasing Department may conduct research to confirm this information.
- 13.2 **PREFERRED/BEST SOURCE POLICY:** Pending Purchasing Director approval, this method may be utilized when a vendor has specific knowledge/experience with the type/scope of product/work being provided and it is determined to be in the best interest of the City to utilize this specific vendor. Written justification must be submitted by the authorized requestor for review by the Purchasing Director.
- 13.3 **EMERGENCY PROCUREMENT POLICY:** Emergency purchases are costly and should be kept to a minimum. Emergency purchases are defined as when critical functions and operations of the department would be hampered by proceeding in the regular manner or where property, equipment, or life are endangered through unexpected circumstances and materials and labors, etc., are needed immediately.
- 13.3.1 Where permitted by law, and notwithstanding any other provision of this manual, the Director of Purchasing, or a designee, may make or authorize others to make an emergency purchase where there exists a threat to public health, welfare or safety. Such emergency procurements shall be made with as much competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the contractor shall become part of the procurement file. The above policy statement shall not apply to procurements that were caused from poor planning or scheduling by the requesting department as determined by the City Manager or his/her designee.
- 13.3.2 If an emergency occurs and is over the small purchase threshold the following shall apply:

- a. If the emergency occurs during the Purchasing Department's normal operating hours, the requesting department shall contact Purchasing and submit required information including appropriate departmental approval to the Purchasing Department for authorization to proceed.
- b. If the emergency occurs after the Purchasing Department's normal operating hours (weekends & holidays), the requesting Department head or an authorized representative shall call or email the Purchasing Department and leave a voice message or email AT THE TIME OF THE EMERGENCY with specifics. Per this policy, Departments are authorized to purchase the needed materials/items using the following purchase order format: #ER and date of repair (ex: #ER022717). In this situation only the authorized user can procure as needed using the above P.O. format. All necessary Department approvals are required to be secured prior to placing an order.
- c. If the emergency is over \$25,000, pending City Manager approval, the applicable Department Head shall canvas the Board of Commissioners and receive verbal approval in order to proceed. The emergency purchase shall be confirmed by the Board of Commissioners at their next regularly scheduled or called meeting.

134 **PURCHASE OF USED (SECONDHAND) ITEMS:** As per T.C.A. § 12-3- 1202 (a) Any municipality may purchase used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities from any federal, state, or local governmental unit or agency without public advertisement and competitive soliciting. T.C.A. § 12-3-1202 (b) Any municipality may purchase used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities from any private individual or entity without public advertisement and competitive soliciting as long as the purchasing government documents the general range of value of the purchased item through a listing in a nationally recognized publication or through an appraisal by a licensed appraiser, and the price is not more than five percent (5%) higher than the highest value of the documented range.

Used equipment may be purchased without sealed solicitations if all of the following exist:

- a. There is a considerable savings over new equipment and the department has a justifiable need
- b. The source has been identified as reputable
- c. Other sources have been researched for availability of item(s)
- d. The price is reasonable and within department budget limits
- e. The equipment is purchased from another governmental agency

135 **STATE OF TENNESSEE CONTRACT:** Per T.C.A. § 12-3-1201 local governments in Tennessee are authorized to purchase items and services from the State of Tennessee contracts without using the competitive process.

136 **FEDERAL AND STATE SURPLUS PROPERTY:** Authority is granted to the City's Purchasing Director or his/her designee to monitor both federal and state surplus property programs and to allow purchases to be made if (a) the price is reasonable; (b) the item is budgeted; (c) funds are available; and (d) justification of need is provided. A purchase order and/or approval to purchase will be obtained from the Purchasing Department before making the purchase.

137 **PROPERTY OBTAINED FROM OTHER GOVERNMENTAL AGENCIES:** Per T.C.A. § 12-2-420 local governments may purchase, trade or receive as a gift any used or surplus personal property from another governmental agency.

13.7.1 Purchasing surplus property from governmental entities through public auction including web-based public auction sites (i.e.; GovDeals.com) is allowable. The following criteria must be met:

- a. The Request for Purchase and not to exceed amount must be established and approved by either the Board of Commissioners or the City Manager (dependent on the expenditure value). Copies of the approval shall be directed to the Purchasing Department.
- b. No tax shall be paid on any item purchased at public auction, except to the extent that no exemption is available to the City under applicable law
- c. The Department Director, or their designated proxy, shall act as bidder for the City at the auction

- d. The bidder is prohibited from submitting any bid above the pre-approved not-to-exceed amount
- e. If the City is the successful bidder, the Finance Department Director may determine at his/her discretion if payment by wire transfer or a check is a more cost effective option. A "Certificate of Sale" will be effected and copies of all sales certificates, receipts, bills of sale and other applicable documents (i.e.: certification that items are free of any liens or encumbrances, operational manuals, etc.) must be forwarded to the Purchasing and Finance Directors.

138 **PURCHASES FOR AND FROM OTHER LOCAL GOVERNMENTAL UNITS:** Per T.C.A. § 12-3-1203 local governmental units of the state may, upon request, purchase supplies, equipment, and services for any other municipality, county, utility district, or other local governmental unit. Purchases are required to comply with the following sections of T.C.A.:

- a. T.C.A. § 12-3-1203 (a)(1) The purchases shall be made on the same terms and under the same rules and regulations as regular purchases of the purchasing entity.
- b. T.C.A. § 12-3-1203 (a)(2) The cost of the purchase shall be borne by the local government for which the purchase was made.
- c. T.C.A. § 12-3-1203 (a)(3) Where the local government making the request is required to advertise and receive bids, it shall be sufficient for those purposes that the purchasing entity comply only with its own purchasing requirements.
- d. T.C.A. § 12-3-1203 (c)(1) Any municipality, county, utility district, or other local governmental unit of this state may purchase supplies, goods, equipment, and services under contracts or price agreements entered into by any other local governmental unit of this state. Such purchases shall be made on the same terms and under the same rules and regulations as regular purchases of the purchasing entity. Any local governmental unit that purchases supplies, goods, equipment, or services under this section shall directly handle payment, refunds, returns, and any other communication or requirements involved in the purchase without involving the local governmental unit that originated the contract. The originating local governmental unit shall have no

liability or responsibility for any purchases made by another local governmental unit under a contract that the originating local governmental unit negotiated and consummated. Where any local or private act, charter, or general law requires that a local governmental unit purchase by competitive bidding, the local governmental unit may, notwithstanding the local or private act, charter, or general law, purchase without public advertisement or competitive bidding in accordance with this section.

- e. T.C.A. § 12-3-1203 (c) (2) This subsection shall not apply to: Purchases of new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in § 12-3-1208; and (B) Purchases related to any transportation infrastructure project, including, but not limited to, projects for the construction or improvement of streets, highways, bridges, tunnels, or any roadway related facility.

139 **COOPERATIVE PURCHASING AGREEMENTS:** Per T.C.A. § 12-3-1205(b), the City may purchase from Cooperatives and an agency of the United States (GSA). GSA purchases are limited to specific schedules (70 and 84) except in an emergency.

- a. T.C.A. § 12-3-1205(b) (1) Notwithstanding any other law to the contrary, any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any goods, supplies, services, or equipment with one (1) or more other governmental entities outside this state, to the extent the laws of the other state permit the joint exercise of purchasing authority, or with an agency of the United States, to the extent federal law permits the joint exercise of purchasing authority, in accordance with an agreement entered into between or among the participants; provided, such goods, supplies, services, or equipment were procured in a manner that constitutes competitive bidding and were advertised, evaluated, and awarded by a governmental entity and made available for use by other governmental entities.
- b. Per T.C.A. § 12-3-1205 this subsection shall not apply to: purchases of new or unused motor vehicles; purchases of construction services or equipment, engineering or architectural services, fuel, fuel products and lubricating oils.

13.10 **FEDERAL GOVERNMENT (GSA) CONTRACTS:** The Cooperative Purchasing Program allows state, local and tribal governments to benefit from pre-vetted industry partners on a variety of information technology products and services as well as security and law enforcement products and services offered through specific GSA Schedule contracts. This program allows eligible entities to purchase from Cooperative Purchasing approved industry partners, at any time, for any reason, using any funds available. Schedule contracts open under Cooperative Purchasing, include:

- a. Schedule 70 - This is the largest and most widely-used acquisition vehicle in the federal government. It features a wide variety of information technology products and services including mobile device and mobile application management (MDM/MAM) tools, automated data processing equipment (firmware), software, cloud computing services, hardware, support equipment, and professional services.
- b. Schedule 84 - This is used for the purchase of security and law enforcement equipment. It features alarm and signal systems, facility management systems, firefighting and rescue equipment, law enforcement and security equipment, marine craft and related equipment, special purpose clothing, and related services.
- c. GSA's Disaster Purchasing Program allows state and local governments to buy supplies and services directly from all GSA Schedules to facilitate recovery from major disaster or facilitate disaster preparation and response.

13.11 **FLEET MANAGEMENT PARTS ORDERS (\$1,500 or less):** The Parts Order Form is used exclusively by Fleet Management in lieu of a purchase order when repair parts are needed for vehicles, equipment or machinery and shall not exceed \$1,500. Fleet Management is responsible for obtaining price quotes and for the proper use and administration of these forms. The

forms must be processed prior to services rendered by vendor. Fleet Management is also responsible for maintaining a numerical master record of these numbered forms. When submitted for payment a copy shall be forwarded to the Purchasing Department.

13.12 **OTHER NECESSARY REPAIRS:** For necessary repairs of machinery, equipment, etc. that are not maintained by Fleet Management, or the repair of buildings, staff shall follow the proper procedures based on the cost of the repairs. If the repair is a TRUE emergency, follow proper Emergency Procurement Procedures (Section I. #13.3). Submit a request to the Purchasing Department with all the associated details. Note that insurance requirements may apply and are not based on dollar value but on the possible exposure to the City. See Insurance (Exhibits B & C).

14. **SPECIAL REQUIREMENTS FOR CONSTRUCTION PROJECTS:** As per the Tennessee Board of Architectural and Engineering Examiners Reference Manual – public works projects involving architecture, engineering or landscape architecture by the State, any county, city, town, village, or other political subdivision of the state must have plans, specifications, and estimates prepared by a registered architect/engineer when they are:

- a. Greater than \$50,000 (contemplated expenditure for complete project) or
- b. Alter the structural, mechanical, or electrical system of the project.
- c. In no case can anyone other than an architect or engineer registered in Tennessee provide design documentation with regard to assembly, institutional, and educational occupancies.

15. **PROTEST PROCEDURE:** Any protest to the award of a contract by the City of Johnson City shall be submitted, in writing, to the Director of Purchasing, with a copy to the City Manager, and delivered not later than seven (7) calendar days from the date of the City's award recommendation. The award recommendation will be posted by the Purchasing Department on the City website. In order for the City to consider the protest, a protest bond in the amount of \$350 (cashier's check payable to the City of Johnson City or Cash) must be submitted to the Purchasing Director. This protest bond will serve as a guarantee by the protester of the validity and accuracy of the protest. If the protest is denied by the City Manager, the bond will be retained to cover costs associated with the protest. In the event the protest is upheld, the bond will be returned to the vendor.

15.1 The award of a contract does not have to be delayed during the seven day period allowed for a bidder or offeror to protest; however, in the event of a timely protest, no further action to award the contract will be taken

unless there is a written determination that proceeding without delay is necessary to protect the public interest or unless the bid or offer will expire.

15.2 Upon receipt and review of written submission and any independent investigation deemed appropriate by the City, the City Manager shall either:

- a. Render a decision that shall be final and advise all interested parties of same in writing or
- b. At the sole election of the City Manager, in his/her absolute discretion, conduct an informal hearing at which time the interested participating parties will be afforded an opportunity to present their respective position and facts, documents, justification and technical information in support thereof.

15.3 Parties may, but are not required to, be represented by counsel at the informal hearing, which will not be subject to formal rules of evidence or court procedures. Following the informal hearing, the City Manager shall render a decision that shall be final and advise all interested parties thereof in writing.

16. **SURPLUS PROPERTY POLICY AND PROCEDURES:** City owned property that was purchased at or has a current value of \$25,000 or more, that has reached the end of its useful life and is ready for disposal shall be declared as surplus property. Prior to disposal, the surplus request must be approved by the Board of Commissioners. For City owned property that was acquired at a cost of less than \$25,000, a request to declare the property surplus shall be submitted to Purchasing for disposal/sale. Proceeds from disposition shall be credited to the applicable fund. Purchasing shall have the authority to dispose of surplus, scrap, excess or obsolete property, and to regulate its disposal in a manner deemed to be in the City's best interest.

16.1 The Department Director or his/her designee initiates a surplus request by completing the appropriate surplus request form (Exhibits D or E) and submitting it to the Purchasing Department. The Purchasing Department will verify the asset information (make, model, year, VIN, etc.) and check for any remaining book value. Any revisions will be reflected on the surplus request form. If applicable, upon completion of all documentation the Purchasing Department will submit to the Board of Commissioners for approval consideration. Equipment acquired by a department through

federal or state grant funding which no longer serves the needs for which originally acquired shall be disposed of in accordance with the property management regulations of the funding agency.

- 162 The Requesting Department is required to submit the following forms (as applicable) to the Purchasing Director. Purchasing will submit these forms to Fleet Management for appropriate scoring and approval.
- a. Surplus Declaration Form is used for machinery, equipment and miscellaneous items (Exhibit D)
  - b. Surplus Vehicle/Equipment Declaration Form is used for vehicles and rolling stock surplus requests (Exhibit E)
  - c. Proposed Surplus Vehicle/Equipment Declaration Form is used as an informational only document. This document will be used as a proposed vehicle exchange for a new purchased vehicle. The form will be submitted along with the new vehicle/equipment purchase recommendation. If purchasing a vehicle/equipment with no intent to surrender an item, the request shall provide an explanation and must be approved by Fleet Management as per the City's Fleet Replacement Policy. Otherwise, at the time of new vehicle/equipment receipt, an actual vehicle/equipment surplus form must be submitted for review and elimination from the City's fleet (Exhibit F).
- 163 Disposition of surplus: After the surplus request has been approved either by the Purchasing Director, City Manager, or Board of Commissioners (as appropriate) and the replacement vehicle/equipment has been received, the applicable vehicle or equipment inspection forms and a minimum of three photographs must be submitted to Purchasing within 30 days. All markings related to the City (name, logo, or any number references) shall be removed or permanently covered up prior to taking photographs. The Purchasing Department will post the item(s) for sale utilizing a web-based online auction service or by any other means determined to be in the best interest of the City. The Purchasing Department will strive to post the items for sale within 90 days of receipt of all information. The Requesting Department will be notified when the sale is posted and of the eventual results. All surplus sales will be advertised in the local newspaper and posted on the City website.

