

ORDINANCE NO. 163

AN ORDINANCE ADOPTING THE MUNICIPAL PURCHASING LAW, AS AMENDED; AND TO ESTABLISH THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN, AS FOLLOWS:

SECTION I. That Title 1, General Administration, of the Code of Ordinances, Town of Mount Carmel, Tennessee, is hereby amended by adding the following Chapter, said new Chapter to read as follows:

CHAPTER 6. PURCHASING

Sec. 1-601. **Application.**

This chapter shall apply to all purchases by authorized officials using or encumbering municipal funds, except as follows:

- (1) This chapter shall not apply to purchases made under the provisions of *Tenn. Code Ann. §12-3-1001*;
- (2) This chapter shall not apply to investments in or purchases from the pooled investment fund established pursuant to *Tenn. Code Ann. §9-17-105*;
- (3) This chapter shall not apply to purchases from instrumentalities created by two (2) or more cooperating governments such as, but not limited to, those established pursuant to the Interlocal Cooperation Act, compiled in *Tenn. Code Ann. title 12, chapter 9*; and
- (4) This chapter shall not apply to purchases from nonprofit corporations such as, but not limited to, the Local Government Data Processing Corporation, whose purpose or one (1) of whose purposes is to provide goods or services specifically to municipalities.

Sec. 1-602. **Limits on Purchases.**

All purchases made from funds subject to the authority of this chapter shall be made within the limits of the approved budget, when required, and the appropriations, when required, for the department, office or agency for which the purchase is made.

Sec. 1-603. **Advertising and Bidding - Exceptions.**

Except as hereinafter provided, all purchases and leases or lease-purchase agreements shall be made or entered into only after public advertisement and competitive bid, except as follows:

- (1) Purchases costing less than five thousand dollars (\$5,000); provided, that this exemption shall not apply to purchases of like items which individually cost less than five thousand dollars (\$5,000), but which are customarily purchased in lots of two (2) or more, if the total purchase price of such items would exceed five thousand dollars (\$5,000) during any fiscal year;
- (2) Any goods or services which may not be procured by competitive means because of the existence of a single source of supply or because of a proprietary product. A record of all such sole source or proprietary purchases shall be made by the person or body authorizing such purchases and shall specify the amount paid, the items purchased, and from whom the purchase was made. A report of such sole source or proprietary purchases shall be made as soon as possible to the mayor and the board of mayor and alderman and shall include all items of information as required for the record;
- (3) Purchases or leases of any supplies, materials or equipment for immediate delivery in actual emergencies arising from unforeseen causes, including delays by contractors, delays in transportation, and unanticipated volume of work. A record of any such emergency purchase shall be made by the person or body authorizing such emergency purchases, and shall specify the amount paid, the items purchased, from whom the purchase was made and the nature of the emergency. A report of any emergency purchase shall be made as soon as possible to the board of mayor and aldermen and the mayor, and shall include all items of information as required in the record;

- (4) Leases or lease-purchase agreements requiring total payments of less than five thousand dollars (\$5,000) in each fiscal year the agreement is in effect; provided, that this exemption shall not apply to leases of like or related items which individually may be leased or lease-purchased with total payments of less than five thousand dollars (\$5,000) in any fiscal year, but which are customarily leased or lease-purchased in numbers of two (2) or more, if the total lease or lease-purchase payments for such items under a single agreement would be five thousand dollars (\$5,000) or more in any fiscal year;
- (5) Purchases, leases, or lease-purchases of real property;
- (6) Purchases, leases, or lease-purchases from any federal, state, or local governmental unit or agency of secondhand articles or equipment or other materials, supplies, commodities, and equipment;
- (7) Purchases of perishable commodities from the requirements of public advertisement and competitive bidding, when such items are purchased in the open market. A record of all such purchases shall be made by the person or body authorizing such purchases and shall specify the amount paid, the items purchased, and from whom the purchase was made. A report of such purchases shall be made, at least monthly, to the mayor and the board of mayor and alderman, and shall include all items of information as required in the record. Fuel and fuel products may be purchased in the open market without public advertisement, but shall whenever possible be based on at least three (3) competitive bids. Fuel and fuel products may be purchased from the department of general services' contract where available; and
- (8) Purchases, for resale, of natural gas and propane gas.

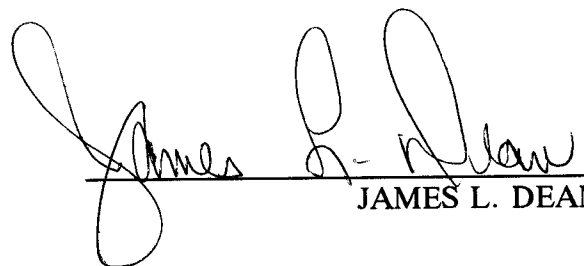
Sec. 1-604. Advertising and Bidding - Expenditures of Less than \$5,000.

All purchases, leases, or lease-purchase arrangements with expenditures of less than five thousand dollars (\$5,000) but more than one thousand dollars (\$1,000) in any fiscal year may be made in the open market without public advertisement, but shall, whenever possible, be based upon at least three (3) competitive bids. Purchases, leases, or lease-purchases of one thousand dollars (\$1,000) or less in any fiscal year shall not require any public advertisement or competitive bidding.

Sec. 1-605. Additional Authority of Board.

- (a) The board of mayor and alderman may, by resolution, lower the dollar amounts required in this chapter for public advertisement and competitive bidding to an amount to be set by the board.
- (b) The board of mayor and alderman may, by resolution, adopt regulations providing procedures for implementing the provisions of this chapter.

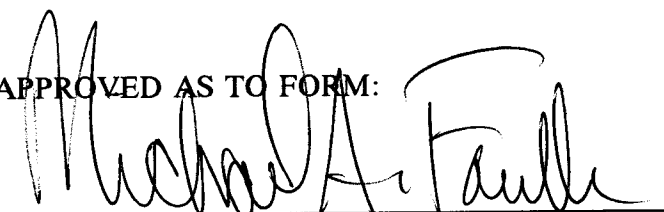
SECTION II. That this Ordinance shall take effect from and after its passage and publication as the law directs, the public welfare requiring it.


JAMES L. DEAN, Mayor

ATTEST:


NANCY F. CARTER, Recorder

APPROVED AS TO FORM:


LAW OFFICES OF FAULK AND MAY, Attorneys

PASSED 1ST READING: 9-28-95 Ayes 5 Nays 0 Other 0
PASSED 2ND READING: 10-26-95 Ayes 5 Nays 0 Other 0

<u>PUBLISHED ON:</u>	
DATE:	<u>2-17-96</u>
NEWSPAPER:	<u>Times News</u>