164 T.C.A. § 6-54-125 prohibits municipal officials and employees from purchasing surplus property except at public auction during the tenure of such person's office or employment or for six (6) months thereafter. According to T.C.A. § 6-54-134, sale of surplus property by public auction includes sale by internet auction allowing the City of Johnson City to sell its surplus property by public auction, through a web-based auction site. City officials and employees are permitted to participate in public auctions, including web-based auctions, but prohibited from doing so while on City time or using City computers.

17. **CONFISCATED/IMPOUNDED DISPOSAL:** The Police Department will notify the Purchasing Department when an accumulation of confiscated/impounded property is ready for sale. Impounded and confiscated goods (vehicles, equipment, etc.) are sold by the City through public auction after being released for sale by the Police Department. The released/approved confiscated item listing shall be submitted along with the applicable vehicle or equipment inspection forms and a minimum of three photographs. Board of Commissioners' approval is not required for confiscated items.

17.1 Confiscated or retired firearms may not be sold at public auctions. After a court order has been rendered, if applicable, they may be sold or traded by the City utilizing a formal solicitation process.

17.2 Per T.C.A. § 12-2-208, no person involved in the seizure of property may purchase such property, including at public auction. Employees and officials purchasing or bidding on seized property shall attest in writing to the Purchasing Department that they have not been involved in any way with the seizure of said property.

18. **ETHICS IN PROCUREMENT AND CONTRACTING:** The code of ethics in procurement and contracting applies to all City of Johnson City employees who interact with the public and represent the City in any procurement or contracting transactions. All employees must discharge their duties fairly and impartially. They must also maintain a standard of conduct that inspires public confidence in the integrity of the City's procurement process.

18.1 **GENERAL STANDARDS OF ETHICAL CONDUCT.** The following standards shall serve as guidelines for employee conduct:

- a. Any attempt to realize personal gain through public employment inconsistent with the responsible discharge of that public employment is a breach of public trust.

- b. Employees shall base all purchases on the principle of competitive bidding/quotes consistent with policies of the City.
- c. Employees shall grant all competitive quotes or bids equal consideration, regard each transaction on its own merits, and promote fair, ethical, and legal trade practices.
- d. Employees shall avoid misrepresentation and deception of any type. They must also demand honesty in sales representations, whether offered through the medium of a verbal or written statement, an advertisement, or a sample of a product.
- e. Employees shall accord prompt and courteous reception to all who call on legitimate business missions.
- f. Employees shall not use the original designs developed by a vendor for competitive purposes without written consent.
- g. Employees shall avoid any action which might result in or create the appearance of impropriety.
- h. Employees may not give out information about any solicitation other than what is contained in the published document. Any information provided must be distributed in a controlled manner to ensure that all potential vendors receive the same information. This is done through an addendum and originates from the Purchasing Department.

182 **PERSONAL INTEREST OF OFFICERS PROHIBITED:** Per T.C.A. § 12-4-101 (a)(1) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation. This subdivision (a)(1) shall not be construed to prohibit any officer, committee person, director, or any person, other than a member of a local governing body of a county or municipality, from voting on the budget, appropriation

resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.

Per T.C.A. § 12-4-101 (b) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

## **SECTION II – DEFINITIONS, ADDITIONAL TERMS, AND TERM REFERENCES**

1. Acceptance of Solicitations – The City of Johnson City reserves the right to reject any or all solicitations, to waive informalities or irregularities in a solicitation, to make awards to more than one vendor, to accept any part or all of a solicitation or to accept that solicitation or solicitations which in the judgment of the proper authority is in the best interest of the City.
2. Acceptance Period – The City shall have sixty (60) days after the solicitation opening date in which to review the submittals and enter into a contract, unless otherwise specified in the solicitation. Periods exceeding the sixty (60) days shall be acceptable if by mutual consent of both parties.
3. Addendum – Any necessary change to a bid/rfp must be submitted via an "addendum" form issued by the Purchasing Department. Any addenda not issued by the Purchasing Department are not valid. Addenda will be issued to all known, interested parties and posted on the City website. All addenda issued shall become part of the solicitation documents. It is the vendor's responsibility to determine and acknowledge any or all addenda issued for a solicitation. No addenda will be issued less than two (2) working days prior to the solicitation opening as per T.C.A. §, 12-4-113, as amended.
4. Alternate Product Specifications – Should it be found, after solicitations have been opened, that a product or service different from the original specifications would better serve the City's needs, the City may reject all solicitations and produce another solicitation based on a revised set of requirements.

5. Annual Purchase Orders – Annual purchase orders may be issued to cover materials and supplies needed on a regular basis from area manufacturers or vendors who qualify as sole source suppliers. This same type order may also be issued to agencies of the City that provide an exclusive service such as utilities and health care facilities.
6. Anti-Trust Laws – All purchases shall be made according to applicable prevailing state and federal antitrust laws. Non-competitive practices will not be encouraged or approved. All methods of purchases shall be designed to promote open and fair competition.
7. Approved Equal Policy – Specifications furnished in the sealed solicitation establish a desired level of quality, service and performance. The intent is to set forth minimum requirements that will provide the City with the best product or service available at the lowest possible total cost.

If a vendor offers an alternate they must include the brand name and/or model and complete descriptive literature and specifications that clearly describe the article offered and how it differs from the reference brand. The City alone will determine whether an alternate is equivalent and meets the standards of quality and suitability to the City's needs in performance, quality and purpose. An alternate that is determined equal may be accepted by the City.

8. Award to Other than Low Bidder – If the award is made to other than the low bidder, a complete statement of the reasons will accompany the recommendation and will be filed with the bid documents. The responsibility for justification rests with the requisitioner. If the Purchasing Director does not concur, the requisitioner will be solely responsible for the appropriate approvals.
9. BAFO – The best and final offer (BAFO) process represents an optional step in the selection process in the request for proposal (RFP) process and is not part of the contract negotiation process.
10. Bid Bond – A bid bond ensures the bid or proposal will not be withdrawn for a period of sixty (60) days, ensures the bidder/proposer will execute a contract and ensures the bidder/proposer will furnish such bonds, insurance certificates, etc. as required by the City in the solicitation. If a bid bond is required and not included in the submittal, the submittal may not be considered. A bid bond shall be issued by a surety company licensed to do business in the State of Tennessee, the amount of which will be stated in the bid as a set amount or a percentage of the total bid price that shall not exceed five percent (5%) of the total contract price. Bid bonds submitted by unsuccessful vendors will be returned upon request. In lieu of a bid bond, a cashier's check (made out to the City of Johnson City, TN) will be acceptable. Personal checks are not acceptable.

Solicitations may require a bid bond in order to guarantee the bidder will enter into a contract should their offer be accepted and a performance and payment bond to guarantee that the contractor will perform the contract according to the specifications of the bid document and make all necessary payments.

11. Blanket Purchase Orders – Blanket purchase orders may be issued for repetitive small dollar purchases that are combined into one contract. Blanket order purchases cannot exceed \$2,000 daily and \$14,999 annually.
12. The Brooks Act – (Public Law 92-582), A Federal requirement, also known as Qualifications Based Selection (QBS), which was enacted on October 18, 1972, that establishes the Federally funded procurement process by which Architects and Engineers are selected for design contracts with design and construction agencies.
13. Cash Discounts – Vendors are urged to compute cash discounts into their submitted price with terms of payment to be Net Thirty (30) days, unless otherwise specified in the solicitation. Additional discounts for prompt payment may be a consideration in the bid award.
14. Change Order – A Change Order provides the vendor written authority to change the scope of the original contract. Any changes necessary to an existing order will be brought forward through a change order. A written notification must be submitted to the Purchasing Department stating the reasons for a change. After the appropriate approvals have been secured, the change order will be executed by the Purchasing Department.
15. Classification of Bidders – Bidders eligible for contract award must be both responsible and responsive.
16. Confiscated Property – Property that has been seized by the City's Police Department.
17. Conflict Of Interest – The provisions of this article supplement, but do not supersede, other provisions of law including T.C.A. § 12-4-101. No employee shall have any financial interest in the profits of any contract, service or other work performed by the City, he shall not personally profit directly or indirectly from any contract, purchase, sale or service between the City and any person or company. Any employee violating provisions of this rule shall be subject to appropriate disciplinary actions including dismissal. If a using department has knowledge that a former employee is or may be submitting pricing to the City – that information must be communicated to the Purchasing Director.
18. Contracts/Agreements – All contracts and agreements are formal and legally binding. Contracts and agreements (other than the City's standard purchase

order) must be reviewed and approved by the Legal Department prior to issuing contract/agreement. When an award is made requiring a signed contract/agreement rather than a purchase order for construction or major projects, the requesting department has the responsibility of formulating and executing the contract. A copy of the executed contract and associated documents will be retained in the solicitation file. A purchase order, properly endorsed by the City Manager's designated agent and one accepted by the vendor, also forms a binding contract.

19. Contracts for Professional Services – As per T.C.A. §12-4-107 All contracts for architectural, engineering and construction services shall be procured using the Request for Qualifications procurement method (Brooks Act procedures). When soliciting an RFP/RFQ for architectural, engineering and construction services, cost cannot be a factor in the selection process.

Per T.C.A. §12-4-107 (4) A city, county or utility district having a satisfactory existing working relationship for architectural or engineering services may expand the scope of the services provided that they are within the technical competency of the existing firm, without exercising this section.

20. Contract Termination – The City may choose to terminate any contract for cause following written notification of intent.
21. Criminal History Affidavit – For all Public Works Contracts \$25,000 or more on School property - all bidders must execute the Criminal History Affidavit (Exhibit G). Contractor shall comply with Tennessee Code Annotated Section 49-5-413, which requires all contractors to conduct a criminal history records check conducted by the Tennessee Bureau of Investigation on each employee prior to permitting the employee to have contact with students or enter school grounds when students are present.
22. Delinquent Delivery – The Purchasing Department will check delivery dates as stated on the purchase order and contact the vendor if the scheduled delivery is not met. Any unreasonable extension of delivery time will be reported to the Requisitioner to determine if the order should be cancelled or a penalty imposed on the vendor.
23. Drug Free Workplace – All bidders must execute the Drug Free Workplace Affidavit (Exhibit H) to verify compliance with T.C.A. § 50-9-113 and return same with solicitation response. Failure to comply with this requirement will declare that submittal as non-responsive.

To comply with T.C.A. § Title 50 Chapter 9 Part 1, all bidders and/or those proposing to do service with the City must have a testing program of the same or better than the requirements of the City of Johnson City.

The City's program is as follows: The City of Johnson City recognizes its responsibility to provide safe and efficient operations for our employees, our citizens and the general public. Our commitment to provide safe and efficient operations is shown by the implementation of programs and procedures which ensure compliance with appropriate safety measures, as well as the letter and intent of all applicable laws and regulations. There is sufficient evidence to conclude that the use of illegal drug/alcohol; drug/alcohol dependence and drug/alcohol abuse seriously impair employee performance and general physical and mental health. The illegal possession and use of drugs, alcohol and/or narcotics by employees of the City is a crime in this jurisdiction and is clearly unacceptable. Therefore, the City of Johnson City has adopted this written policy to ensure an employee's fitness for duty as a condition of employment and to ensure the drug tests and alcohol tests are conducted on safety-sensitive positions during the pre-employment physical, random testing, suspicion testing, and return-to-duty testing.

24. Duration of Contracts – The City of Johnson City may enter into multi-year contracts for supplies or services for any period of time deemed to be in the best interests of the City, provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting. Succeeding fiscal periods shall be subject to availability and appropriation of funds.
25. Federal Grant Compliance – In addition to the City of Johnson City's Procurement Policy and Procedure Manual, several departments operate under additional policies and procedures for procurements that are partially or fully funded with federal funds to ensure that all federal regulations regarding procurements are being followed. These procedures are kept on file in the departments and with the Purchasing Department and updated as often as necessary as federal regulations change.

Johnson City Transit, by direction of Federal Transit Administration (FTA), has a Procurement Policies and Procedures manual for FTA funded projects. This manual is in accordance with FTA Third Party Contracting Guidance Circular. Such purchases may include specific applicable FTA Clauses that will be considered part of the contract.

26. Gifts and Rebates – Purchasing Staff are expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any purchase order or contract is, or might be, awarded, any rebate, gift, special consideration, money or anything of value.
27. Indemnification – In submitting a solicitation response, the vendor shall indemnify and defend the City against any and all claims or legal actions arising as a result of

his performance of the contract, whether or not such claims relate to damages or alleged sustained by physical injury to contractor's personnel, subcontractors, City employees or other persons or against any lawsuits arising from alleged or actual patent infringements, and shall hold the City, its various departments, employees, and any and all persons or entities acting on its behalf harmless from the same.

28. Information Technology Related Purchases – Any purchase of technology related goods/services and subscriptions (including software renewals) shall be approved by the Information Technology Director or designee. The intent is to maintain uniformity of quality and functionality, as well as compatibility, throughout the City.

Copiers – prior to switching out copiers or printers, the Information Technology Department must be contacted to make arrangements to have the memory cleared before removal or transfer.

29. Insurance – The City may require specific insurance (as per the City's Insurance Manual) for any purchase or solicitation of goods and services. The applicable Insurance Checklist and Insurance General Contact forms will apply (Exhibits B & C). The amount will be determined by the scope of work relative to the risk involved. The amount of insurance coverage required is a function of the extent of the risk inherent in the contract and is not related to the contract value. The Risk Manager shall determine the requirements and shall review and approve such prior to any contract award. These requirements are intended to assure the financial responsibility of the contractors and suppliers and to protect the assets of the City and the public from injuries or damages arising out of the negligence or nonperformance of those with whom the City has contracted and of anyone that serves as subcontractor for any contracted work.

30. Internal Purchase Order – If an award is made utilizing a contract or agreement, the City may issue an Internal Purchase Order which is used for tracking and auditing purposes only. The official document will be the signed contract or agreement.

31. Iran Divestment Act – As per T.C.A. § 12-12-111 (2017) (a) On or after July 1, 2016, every bid or proposal made to a political subdivision of the state or any public department, agency, or official thereof where competitive bidding is required by statute, rule, regulation, or local ordinance or resolution, for work or services performed or to be performed or goods sold or to be sold, shall contain the following statement subscribed by the bidder and affirmed by such bidder as true under the penalties of perjury: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list

created pursuant to § 12-12-106." This requirement is incorporated in the bid submittal form or as a separate form "Acknowledge of Forms" (Exhibit N).

The State of Tennessee list is available at:

<http://tennessee.gov/generalservices/article/Public-Information-library>

32. Mistakes in Bids – Any mistake in a bid may be corrected prior to the bid opening. The correction must be done in ink and initialed by the person making the correction, who shall be an authorized representative of the company. After the bid opening but before an award is made, mistakes may be corrected only if minor in nature and the intent of the bid is apparent. Major mistakes, if detected at this stage in the bid process, may not be corrected but withdrawal could be allowed if the bidder provides a written request stating the reasons for the error. Mistakes detected after the award has been made do not relieve the contractor from performance according to the contract requirements. Failure to perform will result in default penalty. In the event of a price extension error the unit price will prevail.
33. Multi-year Award – Certain materials, supplies or services may best be awarded for a contract period of one year, renewable in one year increments not to exceed five year terms. The City also reserves the right to extend these contracts for additional years if in the City's best interest. T.C.A. § 12-3-305 (3)(c). These contracts are generally conditioned upon the prices, terms and conditions of the original solicitation remaining unchanged. Should it be determined at the end of any term that the solicitation is not renewable, the contract will be re-solicited.
34. Oral Interpretations – No oral interpretations or instructions given by any City employee or any other person shall apply to any solicitation. Changes relative to any purchase document will be in writing to all known vendors and will originate from the Purchasing Department.
35. Partial Payment – Partial (or progress) payment may be allowed only if addressed in the solicitation.
36. Performance and Payment Bonds – Performance and Payment bonds ensure the City against cash loss that might result if the vendor does not complete the project/tasks as contracted. Such bonds help ensure that the successful vendor will properly complete and meet the standards and specifications of the contract and will help protect the City against any financial claims for unpaid debts associated with the project. If the vendor fails to meet the conditions of the contract the performance may be forfeited. Performance and Payment bonds shall be issued by a surety company licensed to do business in the State of Tennessee, the amount of which will be stated in the bid as a percentage of the total bid price that shall not exceed one hundred percent (100%) of the total

contract price. Performance and payment bonds must be filed with the Purchasing Department within ten (10) working days after the contract has been issued. In lieu of a performance or payment bond, a cashier's check (made out to the City of Johnson City, TN) will be acceptable. Personal checks are not acceptable.

An irrevocable letter of credit from a state or national bank or state or federal and savings loan association having its principal office in Tennessee may be accepted instead of a performance and payment bond, subject to approval of the terms and conditions of said irrevocable letter of credit. In the event that the successful bidder fails to furnish performance and payment bonds and execute a contract within the time period allowed, the bid deposit of the bidder shall be retained by the City as liquidated damages and not as a penalty.

37. Pre-bid/proposal meeting – It may be determined that a pre-bid/proposal meeting is necessary to ensure the scope of work is clear and to answer questions by potential bidders/proposers. Any changes/clarifications discussed at this meeting will be brought forward in the form of an addendum. This meeting may be mandatory and if so will be clearly stated in the solicitation. If attendance is mandatory, only those firms whose names are listed on the pre-bid attendance roster are eligible to submit a solicitation.
38. Price Negotiation – The Director of Purchasing may enter into price negotiation if it is determined there is only one source of supply and the item is proprietary or if the successful bidder/proposer's price exceeds the amount budgeted for that particular product/service. Construction projects that are over budget may be discussed with the low bidder provided the contractor's working papers are presented for line item review and evaluation and the scope or intent of the project does not change.
39. Public Advertisement – This is the City's official notice of a search for qualified vendors on a requested purchase for goods or services. The notice provides the public with details about the solicitation, rules of submission and award. In addition to public advertisement every effort deemed appropriate to notify all known prospective vendors will be made to foster competition and assure adequate response to each solicitation.
40. Public Disclosure of Bidders – Bid lists and information regarding the names and number of bidders on any solicitation will not become a part of the bid file until after the bids are opened. On large construction projects the plan holders list is public information.
41. Public Examination of Bid – Bidders present at bid openings may examine any bid and supporting documents submitted unless they have been declared confidential

or proprietary by the bidder. During the evaluation phase, after the bids are opened and before an award is made, the bid package is a working product not subject to review. Bid tabulations are posted on the City website as soon as practical after the opening. Recommendation and subsequent award information is also posted on the City's website. The bid package becomes a matter of public record after the bid is approved by the Board of Commissioners, if required, and a bid award is made by the Purchasing Department.

42. Public Examination of Proposals (RFPs and RFQs) – Proposals are not eligible for public inspection until an award is made. A list of proposal respondents is available and will be posted on the City website as soon as practical after the opening. Recommendation and subsequent award information is also posted on the City website. Proposals become a matter of public record after an award is made.
43. Purchase Order – A purchase order is executed (after all necessary approvals) by the Purchasing Department and is the contract document that authorizes the vendor or contractor to furnish the materials or service as specified and to invoice the City for same. Purchase orders shall be written so they are clear, concise and complete and shall contain reference for all necessary required approvals (City Manager, Board of Commissioners, Insurance, etc.) (Exhibit I)
44. Quality Assurance, Inspection and Testing – The Director of Purchasing or a designee may take such steps as deemed desirable to ascertain or verify supplies, services or construction items procured conform to specifications. This authority may be delegated to the requisitioner if the best interest of the City is served. A Qualified Products List (QPL) may be created that specifies certain products or manufacturers that have been examined and tested and have satisfied all applicable qualification requirements. These lists may be used on procurements to set a standard when quality is such a critical factor and testing is so lengthy or expensive that a QPL will better facilitate the purchase.
45. Recycled Product Policy – The City of Johnson City shall be environmentally conscious by encouraging the use of recycled products whenever practicable and in the best interest of the City.
46. Requisitions – Requisitions are requests from Department Directors (or otherwise authorized designee) issued to the Purchasing Department to purchase or lease commodities or services. A requisition is required for purchases over the same dollar threshold (Exhibit K).
47. Responsible Bidder – Is defined as a vendor or contractor who has the capacity in all respects to satisfactorily comply with all contract requirements and the integrity and reliability that will assure good faith performance in a timely manner.

48. Responsive Bidder – Is defined as a vendor or contractor who has submitted a bid/solicitation that conforms in all material respects to all documents, whether attached or incorporated by reference, utilized for soliciting bids.
49. Retainage Escrow Accounts – T.C.A. § 66-34-104 requires a separate escrow account for retainage withheld on construction contracts and sub-contracts of \$500,000 or greater. The release of those funds can only be approved by the City upon satisfactory performance by the contractor. All escrow accounts are required to be housed with the City's financial institution. The City's standard escrow agreement has been approved by the Legal Department and is required for all applicable contracts.
50. Report of Goods/Services Received Form – The Report of Goods/Services Received form (ROGR) is designed to notify the Purchasing and Finance Departments that a partial payment needs to be made (partial delivery of goods/services). ROGRs are also used for small purchase items only in the event the vendor does not take procurement cards and must be marked with "Vendor doesn't accept p-cards." (Exhibit Q)  
  
ROGR is not necessary when a purchase order is complete and ready for payment. Submit the P.O. copy marked as complete and an appropriate invoice
51. Sample Product Policy – The Purchasing Department may request a sample product as part of a solicitation. Failure of a vendor to comply with this request may remove their submittal from consideration. Samples will be provided free of charge to the City and will remain the property of the City if not picked up by the bidder within two weeks of the solicitation award. Samples of the successful vendor will be retained until delivery is received and accepted as being equal to the sample.
52. Shipping Charges – Prices shall include all shipping charges to the point of destination (FOB: Delivered) with freight prepaid and allowed, unless otherwise specified in the solicitation.
53. Solicitation Award – Contracts and purchases, if made, will be entered into with the lowest responsive and responsible bidder(s) meeting specification both in quality and performance for materials or services as deemed in the best interest and advantage of the City. Should there be only one responsive submitter and adequate steps have been taken to assure competition, the City may enter into a contract with a single respondent providing the terms, conditions and specifications of the solicitation have been met and price is reasonable and within budgetary limits.

The following may also be considered in the award of a solicitation:

- a. The ability of the vendor to perform the contract or provide the material or service required in a timely manner without delay or interference
  - b. The character, integrity, reputation, experience and efficiency of the vendor
  - c. Past performance of the vendor on contracts for supply of materials and services
  - d. The ability of the vendor to provide future maintenance and service for the material purchased
  - e. The quality and performance of the product or service as related to its intended use
  - f. Special prompt payment discounts
  - g. Any other provision that has been identified in the solicitation and might affect the value received for the expenditure
54. Solicitation Cancellation – The issuance of a solicitation does not compel the City to award a contract. A solicitation may be cancelled in whole or in part when there are clear and compelling reasons that the cancellation is in the City’s best interest. The Purchasing Director has the authority to cancel a solicitation when in the best interest of the City. A cancellation notice shall be posted on the City website and all interested parties shall be notified. The reasons shall be made a part of the solicitation file.
55. Solicitation Extensions – The City reserves the right to purchase additional like items from any solicitation, without re-soliciting, provided the subsequent purchase is within a one-year period from the original contract award date and the specifications, prices terms and conditions have remained unchanged and both parties agree.
56. Solicitation Postponement – The City reserves the right to postpone any solicitation opening under circumstances warranting such action, including but not limited to instances when the City receives fewer than two responses.
57. State Contractors License – For Public Works Contracts \$ 25,000 or more - Bidder must be a licensed contractor in the State of Tennessee, as required by the Contractor's Licensing Act of 1994, State of Tennessee (T.C.A. § 62-6-119). The “Contractors Envelope Form” (Exhibit J) must be completed and attached to the outermost bid submittal envelope or included with the electronic bid document (whichever is applicable). A copy of Bidder’s State Contractor’s License shall be included with bid package.

T.C.A. § 62-6-102 (4) (A) (i) "Contractor" means any person or entity that undertakes to, attempts to or submits a price or bid or offers to construct, supervise, superintend, oversee, schedule, direct or in any manner assume charge of the construction, alteration, repair, improvement, movement, demolition, putting up, tearing down or furnishing labor to install material or equipment for

any building, highway, road, railroad, sewer, grading, excavation, pipeline, public utility structure, project development, housing, housing development, improvement or any other construction undertaking for which the total cost is twenty-five thousand dollars (\$25,000) or more; provided, however, with respect to a licensed masonry contractor, such term means and includes the masonry portion of the construction project, the total cost of which exceeds one hundred thousand dollars (\$100,000), materials and labor.

58. Surplus Property – City owned property that has reached the end of its useful life and is ready for disposal.
59. Tax Exemption - The City is exempt from Federal excise tax, State, and City sales tax. Contractors are not exempt from the use tax on materials and supplies used in the production of an item or in the performance of a repair or construction contract. Tax exemption certificates will be furnished upon request.
60. Tie Bids – A tie bid is one in which two or more competing companies bid identical items at the same unit cost. Tie bids may be determined by one of the following factors:
  - a. Delivery schedule
  - b. Previous company performance
  - c. Vendor location
  - d. If all things equal, coin toss
  - e. Preference will be given to the local company in case of a tie bid.
61. Trade-in Equipment – The City may request bids for new equipment that include consideration of an offer for a trade-in. The City reserves the right to evaluate the bids and award a contract either with or without the trade-in offer. Any fixed asset offered for trade-in on new purchases will require the Board of Commissioners approval and will be submitted as a surplus request along with the purchase request.
62. Unidentified Submittals - Improperly identified bid/proposal submittals may be opened, solely for identification, and only by a member of the Purchasing Department. In the event a sealed solicitation is opened accidentally, the person who opens it shall immediately close the envelope, reseal it to the extent possible, sign the envelope, and place it in the opening queue. No information contained therein can be disclosed prior to the public opening.
63. Vehicle/Equipment Delivery & Acceptance Forms – These forms are required when vehicles/equipment are delivered to Fleet Management. They are used to identify the item delivered and further declares that delivery does not mean acceptance by the City (Exhibit O).

64. Vendor Default – In the case of vendor default, the City may, by written notice, cancel the contract and purchase from another source and recover the excess costs by:
- a. Presentation of invoice
  - b. Deduction from an unpaid balance due
  - c. Collection against the bid and/or performance bond
  - d. A combination of the aforementioned remedies or other remedies as provided by law

All costs associated with default will be borne by the contractor. The city reserves the right to remove a company in default from the active bid file for a time period determined by the Director of Purchasing.

65. Vendor Identification – Potential suppliers are selected from existing vendor files, suggestions by the requisitioner and any other source available to locate companies related to a specific product or service.
66. Vendor Performance – The Purchasing Department maintains a complete file on vendor performance history. Failure of a vendor to perform in accordance with the contract specifications and delivery schedule or failure to honor a quoted price on services, materials or supplies on a contract, bid or purchase order may result in one or more of the following actions:
- a. Removal of a vendor from the active bid list for a period to be determined by the Director of Purchasing
  - b. Provide the vendor an opportunity to find the needed item for the City from another supplier at no additional cost to the City
  - c. Allow the City to purchase the needed service or item from another source and charge the vendor for the difference in cost resulting from this action
  - d. Allow a monetary settlement

67. Vendor Selection – Along with public advertisement, every effort shall be made to identify potential vendors for each solicitation to foster competition and insure a fair and equitable environment. The Purchasing Department utilizes an online vendor registration system that is vendor maintained and based on services and commodities of particular interest. In addition to this listing the Purchasing Department will include any known relative vendors and/or previous solicitation responders.

68. Withdrawing Bids – Bids may be withdrawn before the bid opening date and time. The person requesting such action must be an authorized representative of the company and present proof of same to purchasing personnel.

### **SECTION III – EXHIBIT EXAMPLES**

The Purchasing Department will prescribe, as necessary and applicable, the forms required for the purchasing process and may amend or eliminate such forms as necessary. The following Exhibits (or most recent version) are examples of relevant forms.



**INVITATION TO QUOTE  
GENERAL TERMS AND CONDITIONS  
(Read Carefully)**

**1. ACCEPTANCE, REJECTION AND POSTPONEMENT**

Issuance of a request for quotation does not commit the City to make an award. The City reserves the right to postpone or reject any or all submittals, to waive informalities and to accept the itq judged to be in the best interest of the City.

**2. ADDENDA**

Addendum's will be issued to all known interested parties and posted on the City's website (listed above) within a reasonable time frame to be determined on a per quote basis. All addenda issued shall become part of the ITQ documents. It is the vendor's responsibility to determine and acknowledge any or all addenda's issued for a solicitation.

**3. AWARD**

An award, if made, shall be to the lowest responsible, responsive vendor(s) or best quotation meeting quality and performance standards as described in the solicitation documents and whose itq is determined to be in the best interest of the City. The City also reserves the right to award this product/service based on other contracts in-place (state or cooperative contracts), as may be in our best interest.

**4. AWARD PERIOD**

The City shall have 60 days to issue a contract. Any contract past that period must be mutually agreed upon by both parties.

**5. ITQ TABULATIONS**

ITQ tabulations will be posted and available the next business day on our above website. Select "awarded/opened solicitations".

**6. BRAND NAMES**

By referencing a brand name or equal, the City intends to establish a minimum level of quality by which alternate offers can be judged. If an alternate is offered, the vendor must include complete descriptive literature and specifications that clearly describe the item and how it differs from the referenced item. Vendor reference to literature previously submitted will not satisfy this provision. Unless specified otherwise, it is understood that the referenced product will be furnished. The City alone will determine whether an alternate is equivalent and meets the standards of quality and performance for the City's use. A sample or demonstration may be required at the expense of the vendor.

**7. CONDITION STANDARDS**

It is understood and agreed that any item offered or shipped as a result of this solicitation shall be new and unused and the manufacturer's latest model unless otherwise called for in the solicitation.

**8. DEFAULT**

In case of contractor default or failure to provide material or service according to the solicitations, the City may cancel this contract and acquire from another source and may recover any excess cost by (1) invoice; (2) deduction from an unpaid balance due; or (3) a combination of the aforementioned remedies or other remedies provided by law. All costs associated with default will be borne by the contractor. The City reserves the right to remove a company in default from the active vendor list for a time period to be determined by the Director of Purchasing.

**9. DELIVERY**

Delivery/completion schedule must be clearly identified and realistically stated, as this may be a determining factor in the award.

**10. DISCOUNT AND PAYMENT**

Payment terms are Net 30 following receipt of the material or service and a correct invoice unless otherwise stated in the solicitation document. Discounts for prompt payment will not be considered. Partial payment will be allowed only if addressed in the solicitation.

**11. EQUAL OPPORTUNITY**

It is the policy of the City of Johnson City to ensure compliance with Title VI of the Civil Rights Act of 1964; 49 CFR, Part 21; related statutes and regulations to that end that no person shall be excluded from participation in or be denied benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or any other funding source on the grounds of race, color, sex, national origin, or ancestry. By virtue of submitting a response to this solicitation, vendors agree to comply with the same non-discrimination policy.

**12. EVALUATION**

ITQ's will be evaluated according to the criteria set forth in the document with the degree of importance determined by the City.

**13. EXAMINATION OF ITQ'S**

ITQ's and associated documents may be examined after award.

**14. FOB (FREE-ON-BOARD) POINT**

All prices quoted shall be FOB destination, freight prepaid and allowed unless otherwise stated in the solicitation document. The seller pays and bears the freight charges and owns the goods while they are in transit. Title passes at the designated City location.

**15. INDEMNIFICATION**

The vendor shall guarantee and certify by submitting a response to this solicitation that if successful, they shall indemnify and defend the City against any and all claims or legal actions arising as a result of their performance of the contract, whether or not such claims relate to damages or alleged damages sustained by physical injury to contractors personnel, subcontractors, city employees or other persons, or against any lawsuits arising from alleged or actual patent infringements, and shall hold the City, its various departments, employees, and any and all persons or entities acting on its behalf harmless from the same.

**16. INSPECTION**

All supplies or materials purchased as a result of this solicitation are subject to inspection and rejection by the City. Rejected materials will be returned at the vendor's expense.

**17. INSURANCE**

The contractor shall maintain, at their expense, such insurance as required by the solicitation. Such insurance shall protect the City for claims of damages which may arise during operations under this contract whether such operations be by the Contractor or by any subcontractor or anyone directly or indirectly employed by either of them. Any required insurances shall be maintained for the term of the contract and beyond the term of the contract when so required in the solicitation.

**18. LICENSES, FEES, PERMITS**

The contractor is responsible for furnishing the proper licenses, fees, and permits required by law to do business with the City of Johnson City in completion of the project. All work shall be done in accordance with the latest building codes, state and federal laws relative to the contract.

**19. MULTIPLE ITEM AWARD**

The City will determine the successful vendor(s) either on the basis of the individual line items or the total of all items. ALL OR NONE submittals must be clearly identified on the quote form and will be considered only if in the City's best interest.

**20. NON-COLLUSION AGREEMENT**

By submitting this solicitation, the agent representing all officers, partners, owners, representatives, employees or interested parties of the vendor's firm certifies to the best of his/her knowledge and belief this itq to the City of Johnson City, Tennessee has not been prepared in collusion with any other seller, proprietor, or manufacturer of similar products or services. The agent also certifies that the prices, terms and conditions of said itq have been arrived at independently and have not been communicated by the submitter, nor by any of the aforementioned firm associate to any other seller, proprietor, or manufacturer of similar products or services and will not be communicated prior to the official

opening of said solicitation. The agent further states that no official or employee of the City of Johnson City has promised any personal, financial or other beneficial interest, either directly or indirectly, in order to influence award of this solicitation.

**21. PARTS AND SERVICE**

The successful vendor must be able to provide adequate parts and service for all items awarded. Service location and ability to perform may be a consideration in the award.

**22. PENALTIES**

Vendors may be removed from our active vendor system for any of the following:

- ◆ Failure to respond to three consecutive solicitations
- ◆ Failure to meet delivery requirements
- ◆ Failure to furnish items as a result of a solicitation
- ◆ Failure to provide service or material as a result of the award
- ◆ Offers of gratuities or favors to any City employee

**23. PRICING**

All pricing must appear in the spaces provided on the city's form (if applicable) and be in ink or typed. Changes or corrections by the vendor must be initialed in ink by the person signing. No corrections may be made in pencil. Unit prices will prevail in case of an extension error. The City will correct math computation errors (unit price & totals). No pricing may be altered or amended after submittal deadline. Obvious mistakes will be given special consideration upon receipt of written request and full disclosure or evidence regarding pricing error.

**24. PROPRIETARY/CONFIDENTIAL INFORMATION**

Vendors are hereby notified that all information submitted as part of, or in support of, itq's will be available for public inspection after award of such itq, in compliance with Tennessee Statutes.

**25. QUESTIONS**

Questions must be received by the City at least two (2) working days prior to the submittal deadline. No oral interpretations or instructions given by any city employee or any other person shall apply. Changes relative to any solicitation will be in writing, in the form of an addendum. ,

**26. SAFETY STANDARDS**

All manufactured items and fabricated assemblies shall comply with applicable requirements of OSHA/TOSHA and any related standards thereto.

**27. SAMPLES**

Samples will be furnished at no charge to the City. They will remain in the Purchasing Department for testing and evaluation until an award is made. Vendors are responsible for picking up their samples within two (2) weeks after the award. Samples not collected after that time shall become the property of the City. Samples from the successful vendor will be held until delivery is received and accepted as being equal to the sample.

**28. SIGNATURE ON ITQ's**

The itq form must contain the full name and address of the company and be signed in Ink by a person authorized to bind that company to a contract.

**29. SUBMITTAL OF ITQ'S**

Any forms furnished by the city must be completed and returned as specified in the solicitation, otherwise response will be considered as non-responsive. FACSIMILE OR E-MAIL RESPONSES ARE ACCEPTABLE. Quotes are due by the deadline posted on the ITQ.

**31. TAXES**

The City is exempt from Federal excise tax, State, and city sales tax. Contractors are not exempt from the use tax on materials and supplies used in the production of an item or in the performance of a repair or construction contract. Tax exemption certificates will be furnished upon request.

**32. TERM OF CONTRACT**

Unless otherwise stated, the City reserves the right to purchase like items at the same contract price for a period of one year from the award date subject to agreement of both parties. The City may cancel any contract for cause following written notification of intent.

**33. WARRANTY**

Unless otherwise specified by the City, all items shall be guaranteed for a minimum period of one (1) year against defects in material and workmanship.

INSURANCE CHECKLIST

(Project Name)

REQUIRED COVERAGE (marked by "x")

MINIMUM LIMITS

- 1. Worker's Compensation (proprietor/partners/executive officers exclusion not allowed).....Statutory limits of Tennessee and Employer's Liability .....\$100,000/accident, \$100,000/disease, \$500,000/disease policy limit
2. Commercial General Liability (including Premises/Operations)..... \$1,000,000 CSL BI/PD each occurrence, \$1 Million annual aggregate
3. Automobile Liability & Owned/Hired/Non-Owned Vehicles ..... \$500,000 BI/PD each accident, Uninsured Motorist
4. Independent Contractors .....\$1,000,000 CSL BI/PD each occurrence, \$1 Million annual aggregate
5. Products/Completed Operations..... \$1,000,000 CSL BI/PD each occurrence, \$1 Million annual aggregate
6. Contractual Liability ..... \$1,000,000 CSL BI/PD each occurrence, \$1 Million annual aggregate
7. Personal and Advertising Injury Liability .....\$1,000,000 each offense, \$1 Million annual aggregate
8. Umbrella Liability ..... \$1 Million Bodily Injury, Property Damage and Personal Injury
9. Per Project Aggregate
10. Professional Liability
a. Architects and Engineers.....\$1 Million per occurrence/claim
b. Asbestos Removal Liability .....\$2 Million per occurrence/claim
c. Medical Malpractice ..... \$1 Million per occurrence/claim
d. Medical Professional Liability..... \$1 Million per occurrence/claim
11. Miscellaneous E & O ..... \$1 Million per occurrence/claim
12. Motor Carrier Act End. (MCS-90) ..... \$1 Million BI/PD each accident, Uninsured Motorist
13. Motor Cargo Insurance
14. Garage Liability ..... \$1 Million Bodily Injury, Property Damage per occurrence
15. Garagekeepers Liability .....\$500,000 Comprehensive, \$500,000 Collision
16. Inland Marine-Bailee's Insurance.....\$
17. Moving and Rigging Floater ..... Endorsement to CGL
18. Dishonesty Bond .....\$
19. Builder's Risk/Installation Floater ..... Provide coverage in the full amount of contract
20. XCU Coverage ..... Endorsement to CGL
X 21. Carrier Rating shall be Best's Rating of B++V or better or its equivalent
X 22. Notice of cancellation, non-renewal or material change in coverage shall be provided to City at least 30 days prior to action. Worker's Compensation and/or non-payment of premium - notification may be 10 days prior to action.
X 23. The City of Johnson City shall be named as Additional Insured on all policies except Worker's Compensation, Auto and Professional Liability. Per Acord 25 (2009/01), policies must be endorsed to incl. on-going & completed operations; must submit copy of endorsement(s). (Cert. Holder: City of Johnson City, Attn: Purchasing, P.O. Box 2150, Johnson City, TN 37605. Email: purchasing@johnsoncitytn.org.)
X 24. Certificate of Insurance shall show project number or other contract identifier used by the City.
25. OTHER INSURANCE REQUIREMENTS:

INSURANCE AGENT'S STATEMENT:

I have reviewed the above requirements with the bidder named below. The bidder has coverage with this agency for all of the areas marked with the exception of the following numbers:

Comments:

- Is Professional Liability excluded under General Liability? Yes No
Is Contractual Liability excluded under Comm. General Liability? Yes No
Is Independent Contractors excluded under Comm. General Liability? Yes No

Carrier ratings: Insurer A; Insurer B; Insurer C; Insurer D

AGENCY NAME: AUTHORIZED SIGNATURE: Date:

CONTRACTOR'S STATEMENT:

I have reviewed the above requirements with my insurance agent(s) and, if awarded a contract, will provide all coverage marked.

CONTRACTOR'S NAME: AUTHORIZED SIGNATURE: Date:

Solicitation Number: #

Project Name:

**This form and the General Contract Form shall be signed and returned with the solicitation package. The Certificate of Insurance must be provided to Purchasing prior to contract award.**

## INSURANCE GENERAL CONTRACT FORM

The General Contract Form is included in every solicitation requiring insurance. The general requirements of the contract form are supplemented by items checked on the **Insurance Checklist that identify specific requirements for the bid or project.**

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### INSURANCE

Review this section carefully with your insurance agent or broker prior to submitting a bid or proposal. See Insurance Checklist (part of the Bid Forms) for specific coverage applicable to this contract. The term “Contract” as used in this section shall mean the Agreement covering the work that is entered into between the City of Johnson City, Tennessee and the Contractor.

#### 1. **General Insurance Requirements:**

1.1 The Contractor shall not start work under this contract until the Contractor has obtained at its own expense all of the insurance called for hereunder and such insurance has been approved by the City; nor shall the Contractor allow any subcontractor to start work on any subcontract until all insurance required of the subcontractor has been so obtained and approved by the Contractor. Approval of insurance required of the Contractor will be granted only after submission to the Director of Purchasing of original, signed Certificate(s) of Insurance, General Contract Form, and Insurance Checklist or, alternately, at the City’s request, certified copies of the required insurance policies.

1.2 No acceptance and/or approval of any insurance by the City shall be construed as relieving or excusing the Contractor, or the surety, or its bond, from any liability or obligation imposed upon either or both of them by the provisions of the Contract Documents.

1.3 **The City of Johnson City (including its elected and appointed officials, agents, and employees) is to be named as an additional insured under all coverage except Worker’s Compensation, Automobile Liability, and Professional Liability and the Certificate of Insurance or the certified policy, if requested, must so state.** Coverage afforded under this paragraph shall be primary as respects the City, its elected and appointed officials, agents and employees. The following definition of the term “City” applies to all policies issued under the contract:

“The City of Johnson City, Tennessee together with all of its various departments, bureaus, and agencies, as well as any affiliated or subsidiary board, committee, or authority, including but not limited to the Johnson City Public School System.”

1.4 The contractor shall provide insurance as specified in the Insurance Checklist contained in this document.

**1.5** The Contractor covenants to save, defend, hold harmless and indemnify the City of Johnson City, Tennessee together with its various departments, elected or appointed officials, employees, officers, counsel, agents, and any and all other persons or entities acting on behalf of the same (collectively the City) from and against any and all claims of any sort based upon any theory of liability whatsoever, for any and all harm, loss, damage, injury, cost (including court cost and attorney fees) charges, or other liability of any nature whatsoever, however caused, resulting from or arising out of or in any way connected with the contractors performance or non-performance of the terms of the contract documents or its obligations under the contract based upon any theory of liability whatsoever, including claims brought by third persons, and further covenants to discharge all of the aforesaid persons and entities and forever hold them harmless from the same. The foregoing obligation to indemnify and defend shall continue in full force and effect after the aforesaid contractor completes all of the work required under the contract, until such time as the applicable statutes of limitation or repose have expired.

**1.6** The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the work. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work, until final acceptance of the work by the City.

**1.7** Insurance coverage required in these specifications shall be in force throughout the Contract Term. If the Contractor fails to provide acceptable evidence of current insurance within ten days of written notice at any time during the Contract Term, the City shall have absolute right to terminate the Contract without any further obligation to the Contractor and the Contractor shall be liable to the City for the entire additional cost of procuring performance by another vendor and the cost of performing the incomplete portion of the Contract at time of termination. **Contractor** is required to provide the City with notice of cancellation, non-renewal, or material change in coverage at least thirty (30) days prior to cancellation, non-renewal, or material change in coverage.”

**1.8** Contractual and other liability insurance provided under this Contract shall not contain a supervision, inspection or engineering services exclusion that would preclude the City from supervising or inspecting the project as to the end result. The Contractor shall assume all on-the-job responsibilities as to the control of persons directly employed by it and of the subcontractors and any persons employed by the subcontractor.

**1.9** Nothing contained in the specifications shall be construed as creating any contractual relationship between any subcontractor and the City. The Contractor shall be as fully responsible to the City for acts and omissions of the subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by the Contractor.

**1.10** Precaution shall be exercised by the Contractor at all times for the protection of persons (including employees) and property. All existing structures, utilities, roads, services, trees and shrubbery shall be protected against damage or interruption of service at all times by the Contractor and its subcontractors during the term of the Contract, and the

Contractor shall be held responsible for any damage to property occurring by reason of its operation on the property.

**1.11** If a Contractor can not meet the insurance requirements contained in a bid, proposal, or project description, alternate insurance coverage may be considered. Written requests for consideration of alternate coverage must be received by the Director of Purchasing at least ten working days prior to the date set for receipt of bids or proposals. If the City denies the request for alternate coverage, the specified coverage will be required to be submitted. If the City permits alternate coverage, an amendment to the Insurance Requirement will be prepared and distributed prior to the time and date set for receipt of bids or proposals.

**1.12** All required insurance coverage must be acquired from insurers authorized to do business in the State of Tennessee, and acceptable to the City. The insurers must also have policyholders' rating of "B++" or better, and a financial size of "Class V" or better in the latest edition of Best's Insurance Reports, unless the City grants specific approval for an exception in the same manner as described in 1.11 above.

**1.13** The City may consider deductible amounts as part of its review of financial stability. The Contractor shall assume all deductibles.

## **2. Contractor's Insurance – Occurrence Basis:**

**2.1** The Contractor shall purchase the following insurance coverage, including the terms, provisions and limits shown in the Checklist:

- **Commercial General Liability** – The Commercial General Liability policy shall include any or all of the following as indicated on the Checklist:
  - i. General aggregate limit is to apply per project;
  - ii. Premises/Operations;
  - iii. Action of Independent Contractors;
  - iv. Contractual Liability including protection for the Contractor from claims arising out of liability assumed under this contract;
  - v. Personal Injury Liability including coverage for offenses related to employment;
  - vi. Explosion, Collapse, or Underground (XCU) hazards.
- **Business Automobile Liability** including coverage for any owned, hired, or non-owned motor vehicles, Uninsured Motorists insurance, and Automobile Contractual Liability.
- **Worker's Compensation** – statutory benefits as required by the State of Tennessee, or other laws as required by labor union agreements, including standard Other States coverage; Employers' Liability coverage.

**3. Commercial General or other Liability Insurance – Claims-made Basis:**

If Commercial General or other liability insurance purchased by the Contractor has been issued on a claims-made basis, the Contractor must comply with the following additional conditions. The limits of liability and the extensions to be included as described in the Checklist remain the same. The Contractor must either:

- i. Agree to provide certificates of insurance evidencing the above coverage for a period of three years for Professional Liability; two years for CGL and other Liability, after final payment for the contract. Such certificates shall evidence a retroactive date, no later than the beginning of the Contractors or subcontractors' work under this contract, or
- ii. Purchase an extended (minimum three years for Professional Liability; two years for CGL and other Liability) reporting period endorsement for the policy or policies in force during the term of this contract and evidence the purchase of this extended reporting period endorsement by means of a certificate of insurance or a copy of the endorsement itself.

**4. Alternative Coverage (Self Insurance)**

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self-insurance for all or any part of the insurance required, provided that the alternative coverage is acceptable to the City.

**5. Limits of Liability Coverage**

Specific limits of liability coverage on the Insurance Checklist may be adjusted according to project risk if the adjustment is deemed appropriate and the amended amount is approved by the City Manager.

**6. Verification of Compliance**

I have read this General Contract Form and agree to all the terms and conditions contained therein.

Contractor's Name: \_\_\_\_\_

EIN or SSN: \_\_\_\_\_

Signed by: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**This form and the Insurance Checklist shall be completed and returned with Certificate of Insurance, as specified, prior to contract award.**



CITY OF JOHNSON CITY – VEHICLE/EQUIPMENT DECLARATION FORM



List the vehicle/equipment being replaced in detail below. Identify each by make and model and describe the condition as accurately as possible.

*For Fleet Management Use Only*

| CITY # | VIN/SERIAL NUMBER# | DESCRIPTION (year, make/model) | CONDITION (running, wrecked, bad engine, etc) | MILEAGE | LOCATION | FLEET REPLACEMENT SCORE* | PURCHASE OR CURRENT VALUE \$25,000+ |
|--------|--------------------|--------------------------------|---|---------|----------|--------------------------|-------------------------------------|
|        |                    |                                |   |         |          |                          |                                     |
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Submitted By: \_\_\_\_\_

Department: \_\_\_\_\_

Date: \_\_\_\_\_

\*Point range (as per Equipment Replacement Guidelines):

- Under 18 points      Condition I              Excellent
- 18 – 22 points      Condition II              Good
- 23 – 27 points      Condition III              Qualifies for replacement
- 28+ points          Condition IV              Needs immediate consideration

Fleet Management Approval: \_\_\_\_\_

Date: \_\_\_\_\_

Complete and submit form to Purchasing Department



**CITY OF JOHNSON CITY – PROPOSED VEHICLE/EQUIPMENT DECLARATION FORM**

**INFORMATIONAL ONLY - this does not declare the item surplus.**

List the proposed vehicle/equipment being replaced in detail below. Identify each by make and model and describe the condition as accurately as possible.

*For Fleet Management Use Only*

| CITY # | VIN/SERIAL NUMBER# | DESCRIPTION (year, make/model) | CONDITION (running, wrecked, bad engine, etc) | MILEAGE | LOCATION | FLEET REPLACEMENT SCORE* | PURCHASE OR CURRENT VALUE \$25,000+ |
|--------|--------------------|--------------------------------|---|---------|----------|--------------------------|-------------------------------------|
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Submitted By: \_\_\_\_\_ Department: \_\_\_\_\_ Date: \_\_\_\_\_

\*Point range (as per Equipment Replacement Guidelines):  
 Under 18 points      Condition I      Excellent  
 18 – 22 points      Condition II      Good  
 23 – 27 points      Condition III      Qualifies for replacement  
 28+ points      Condition IV      Needs immediate consideration

Fleet Management Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Complete and submit form to Purchasing Department

**AFFIDAVIT OF COMPLIANCE**

**Exhibit G**

**WITH**

**TENNESSEE CRIMINAL HISTORY RECORDS CHECK**

**TENNESSEE CODE ANNOTATED, SECTION 49-5-413**

(To be submitted with bid/proposal by contractor)

I, \_\_\_\_\_, president or other principal Officer  
of \_\_\_\_\_, swear or affirm that the

(Name of Company)

Company is in compliance with Public Chapter 587 of 2007, codified at Tennessee Code Annotated 49-5-413, in effect at the time of this bid submission at least to the extent required of governmental entities. I further swear or affirm that the company is in compliance with Tennessee Code Annotated, § 49-5-413.

\_\_\_\_\_  
President or Principal Officer

For:

\_\_\_\_\_  
Name of Company

STATE OF TENNESSEE }  
COUNTY OF \_\_\_\_\_ }

Subscribed and sworn before me by \_\_\_\_\_,

President or principal officer of \_\_\_\_\_,

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**COMPLETE AND SUBMIT WITH SOLICITATION**

## DRUG FREE WORKPLACE

All vendors with five (5) or more employees must execute the attached Drug Free Workplace Affidavit to verify compliance with TCA 50-9-113 and return same with response. Failure to comply with this requirement will declare that submittal non-responsive.

City Of Johnson City, Tennessee - Policy No. HR-131

### SECTION I – PURPOSE OF THE DRUG & ALCOHOL TESTING PROGRAM

The City of Johnson City recognizes its responsibility to provide safe and efficient operations for our employees, our citizens and the general public. Our commitment to provide safe and efficient operations is shown by the implementation of programs and procedures which ensure compliance with appropriate safety measures, as well as the letter and intent of all applicable laws and regulations. There is sufficient evidence to conclude that the use of illegal drug/alcohol; drug/alcohol dependence and drug/alcohol abuse seriously impairs an employee's performance and general physical and mental health. The illegal possession and use of drugs, alcohol and/or narcotics by employees of the City is a crime in this jurisdiction and is clearly unacceptable. Therefore, the City of Johnson City has adopted this written policy to ensure an employee's fitness for duty as a condition of employment; to ensure the drug tests and alcohol tests are conducted on safety-sensitive positions in the categories of: pre-employment, random testing, suspicion testing, and return-to-duty testing.

To comply with TCA Title 50 Chapter 9 Part 1, all bidders and/or proposers of service to the City must have a testing program of the same or better than the requirements of the City of Johnson City.

**DRUG-FREE WORKPLACE AFFIDAVIT**

State of \_\_\_\_\_

County of \_\_\_\_\_

I, \_\_\_\_\_, being duly sworn, depose, and say that:

- 1) I am a principal officer of \_\_\_\_\_, the firm that has submitted the attached or enclosed bid or proposal, my title being \_\_\_\_\_ of the firm; and
- 2) I have personal knowledge of the policies of the above-named firm with respect to the maintenance of a drug-free workplace; and
- 3) I certify that all provisions and requirements of the Tennessee Drug-Free Workplace Program, as established by Tennessee Code Annotated §§ 50-9-113 have been met and implemented.

(Signed) \_\_\_\_\_

(Title) \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

\_\_\_\_\_ Title

My Commission expires \_\_\_\_\_

Complete and return with response package



CITY OF JOHNSON CITY, TENNESSEE  
 P.O. BOX 2150 • JOHNSON CITY TN 37605  
 423.975.2716

PURCHASE  
 ORDER #

Exhibit I

B  
I  
L  
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O

FEDERAL, STATE, LOCAL and USE TAXES are not applicable to this purchase which is for the exclusive use of a municipality.  
 Prices are F.O.B. DESTINATION unless otherwise specified with transportation charges prepaid.  
 PACKING LIST must accompany all shipments showing order number and contents.

V  
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| DATE ORDERED | VENDOR NUMBER       | DATE REQUIRED | FRIEGHT METHOD/TERMS | DEPARTMENT/LOCATION |           |
|--------------|---------------------|---------------|----------------------|---------------------|-----------|
|              |                     |               |                      |                     |           |
| ITEM         | DESCRIPTION/PART NO |               | QTY                  | COST EACH           | EXT PRICE |
|              |                     |               |                      |                     |           |

1. Separate invoices are required for each purchase order and for each shipment when partial deliveries are made.
2. All supplies purchased hereunder are subject to inspection upon receipt by the City. Rejected materials may be returned at the suppliers expense.  
The City's count shall be final and conclusive on all shipments not accompanied by a packing list.
3. Seller warrants that the merchandise is free cand clear of liens and encumbrances that the sale or use of this merchandise will not infringe or contribute to the infringement of any patents, copyrights or trademarks.
4. Seller shall be responsible for any and all loss or damage to merchandise until delivered to the purchaser at the FOB point specified on this order.
5. The City may cancel any order or part thereof if the material is not shipped as promised, if any terms or conditions of purchase are changed by the seller and not agreed by the City, or if the need or funding for the item no longer exists.
6. Modification to this order may only be made through a written change order issued by the Purchasing Department.
7. Material must not be billed at a higher price than the prices stated on this order unless authorized by in writing by the City.
8. Acceptance of this order includes acceptance of all terms, prices, delivery instructions, specifications and conditions stated herein or in a referenced document.

Director of Purchasing

EXAMPLE



**STATE CONTRACTORS LICENSING INFORMATION  
 BID ENVELOPE FORM**

**THIS FORM MUST BE FIRMLY ATTACHED TO THE OUTSIDE OF THE ENVELOPE CONTAINING THE BID. NO BID WILL BE CONSIDERED IF THIS FORM IS INCOMPLETE OR NOT ATTACHED TO THE OUTSIDE OF THE BID ENVELOPE. IF TOTAL BID IS LESS THAN \$25,000- ATTACH AND SPECIFY ON THIS FORM**

**PART 1  
 ALL BIDDERS MUST COMPLETE**

|                                   |  |
|-----------------------------------|--|
| TO:                               | City of Johnson City, Tennessee<br>ITB # – NAME                              |
| DUE DATE & TIME:                  |  |
| LOCATION:                         | OFFICE OF PURCHASING DIRECTOR,<br>209 WATER STREET<br>JOHNSON CITY, TN 37601 |
| NAME OF BIDDER:                   |  |
| ADDRESS OF BIDDER:                |  |
| FEDERAL ID # OF BIDDER:           |  |
| LICENSE NO.:                      | #  |
| LICENSE CLASSIFICATION OF BIDDER: |  |
| EXPIRATION DATE:                  |  |
| MONETARY LIMITS:                  |  |

**PART 2  
 BIDDER MUST COMPLETE THIS SECTION. ENTER NONE IF NOT APPLICABLE.**

| (1) ELECTRICAL                             | (2) PLUMBING                             | (3) HVAC                              | (4) GEOTHERMAL                             | (5) MASONRY                             |
|--|--|---------------------------------------|--|---|
| A) Name of licensed Electrical contractor: | A) Name of licensed Plumbing contractor: | A) Name of licensed HVAC contractor:  | A) Name of licensed Geothermal contractor: | A) Name of licensed Masonry contractor: |
| B) License #:                              | B) License #:                            | B) License #:                         | B) License #:                              | B) License #:                           |
| C) License Classification and Limits:      | C) License Classification and Limits:    | C) License Classification and Limits: | C) License Classification and Limits:      | C) License Classification and Limits:   |
| D) License expiration date:                | D) License expiration date:              | D) License expiration date:           | D) License expiration date:                | D) License expiration date:             |
| E) Less than \$25,000?                     | E) Less than \$25,000?                   | E) Less than \$25,000?                | E) Less than \$25,000?                     | E) Less than \$100,000?                 |





CITY OF JOHNSON CITY, TENNESSEE  
<http://www.johnsoncitytn.org/purchasing>  
SEALED SOLICITATION  
GENERAL TERMS AND CONDITIONS

Exhibit L

**1. ACCEPTANCE, REJECTION AND POSTPONEMENT (Read Carefully)**

Issuance of a bid/rfp/rfq does not commit the City to make an award. The City reserves the right to postpone or reject any or all bids/rfps/rfqs, to waive informalities and to accept the bid/rfp/rfq judged to be in the best interest of the City.

**2. ADDENDA**

Addenda will be issued to all known interested parties and posted on the City's website (listed above). All addenda issued shall become part of the solicitation documents. It is the vendor's responsibility to determine and acknowledge all addenda issued for a solicitation. No addendum will be issued less than two (2) working days prior to the solicitation opening as per TCA, Title 12, Chapter 4, Part 1, as amended

**3. AWARD**

An award, if made, shall be to the lowest responsible, responsive bidder(s) or best solicitation meeting quality and performance standards as described in the solicitation documents and whose bid/rfp is determined to be in the best interest of the City. The City also reserves the right to award this product/service based on other contracts in-place (state or cooperative contracts), as may be in our best interest.

**4. AWARD PERIOD**

The City shall have 60 days to issue a contract. Any contract past that period must be mutually agreed upon by both parties.

**5. BID TABULATIONS/RFP/RFQ RESPONSES**

Bid tabulations and RFP/RFQ respondent's lists will be posted and available the next business day on our above website. Click on "awarded/opened solicitations".

**6. BRAND NAMES**

By referencing a brand name or equal, the City intends to establish a minimum level of quality by which alternate offers can be judged. If an alternate is offered, the vendor must include complete descriptive literature and specifications that clearly describe the item and how it differs from the referenced item. Vendor reference to literature previously submitted will not satisfy this provision. Unless specified otherwise, it is understood that the referenced product will be furnished. The City alone will determine whether an alternate is equivalent and meets the standards of quality and performance for the City's use. A sample or demonstration may be required at the expense of the vendor.

**7. CONDITION STANDARDS**

It is understood and agreed that any item offered or shipped as a result of this solicitation shall be new and unused and the manufacturer's latest model unless otherwise called for in the solicitation.

**8. CONSTRUCTION DOCUMENTS**

If a fee is required for bid documents then only those bidders of record with the issuing office are eligible to bid.

**9. DEFAULT**

In case of contractor default or failure to provide material or service according to the solicitation, the City may cancel this contract and acquire from another source and may recover any excess cost by (1) invoice; (2) deduction from an unpaid balance due; (3) collection against the bid and/or performance bond; or (4) a combination of the aforementioned remedies or other remedies provided by law. All costs associated with default will be borne by the contractor. The City reserves the right to remove a company in default from the active vendor list for a time period to be determined by the Director of Purchasing.

**10. DELIVERY**

Delivery/completion schedule must be clearly identified and realistically stated, as this may be a determining factor in the award.

**11. DISCOUNT AND PAYMENT**

Payment terms are Net 30 following receipt of the material or service and a correct invoice unless otherwise stated in the solicitation document. Discounts for prompt payment will not be considered in the bid evaluation for award. Partial payment will be allowed only if addressed in the solicitation.

**12. EQUAL OPPORTUNITY**

It is the policy of the City of Johnson City to ensure compliance with Title VI of the Civil Rights Act of 1964; 49 CFR, Part 21; related statutes and regulations to that end that no person shall be excluded from participation in or be denied benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or any other funding source on the grounds of race, color, sex, national origin, or ancestry. By virtue of submitting a response to this solicitation, vendors agree to comply with the same non-discrimination policy.

**13. EVALUATION**

Bids/RFPs/RFQs will be evaluated according to the criteria set forth in the document with the degree of importance determined by the City.

**14. EXAMINATION OF BIDS/RFPs/RFQs**

Bids and associated documents may be examined at the opening. Only the name of the respondent is read aloud for RFPs/RFQs. All solicitations are closed for review and inspection during the evaluation period, prior to award.

**15. FOB (FREE-ON-BOARD) POINT**

All prices quoted shall be FOB destination, freight prepaid and allowed unless otherwise stated in the solicitation document. The seller pays and bears the freight charges and owns the goods while they are in transit. Title passes at the designated City location.

**16. INDEMNIFICATION**

The vendor shall guarantee and certify by submitting a response to this solicitation that if successful, they shall indemnify and defend the City against any and all claims or legal actions arising as a result of their performance of the contract, whether or not such claims relate to damages or alleged damages sustained by physical injury to contractors personnel, subcontractors, city employees or other persons, or against any lawsuits arising from alleged or actual patent infringements, and shall hold the City, its various departments, employees, and any and all persons or entities acting on its behalf harmless from the same.

**17. INSPECTION**

All supplies or materials purchased as a result of this solicitation are subject to inspection and rejection by the City. Rejected materials will be returned at the vendor's expense.

**18. INSURANCE**

The contractor shall maintain, at their expense, such insurance as required by the solicitation. Such insurance shall protect the City for claims of damages which may arise during operations under this contract whether such operations be by the Contractor or by any subcontractor or anyone directly or indirectly employed by either of them. Any required insurances shall be maintained for the term of the contract and beyond the term of the contract when so required in the solicitation.

**19. IRAN DIVESTMENT ACT**

Pursuant to the Iran Divestment Act Tenn. Code Ann. § 12-12-106 requires the State of Tennessee Chief Procurement Officer to publish, using creditable information freely available to the public, a list of persons it determines engage in investment activities in Iran, as described in § 12-

12-105. Inclusion on this list makes a person ineligible to contract with the City of Johnson City; if a person ceases its engagement in investment activities in Iran, it may be removed from the list. The State of Tennessee list is available here:

<http://tennessee.gov/generalservices/article/Public-Information-library>

**20. LICENSES, FEES, PERMITS**

The contractor is responsible for furnishing the proper licenses, fees, and permits required by law to do business with the City of Johnson City in completion of the project. All work shall be done in accordance with the latest building codes, state and federal laws relative to the contract.

**21. MULTIPLE ITEM BIDS**

The City will determine the successful bidder(s) either on the basis of the individual line items or the total of all items. ALL OR NONE bids must be clearly identified on the bid form and will be considered only if in the City's best interest.

**22. NON-COLLUSION AGREEMENT**

By submitting this solicitation, the agent representing all officers, partners, owners, representatives, employees or interested parties of the vendor's firm certifies to the best of his/her knowledge and belief this bid/proposal to the City of Johnson City, Tennessee has not been prepared in collusion with any other seller, proprietor, or manufacturer of similar products or services. The agent also certifies that the prices, terms and conditions of said bid/proposal have been arrived at independently and have not been communicated by the submitter, nor by any of the aforementioned firm associate to any other seller, proprietor, or manufacturer of similar products or services and will not be communicated prior to the official opening of said solicitation. The agent further states that no official or employee of the City of Johnson City has promised any personal, financial or other beneficial interest, either directly or indirectly, in order to influence award of this solicitation.

**23. PARTS AND SERVICE**

The successful vendor must be able to provide adequate parts and service for all items awarded. Service location and ability to perform may be a consideration in the award.

**24. PENALTIES**

Vendors may be removed from our active vendor system for any of the following:

- ◆ Failure to respond to three consecutive solicitations
- ◆ Failure to meet delivery requirements
- ◆ Failure to furnish items as a result of a solicitation
- ◆ Failure to provide service or material as a result of the award
- ◆ Offers of gratuities or favors to any City employee

**25. PRE-BID MEETING ATTENDANCE**

If attendance is mandatory then only those firms whose names are listed on the pre-bid attendance roster are eligible to submit a solicitation.

**26. PRICING**

All pricing must appear in the spaces provided on the city's form (if applicable) and be in ink or typed. Changes or corrections by the bidder/proposer must be initialed in ink by the person signing. No corrections may be made in pencil. Unit prices will prevail in case of an extension error. The City will correct math computation errors (unit price & totals). No bid may be altered or amended after bid opening time. Obvious mistakes will be given special consideration upon receipt of written request and full disclosure or evidence regarding pricing error.

**27. PROPRIETARY/CONFIDENTIAL INFORMATION**

Vendors are hereby notified that all information submitted as part of, or in support of, bids/proposals will be available for public inspection after award, in compliance with Tennessee Statutes.

**28. PROTEST PROCEDURE**

Any protest to the award of a contract by the City of Johnson City shall be submitted in writing to the Director of Purchasing with a copy to the City Manager and delivered not later than seven (7) calendar days from the date of the city's award decision. Such protest must include a protest bond in the amount of \$350 (cashier's check payable to the City of Johnson City or Cash) submitted to the Purchasing Director before the City will consider the protest. This protest bond will serve as a guarantee by the protester of the validity and accuracy of the protest. If the protest is denied by the City Manager the bond will be retained to cover costs associated with the protest.

**29. QUESTIONS**

Questions must be received by the City at least four (4) working days prior to the scheduled opening. No oral interpretations or instructions given by any city employee or any other person shall apply. Changes relative to any solicitation will be in writing, in the form of an addendum.

**30. SAFETY STANDARDS**

All manufactured items and fabricated assemblies shall comply with applicable requirements of OSHA/TOSHA and any related standards thereto.

**31. SAMPLES**

Samples will be furnished at no charge to the City. They will remain in the Purchasing Department for testing and evaluation until an award is made. Vendors are responsible for picking up their samples within two (2) weeks after the award. Samples not collected after that time shall become the property of the City. Samples from the successful vendor will be held until delivery is received and accepted as being equal to the sample.

**32. SEALED SOLICITATION OPENINGS**

Bids will be read aloud at the specified date and time as stated in the document. RFP's/RFQ'S respondent names will be read aloud. All openings are public meetings. Bidders/proposers and interested persons are invited to attend. The City reserves the right to postpone any solicitation opening under circumstances warranting such action, including but not limited to instances when the City receives fewer than two responses.

**33. SIGNATURE ON BIDS**

When submitting a bid, other than electronically, the bid form must contain the full name and address of the company and be signed in Ink by a person authorized to bind that company to a contract. Submission of an electronic solicitation constitutes acceptance of all terms and conditions. Unsigned paper bids will not be considered, read or tabulated. They may not be signed during or after the bid opening, even if a representative is present.

**34. SUBMITTAL OF SEALED BIDS/RFPS/RFQS**

Any forms furnished by the city must be completed and returned as specified in the solicitation, otherwise response will be considered as non-responsive. TELEPHONE, FACSIMILE OR E-MAIL RESPONSES WILL NOT BE ACCEPTED. Electronic receipt of bids/proposals is acceptable for those eligible for online submittal at: <https://vrapp.vendorregistry.com/Vendor/Register/Index/johnson-city-tn-vendor-registration>. Paper submittals shall be sealed in an envelope. No solicitation received after closing time shall be considered. The official time for paper submittals will be that of the date and time clock in the Purchasing Department. For electronic bids the official time is that posted on the website. Late submittals will not be accepted. The City of Johnson City shall not be responsible for technical difficulties experienced by vendors trying to register or submit their bid/rfp response electronically less than one hour prior to the bid/rfp opening time. If not offering a solicitation response, the vendor is encouraged to complete the "Statement of Decline" form and return prior to the opening.

**35. TAXES**

The City is exempt from Federal excise tax, State, and city sales tax. Contractors are not exempt from the use tax on materials and supplies used in the production of an item or in the performance of a repair or construction contract. Tax exemption certificates will be furnished upon request.

**36. TERM OF CONTRACT**

Unless otherwise stated, the City reserves the right to purchase like items at the same contract price for a period of one year from the award date subject to agreement of both parties. The City may cancel any contract for cause, or non-appropriation of funds, following written notification of intent.

**37. WARRANTY**

Unless otherwise specified by the City, all items shall be guaranteed for a minimum period of one (1) year against defects in material and workmanship.

January 30, 2019

REQUIREMENTS FOR BIDS, REQUESTS FOR PROPOSALS, AND CONTRACTS  
BETWEEN THE CITY OF JOHNSON CITY  
AND OTHER PARTIES

The City of Johnson City has established the following requirements for use in all bids and contracts between the City and any other person or entity. The following list is mandatory and modifies any bid, contract, or request for proposal, or conditions applicable to, signed by, or let by the City, notwithstanding anything contained in any particular conditions, contract, request for proposal, or bid to the contrary.

In general, the following provisions apply to all such contracts, bids, requests for proposals, contracts requiring bids, and bids containing contracts:

1. The City of Johnson City shall not answer to any contracting party for the furnishing of public records to a person requesting such in accordance with Tennessee law.
2. The City, while it may designate in writing a representative on a particular project, shall only be bound by a majority vote of the Board of Commissioners or by the limited authority delegated to the City Manager pursuant to City Ordinance. No personal representative of the City assigned to a particular project may bind it in excess of the dollar amounts granted to the City Manager by Ordinance, and no personal representative assigned to a particular project may bind the City for an amount equal to or less than the dollar amounts granted to the City Manager by Ordinance without the City Manager's approval.
3. The City shall not in any event waive or limit any claims for damages including but not limited to consequential damages in any contract for any reason or purpose.
4. No decision of an architect, engineer, or personal representative of the City shall be final and binding on the City, unless the City so agrees in any dispute with any

party including but not limited to an architect, a contractor, a subcontractor, an engineer, etc. If the City agrees to be bound pertaining to a dispute, then the monetary limits contained in the City's ordinances regarding the authority of the City Manager shall prevail, and any amounts exceeding the authority of the City Manager shall be referred to the Board of Commissioners for their consideration.

5. The City shall not participate in any mediation or arbitration regarding any agreement to which it is a party, and all matters left unresolved between the City and any other party, person, or entity shall be resolved in a court of competent jurisdiction in either Washington County, Tennessee, or in Federal District Court in Greeneville, Tennessee.

6. No party or other entity shall file a lien of any nature whatsoever against City property, real, personal, or mixed, no matter where that property is located. Should a party or entity contracting with the City or acting as a subcontractor or subsubcontractor file a lien against any property, real, personal, or mixed, owned by the City, then that party or entity shall take immediate steps at its own cost and expense to remove said lien, or the City shall take such steps as it deems necessary and hold the other party or entity liable for any costs and attorneys' fees associated with the lifting of said lien.

7. The City shall exercise its sole discretion before agreeing to any assignments of any contracts or subcontracts regarding any project in which the City is involved. No contract with the City shall be assignable without the City's sole, discretionary, absolute consent.

8. The City shall not be required to supply any information regarding its title to any property in which it has an interest for any purposes regarding the filing of liens.

9. The City shall not waive any claims it has in the making of final payment in any project in which it is involved. The City shall have the right to terminate any agreement to which this document is attached at any time in its sole discretion with or

without cause. In the event the City terminates with or without cause any agreement to which this document is attached, then in such event the City shall be liable only for the actual work and costs that have accrued at or before the date of the City's termination. In no event shall the City be liable for lost profits, consequential damages or incidental damages in the event it terminates a contract with or without cause.

10. Except to the extent allowed by law, the City shall not indemnify and hold harmless any other party, entity, person, their agents, employees, or anyone else in the world for any reason whatsoever.

11. The City shall not waive the rights of subrogation of its insurers or itself for any purpose whatsoever, and the City shall not cause any such endorsements to be placed on any policies to which it is a party.

12. Unless the City elects otherwise, the City shall not provide any "builders' risk" or an "all-risk" or equivalent policy for any reason whatsoever for any project in which the City has an interest, and the contractor or other such party shall assume this responsibility. That builder's risk policy provided by the contractor or other such interested party shall name the City as an additional insured. The City shall not provide boiler and machinery insurance, but shall require such insurance as applicable, depending on the parameters of whatever project is involved. The cost of boiler and machinery insurance shall be borne by the appropriate contractor, subcontractor, or other interested party. The City shall not insure the interests of any other person or entity, nor shall the City add any other person or entity as an additional insured to any of its policies.

13. The City shall not waive any rights regarding the loss of use of the City's property.

14. As to acts or failures to act or any causes of action by any party to a contract, whether that party be the architect, owner, contractor, City, etc., a cause of action shall accrue according to Tennessee law. No contract provision shall shorten the

statutes of limitations, statutes of repose, or the accrual of any causes of action which the City might have against another party or entity. No contract provision shall waive any warranties, express or implied, nor shall any contract limit the standard of care for any particular service or undertaking to that of the locality where those services or undertakings are performed.

15. Any interest to be paid by the City of Johnson City for late payments shall be at the rate of interest at which the City pays on its most recently issued bonds.

16. The City reserves to itself the right to approve the use of any tests, including but not limited to any borings, test pits, geotechnical work, environmental tests, and the like in its own sole discretion. All design professionals, consultants, subcontractors, or the like shall be duly licensed in the State of Tennessee, if licensure in the State of Tennessee is required for the work to be performed by such design professional, consultants, or subcontractors.

17. Notwithstanding any applicable choice of law or conflict of law provisions or decisions, the law of the State of Tennessee shall govern all contracts to which this document is attached.

18. The City of Johnson City shall not provide any legal advice, legal services, surveys, or procure the same for any other party.

19. Upon payment for services as rendered, all design documents and all instruments of service created by design professionals, including but not limited to architects, landscape architects, engineers, etc., shall become the property of the City of Johnson City, Tennessee. The City of Johnson City shall be allowed to use all design documents and instruments of service, including but not limited to bid drawings, shop drawings, reports, specifications, cost estimates, schematic designs, construction designs, and the like for future additions or alterations to the current project or for use in other projects. Any use of the aforementioned designs and construction documents shall be at

the City's sole risk and without liability to the design professional. The design professional's name and seal will be removed from all such design documents prior to the City's use thereof.

20. The City, as the owner of real property that is the subject of or in any way connected to any bid, request for proposal, or contract, hereby grants to the successful bidder/proposer/contractor the general management of the real property during the time that work is being performed, and the City agrees to transfer information specified in OSHA regulations at 29 CFR §1926.1203(h)(1), so that TOSHA/OSHA shall treat the successful bidder/proposer/contractor as the host employer when working in confined spaces. This paragraph applies only to those areas where the successful bidder/proposer/contractor has access to and performs work within confined spaces as defined in federal OSHA regulations. The successful bidder shall comply with all federal OSHA and state TOSHA regulations, including those regarding confined spaces.

September, 2017

EXAMPLE



ACKNOWLEDGEMENT OF

REQUIREMENTS FOR BIDS, REQUESTS FOR PROPOSALS, AND

CONTRACTS BETWEEN THE CITY OF JOHNSON CITY

AND OTHER PARTIES AND THE REQUIREMENTS OF IRAN DIVESTMENT ACT

Name of Solicitation: \_\_\_\_\_

Solicitation Number: \_\_\_\_\_

Name of Bidder/Proposer: \_\_\_\_\_

The Undersigned hereby acknowledges that the Bidder/Proposer has carefully reviewed the Requirements For Bids, Requests for Proposals, and Contracts between the City of Johnson City and Other Parties and the requirements of the Iran Divestment Act (Sealed Solicitations General Terms & Conditions #20), and understands that these documents are considered part of the Contract Documents and all Bids/Proposals shall be conditioned by the document.

By submission of this bid/proposal, each bidder/proposer and each person signing on behalf of any bidder/proposer certifies, and in the case of a joint bid/proposal each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder/proposer is not on the Iran investment activities list created pursuant to T.C.A. § 12-12-106.

Name of & Title of Signer (Print or Type): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Revised January 2017

COMPLETE AND RETURN WITH SOLICITATION PACKAGE



**STATEMENT OF SOLICITATION DECLINE** Exhibit O  
**City of Johnson City, Tennessee**

**NOTE:** If you do not intend to respond to this solicitation, please complete and return this form on or before the stated deadline to Purchasing Department, P. O. Box 2150, Johnson City, TN 37605 or via e-mail or fax: [purchasing@johnsoncitytn.org](mailto:purchasing@johnsoncitytn.org); 423-975-2712.

We value your feedback and ask that you complete the following:

Solicitation No.: # \_\_\_\_\_  
Solicitation Name: \_\_\_\_\_

We, the undersigned, decline to submit on the above bid/proposal for the following reason(s):

- \_\_\_\_\_ Insufficient time to adequately prepare a response
- \_\_\_\_\_ Our company does not offer this product or service. Remove us from the vendor list
- \_\_\_\_\_ Our schedule will not permit us to perform in a timely manner
- \_\_\_\_\_ We are unable to meet bond requirements
- \_\_\_\_\_ We are unable to meet insurance requirements
- \_\_\_\_\_ We are unable to offer comparable product or service
- \_\_\_\_\_ We are unable to meet specifications (explain below)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We understand that if this statement is not completed and returned, our company may be deleted from the City's solicitation list for this commodity or service.

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Signature: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Date: \_\_\_\_\_



## VEHICLE/EQUIPMENT DELIVERY & ACCEPTANCE PROCEDURES

ACCEPTANCE: DELIVERY DOES NOT MEAN ACCEPTANCE. ALL VEHICLES/EQUIPMENT ARE SUBJECT TO INSPECTION TO ESTABLISH CONFORMITY TO SPECIFICATIONS PRIOR TO ACCEPTANCE.

1. Prior to delivery (if applicable):
  - Tires are to be inspected to insure proper inflation levels.
  - All fluid levels to be checked and corrected as needed.
  - Remove any unnecessary manufacturer's tape, stickers, decals, labels or other items except for the itemized window sticker with e.p.a. fuel economy estimates.
  - Vehicle is to be test driven and all features are to be checked to insure proper operation.
  - Any final assembly or installation of features, equipment or any options must be completed prior to delivery.
  - All necessary repairs and/or adjustments must be made prior to delivery.
2. Vendor must give Fleet Management 24-hour notice prior to delivery (423) 975-2751.
3. Delivery shall be made during regular working hours, Monday through Friday, excluding Holidays.
4. Vehicle or equipment will not be accepted if delivered to the wrong address.
5. Vendor must bring original specification sheets with vehicle delivery and MUST provide certificate of origin when vehicle is delivered along with the Title . Title shall be made out to: City of Johnson City, Tennessee.
6. Vendor must agree to sign the Acknowledgement of Receipt form (*sample form attached*) at time of vehicle/equipment delivery.
7. City has 48 hours (excluding weekends, Holidays, vacation leave) to inspect vehicle/equipment for specification compliance.

Revised May 2017



# ACKNOWLEDGEMENT OF RECEIPT VEHICLE/EQUIPMENT DELIVERY

The City of Johnson City acknowledges receipt of the following described vehicle or equipment:

| Year | Make | Model | VIN | Price |
|------|------|-------|-----|-------|
|      |      |       |     |       |
|      |      |       |     |       |
|      |      |       |     |       |
|      |      |       |     |       |

Above described property was delivered to the specified location.

The City, by accepting receipt of this vehicle(s) or equipment, does not provide insurance coverage on the vehicle(s) or equipment and further declares that inspection has not been completed to determine compliance with City specifications. The City shall take ownership of and provide insurance on vehicles and equipment only after the City ascertains that the vehicles or equipment comply with City specifications. The City reserves the right to reject any non-conforming tender or delivery of vehicles, goods, or equipment.

\_\_\_\_\_  
City Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Vendor

\_\_\_\_\_  
Vendor Representative

\_\_\_\_\_  
Date



**VEHICLE/EQUIPMENT DELIVERY & ACCEPTANCE PROCEDURES -  
Johnson City School's**

ACCEPTANCE: DELIVERY DOES NOT MEAN ACCEPTANCE. ALL VEHICLES/EQUIPMENT ARE SUBJECT TO INSPECTION TO ESTABLISH CONFORMITY TO SPECIFICATIONS PRIOR TO ACCEPTANCE.

1. Prior to delivery (if applicable):
  - Tires are to be inspected to insure proper inflation levels.
  - All fluid levels to be checked and corrected as needed.
  - Remove any unnecessary manufacturer's tape, stickers, decals, labels or other items except for the itemized window sticker with e.p.a. fuel economy estimates.
  - Vehicle is to be test driven and all features are to be checked to insure proper operation.
  - Any final assembly or installation of features, equipment or any options must be completed prior to delivery.
  - All necessary repairs and/or adjustments must be made prior to delivery.
2. Vendor must give the City 24-hour notice prior to delivery as specified.
3. Delivery shall be made during regular working hours, Monday through Friday, excluding Holidays.
4. Vehicle or equipment will not be accepted if delivered to the wrong address.
5. Vendor must bring original specification sheets with vehicle delivery and MUST provide certificate of origin when vehicle is delivered along with the Title . Title shall be made out to: City of Johnson City, Tennessee.
6. Vendor must agree to sign the Acknowledgement of Receipt form (*sample form attached*) at time of vehicle/equipment delivery.
7. City has 48 hours (excluding weekends, Holidays, vacation leave) to inspect vehicle/equipment for specification compliance.

**Revised May 2017**

## ACKNOWLEDGEMENT OF RECEIPT VEHICLE/EQUIPMENT DELIVERY

The City of Johnson City/Schools acknowledges receipt of the following described vehicle or equipment:

| Year | Make | Model | VIN | New/Used | Price |
|------|------|-------|-----|----------|-------|
|      |      |       |     |          |       |
|      |      |       |     |          |       |
|      |      |       |     |          |       |
|      |      |       |     |          |       |
|      |      |       |     |          |       |

Above described property was delivered to 224 East Myrtle Street, Johnson City, Tennessee.

The City, by accepting receipt of this vehicle(s) or equipment, does not provide insurance coverage on the vehicle(s) or equipment and further declares that inspection has not been completed to determine compliance with City specifications. The City shall take ownership of and provide insurance on vehicles and equipment only after the City ascertains that the vehicles or equipment comply with City specifications. The City reserves the right to reject any non- conforming tender or delivery of vehicles, goods, or equipment.

\_\_\_\_\_  
School Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Vendor

\_\_\_\_\_  
Vendor Representative

\_\_\_\_\_  
Date

**City of Johnson City  
Report of Goods/Services Received**

Exhibit Q

Check One

- Goods** ( equipment, parts, supplies, etc.)
- Services** (legal, medical, professional, etc.)
- Complete Order**
- Partial Shipment**

| Org. Code | Object | Project | Dollar Amount | Invoice # | P.O. # or Repair Order # |
|-----------|--------|---------|---------------|-----------|--------------------------|
| _____     | _____  | _____   | _____         | _____     | _____                    |
| _____     | _____  | _____   | _____         | _____     | _____                    |
| _____     | _____  | _____   | _____         | _____     | _____                    |
| _____     | _____  | _____   | _____         | _____     | _____                    |
| _____     | _____  | _____   | _____         | _____     | _____                    |
| _____     | _____  | _____   | _____         | _____     | _____                    |

Received From (Vendor) \_\_\_\_\_

Received By: (Employee) \_\_\_\_\_

| Quantity | Description | Condition |
|----------|-------------|-----------|
| _____    | _____       | _____     |
| _____    | _____       | _____     |
| _____    | _____       | _____     |
| _____    | _____       | _____     |
| _____    | _____       | _____     |
| _____    | _____       | _____     |
| _____    | _____       | _____     |
| _____    | _____       | _____     |
| _____    | _____       | _____     |

# Invoice Attached \_\_\_\_\_ Delivery Tickets \_\_\_\_\_ Total Cost \_\_\_\_\_

\_\_\_\_\_ Date

\_\_\_\_\_ Payment Authorization



# **AMENDMENTS TO PURCHASING MANUAL**

TO: Department Directors

FROM: Cathy D. Ball, city manager

DATE: Jan. 24, 2022

SUBJECT: Purchasing Authority

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Per City Charter, the city manager is authorized to delegate procurement responsibilities up to \$50,000. In an effort to make the purchasing process more streamlined and efficient, I am increasing the Purchasing director's signing authority to this limit. This means any purchase between \$2,001 and \$50,000 may be approved by Debbie Dillon. Purchases beyond \$50,000 will go to the Board of Commissioners. The procurement process (quotes, bids, etc.) will remain the same. Please use the attached summary sheet as an addendum to your purchasing manual and let me or Debbie know if you have questions. Thank you for all that you do!

cdb

ATTACHMENT: Limits of Expenditure Jan 2022.docx

## Dillon, Debbie

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**From:** Dillon, Debbie  
**Sent:** Friday, July 1, 2022 11:45 AM  
**To:** Leadership Team  
**Cc:** Harless, Valerie; Stallard, Jolene  
**Subject:** Small purchase limit being raised!

**Importance:** High

Please be advised that effective July 11<sup>th</sup>, the City's small purchasing limit will be raised to \$4,000 per purchase. This means that all p-card holders will be authorized, unless instructed otherwise, for all purchases below this threshold.

Keep in mind that this will most likely require a monthly limit increase on individual's p-card. Submit any credit limit change requests to Valerie via email. If you have any employees that you do not want to have this limit, you can keep their monthly expenditure limit at less than \$4,000 which will eliminate the possibility of a \$4,000 purchase. If any of this causes you concern, we do have other options available, so please contact me.

Although Purchasing will no longer process purchase requests under \$4,000, we are still available to provide guidance. I would urge all users to make purchases considering the best cost option for the tax dollar spent; as always we are here to assist. We are hopeful this increased limit will provide a useful tool for a more efficient and cost effect method for these small dollar purchases.



Please contact me if you have any questions.

**Debbie Dillon, CPPO, CPPB**

Director, Purchasing  
City of Johnson City, Tennessee  
P.O. Box 2150 (37605), 209 Water Street (37601) Johnson City,  
423.975.2717 / <http://www.johnsoncitytn.org/purchasing>

## Dillon, Debbie

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**From:** Dillon, Debbie  
**Sent:** Tuesday, August 9, 2022 5:21 PM  
**To:** Leadership Team  
**Cc:** Harless, Valerie (vharless@johnsoncitytn.org); Stallard, Jolene  
**Subject:** Sealed bid limit increase

On 8/4/2022 City Commission approved (on 3<sup>rd</sup> reading) the Ordinance to raise our Sealed Bid Limit to \$50,000+.  
As a result, the following additional limit changes apply:

\$20,000 - \$49,999 – Formal quotes – issued by Purchasing Department

\$ 4,001 - \$19,999 – informal quotes - obtained by the using the Department and submitted to Purchasing.

As always, we are here to assist with any procurement needs regardless of the dollar value and be reminded that all purchases need to be the best value for the tax dollars spent. I hope you find that these new limits provide a more cost effective and efficient tool in the procurement of goods and services as needed and in a more timely manner.



Any questions, please contact me.

**Debbie Dillon, CPPO, CPPB**

Director, Purchasing

City of Johnson City, Tennessee

P.O. Box 2150 (37605), 209 Water Street (37601) Johnson City,

423.975.2717 / <http://www.johnsoncitytn.org/purchasing>

City Commission

# AGENDA SUMMARY

**APPROVED - DISAPPROVED**  
**BY CITY COMMISSION**

DATE: Aug 4, 2022



**SUBJECT:** Ordinance #4813-22: Third Reading  
An ordinance to consider raising the sealed bid limit to \$50,000 (Purchasing)

**MEETING:** City Commission - Aug 04 2022

**DEPARTMENT:** Purchasing

**STAFF CONTACT:** Debbie Dillon, Director

## SUMMARY:

Consideration of an ordinance to raise the sealed bid limit from \$25,000 to \$50,000 which is now allowable as per Senate Bill #2489 that became effective May 11, 2022.

## STAFF RECOMMENDATION:

Recommend approval

## SUPPORTING DOCUMENTS:

bid limit increase second reading

**ORDINANCE NO. 4813-22**

**AN ORDINANCE TO INCREASE THE THRESHOLD OVER WHICH PUBLIC ADVERTISEMENT AND SEALED BIDS ARE REQUIRED IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED SECTION 12-3-1212 BY AMENDING TITLE 5, CHAPTER 1 OF THE CODE OF JOHNSON CITY AND TO REPEAL ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH**

**BE IT ORDAINED BY THE CITY OF JOHNSON CITY** as follows:

SECTION I. That Title 5, Chapter 1, of the Code of Johnson City is hereby amended to add the following:

The original Section 5-102(3) reads as follows:

**5-102. Authority to make purchases and negotiate contracts.**

(3) The threshold over which public advertisement and sealed competitive bids or proposals are required shall be twenty-five thousand dollars (\$25,000.00) for nonemergency, nonproprietary purchases. At least three (3) written quotations shall be required whenever possible for purchases costing between ten thousand dollars (\$10,000.00) and twenty-five thousand dollars (\$25,000.00). Purchases of like items shall be aggregated for purposes of the bid threshold. The City Manager, as purchasing agent, or his designated Purchasing Director, are authorized to make purchases as specified herein pursuant to Tenn. Code Ann. §12-3-1212 and the Charter of the City of Johnson City.

The new Section 5-102(3), as amended, is substituted as follows:

**5-102. Authority to make purchases and negotiate contracts.**

(3) The threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed fifty thousand dollars (\$50,000.00) for nonemergency, nonproprietary purchases. At least three (3) written quotations shall be required whenever possible for purchases costing between ten thousand dollars (\$10,000.00) and fifty thousand dollars (\$50,000.00). Purchases of like items shall be aggregated for purposes of the bid threshold. The City Manager, as purchasing agent, or his designated Purchasing Director, are authorized to make purchases as specified herein pursuant to Tenn. Code Ann. §12-3-1212 and the Charter of the City of Johnson City.

**SECTION II.** BE IT FURTHER ORDAINED that all ordinances and parts of

ordinances in conflict herewith be and the same are hereby repealed.

SECTION III. BE IT FURTHER ORDAINED that this ordinance shall take effect from and after its passage on third and final reading as required by law, the public welfare requiring it.

PASSED IN OPEN, PUBLIC MEETING  
ON THE FIRST READING 7-7-22

PASSED IN OPEN, PUBLIC MEETING  
ON THE SECOND READING 7/21/22

PASSED IN OPEN, PUBLIC MEETING  
ON THE THIRD READING 8/4/22  
APPROVED AND SIGNED IN OPEN  
MEETING ON THE 4<sup>th</sup> DAY OF  
August, 2022

FOLLOWING PASSAGE ON THIRD  
READING

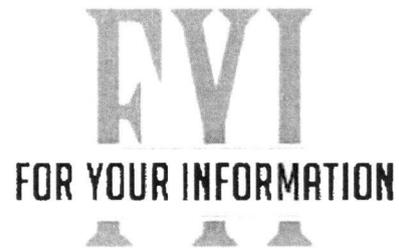
  
\_\_\_\_\_  
JOSEPH C. WISE, MAYOR  
Todd Fowler, Vice-Mayor

ATTEST:

  
\_\_\_\_\_  
CITY RECORDER

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CITY ATTORNEY



All,

Through the efforts of the Legislative Committee of TAPP, we were able to get two pieces of legislation passed through the General Assembly. Those are:

1. One allows local governments with centralized procurement and a fulltime procurement agent to raise their threshold for sealed bids to a maximum of \$50,000.
- 2 One clarifies existing legislation about negotiations.

The signed bills for these are attached. Also attached are three other pieces of legislative that passed that affects procurement.

Camille

[senate-bill-2881-insurance-not-by-bid-2022.pdf](#)

[senate-bill-2489-public-chapter-2489-bid-threshold-to-50000-2022-1.pdf](#)

[senate-bill-2352-public-chapter-1036-highway-threshold-25000-2022.pdf](#)

[senate-bill-1993-israel-non-boycott-act-2022.pdf](#)

[senate-bill-779-allowing-full-negotiations-discussions-2022.pdf](#)



# State of Tennessee

## PUBLIC CHAPTER NO. 1016

SENATE BILL NO. 2489

By Briggs, Bailey, Bowling

Substituted for: House Bill No. 2600

By McKenzie, Whitson, Beck, Towns, Camper, Gloria Johnson, Hazlewood, Thompson

AN ACT to amend Tennessee Code Annotated, Section 12-3-1212, relative to thresholds for competitive sealed bids.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 12-3-1212, is amended by deleting the section and substituting:

(a) Notwithstanding another law to the contrary, a county, municipality, utility district, or other local governmental entity having centralized purchasing authority with a full-time purchasing agent may, by resolution or ordinance of its governing body, increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed fifty thousand dollars (\$50,000) for nonemergency, nonproprietary purchases.

(b) Notwithstanding another law to the contrary, a county, municipality, utility district, or other local governmental entity having non-centralized purchasing authority may, by resolution or ordinance of its governing body, increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed twenty-five thousand dollars (\$25,000) for nonemergency, nonproprietary purchases.

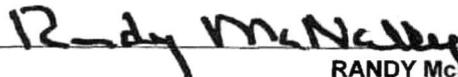
(c) At least three (3) written quotations are required when possible for purchases costing less than the bid threshold established under subsection (a) or (b), but more than forty percent (40%) of such bid threshold or some lower amount as may be established by the governing body in a resolution. Purchases of like items must be aggregated for purposes of the bid threshold.

(d) For purposes of this section, a "full-time purchasing agent" means a person who devotes the whole of the person's working time to the demands and duties of the office of purchasing agent.

SECTION 2. This act takes effect upon becoming law, the public welfare requiring it.

SENATE BILL NO. 2489

PASSED: April 25, 2022

  
\_\_\_\_\_  
RANDY McNALLY  
SPEAKER OF THE SENATE

  
\_\_\_\_\_  
CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 11<sup>th</sup> day of May 2022

  
\_\_\_\_\_  
BILL LEE, GOVERNOR

**ORDINANCE NO. 4593-15**

**AN ORDINANCE TO INCREASE THE THRESHOLD OVER WHICH PUBLIC ADVERTISEMENT AND SEALED BIDS ARE REQUIRED IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED SECTION 12-3-1212 AND TO REPEAL ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH**

BE IT ORDAINED BY THE CITY OF JOHNSON CITY as follows:

SECTION I. That a new subsection 5-102(3) be added to the Code of the City of Johnson City Tennessee which shall read as follows: "The threshold over which public advertisement and sealed competitive bids or proposals are required shall be twenty-five thousand dollars (\$25,000.00) for nonemergency, nonproprietary purchases. At least three (3) written quotations shall be required whenever possible for purchases costing between ten thousand dollars (\$10,000.00) and twenty-five thousand dollars (\$25,000.00). Purchases of like items shall be aggregated for purposes of the bid threshold. The City Manager, as purchasing agent, or his designated Purchasing Director, are authorized to make purchases as specified herein pursuant to Tenn. Code Ann. §12-3-1212 and the Charter of the City of Johnson City."

SECTION II. BE IT FURTHER ORDAINED that all ordinances and parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION III. BE IT FURTHER ORDAINED that this ordinance shall take effect from and after its passage on third and final reading as required by law, the public welfare requiring it.

PASSED IN OPEN, PUBLIC MEETING  
ON THE FIRST READING 10/15/2015

PASSED IN OPEN, PUBLIC MEETING  
ON THE SECOND READING 03 Nov 2015

PASSED IN OPEN, PUBLIC MEETING  
ON THE THIRD READING 19 Nov 2015

APPROVED AND SIGNED IN OPEN  
MEETING ON THE 19th DAY OF  
November, 2015  
FOLLOWING PASSAGE ON THIRD  
READING

W. C. Nor  
MAYOR



**LIMITS OF EXPENDITURE (Revised 8/11/2022)**

| <b>DOLLAR THRESHOLD</b> |  | <b>PURCHASE METHOD</b> | <b>PROCESS</b>  |
|-------------------------|--|------------------------|---|
| \$4,000 & under         |  | Small Purchase         | Procurement-card (p-card)   |
| \$4,001 - \$19,999      |  | Informal Quote         | Requisition to purchasing including price quotes (3 preferred)      |
| \$20,000 - \$49,999     |  | Formal Quote           | Requisition to Purchasing. Purchasing issues Formal quote requests. |
| \$50,000+               |  | Sealed Solicitation    | Requisition to Purchasing. Purchasing issues Sealed Solicitation.   |

**PROCUREMENT AUTHORITY LEVELS**

| <b>DOLLAR THRESHOLD</b> | <b>AUTHORIZED PERSONNEL</b> |
|-------------------------|-----------------------------|
| \$ 4,000 & under        | All City Personnel          |
| \$ 50,000 & under       | Purchasing Director         |
| \$ 50,001+              | Board of Commissioners      |