

ORDINANCE NO. 2005-3

AN ORDINANCE TO AMEND TITLE 5, CHAPTER 4, SECTION 5-401 THROUGH SECTION 5-407 OF THE SIGNAL MOUNTAIN TOWN CODE RELATIVE TO PURCHASING REQUIREMENTS BY THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE

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BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, THAT:

SECTION 1. That Title 5, Chapter 4, Sections 5-401 through 5-407, of the Signal Mountain Town Code be amended to delete the language in said sections in their entirety and to substitute in lieu thereof the following new sections 5-401 through 5-414:

5-401 Purchases of less than \$1,500.00. All purchases involving expenditures less than \$1,500.00 must be approved by the department head of the Town department making the purchase. No type of quote or bid shall be required unless requested by the Town Manager.

5-402. Purchases of \$1,500.00 through \$4,999.99. All purchases involving expenditures of \$1,500.00 through \$4,999.99 must be approved in advance by the Town Manager, or, in his absence, the Mayor or the Town Recorder. No type of quote or bid process shall be required for such purchases unless requested by the Town Manager.

5-403. Purchases of \$5,000.00 through \$9,999.99. All purchases involving expenditures of \$5,000.00 through \$9,999.99 must be approved in advance by the Town Manager, or, in his absence, the Mayor or the Town Recorder. Three competitive bids or quotations either verbally or written may be obtained by the Town Manager, in his or her sole discretion, whenever possible or practicable for all purchases in excess of \$5,000.00.

5-404. Purchases of \$10,000.00 or greater. All purchases involving expenditures of \$10,000.00 or greater shall only be approved by a majority vote of the Town Council of the Town of Signal Mountain, Tennessee, after the Town Manager has obtained sealed bids by advertising in a newspaper of general circulation within Hamilton County, Tennessee, and after posting notices on the Town bulletin board. In no event shall any requisition for purchase, voucher, or contract be split or divided into two (2) or more requests with the intent of evading the necessity for having competitive bids and/or the necessity of obtaining the approval of the Town Council.

5-405. Advertising or bidding – exceptions. Public advertisement and competitive bidding shall be required for the purchase of all goods and services

exceeding an amount of ten thousand dollars (\$10,000.00) except for those purchases which are specifically exempted from advertisement and bidding by the Municipal Purchasing Law of 1983, which is codified at T.C.A. § 12-3-101, *et seq.*, and including other general laws regulating municipal purchases. Contracts for professional services shall not be subject to competitive bidding pursuant to T.C.A. § 12-4-106. Certain insurance purchases shall not be subject to competitive bidding pursuant to T.C.A. § 29-20-407.

**5-406. Purchase requisitions required; approval of form.** All purchases made under the provisions of this article shall be made pursuant to a written requisition from the head of a department of the Town. The Town Manager shall approve the form of any requisition.

**5-407. Signing, custody of contracts.**

- (a) Contracts for the purchase of supplies, materials and equipment shall be signed for and on behalf of the Town by the Town Manager or Mayor. Contracts for construction, services and all other contracts shall be signed for and on behalf of the Town by the Town Manager or the Mayor.
- (b) The original of all contracts shall be delivered to and kept by the Town Recorder.

**5-408. Approval of expenditures exceeding ten thousand dollars.** Whenever any requisition or voucher or contract calls for the expenditure of more than ten thousand dollars (\$10,000.00), the issuance of a purchase order or the payment of a voucher, or the award of a contract shall be subject to the approval of the Town Council, and shall not be binding on or create any liability against the Town until approved by the Town Council. Such approval shall be by resolution or by motion adopted by majority vote of the Town Council; provided, however, that such approval shall not be necessary where a voucher or requisition is issued pursuant to a prior lawful contract or pursuant to an ordinance authorizing such expenditure.

**5-409. Submission, opening, acceptance of bids.**

(a) All bids shall be sealed and submitted to the official authorized herein to request bids on or before the specified time when such bidding is to be closed. The official receiving bids shall open them publicly on the date and at the hour specified. A purchase order may be issued, and/or a contract may be awarded, to the lowest responsible bidder submitting the best bid after approval by the Town Council. The Town Council may reject any and all bids submitted regardless of the amount involved. The term "lowest responsible bidder submitting the best bid" shall mean that in addition to price, consideration may be given to the following factors:

- (1) The ability, capacity and skill of the bidder to perform the contract or provide the service required;

- (2) Whether the bidder can perform the contract or provide the service promptly or within the time specified, without delay or interference;
- (3) The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- (4) The quality of performance of previous contracts or services;
- (5) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- (6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- (7) The quality, availability and adaptability of the supplies, material and equipment, or contractual services to the particular use required;
- (8) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract, and the proposed warranty or guaranty;
- (9) The number and scope of conditions attached to the bid;
- (10) The approach of the bidders to issues raised in the solicitation for bids;
- (11) The peculiar capabilities of the bidders to perform the contract;
- (12) The proprietary features of the bid; and
- (13) The overall responsiveness of the bid to the needs of the Town.

**5-410. Contents of bid proposals.** All bid proposals for contracts to furnish supplies, materials or equipment, or to do construction work, shall set forth with particularity the nature of the work to be performed, how it shall be done, the type and quality of the material to be used and any other details necessary for the guidance of the contractor and the protection of the Town.

**5-411. Specifications attached to contracts.** The Town Manager may have the Town engineer or other competent Town officer or employee, or private consultant, draw specifications in detail which shall be attached to the contract and construed to be a part thereof. Such specifications shall be made in duplicate, one (1) copy to be furnished to the contractor and the other retained by the Town Recorder the office as a part of the records of the Town.

**5-412. Public improvement contracts.** All contracts of the Town for any public improvement, when the cost shall exceed ten thousand dollars (\$10,000.00) shall be let to the lowest responsible bidder, the Town Council to be the judge thereof, and the Town

Council shall have the right to reject any and all bids. All contracts of the Town shall be in writing, and may be signed on behalf of the Town by the Mayor or Town Manager. All contracts shall be subject to the approval of the Town Council. Notice to bidders shall be given by publication in a daily newspaper published in Hamilton County, Tennessee, giving the date, hour and place bids will be received and publicly opened, which publication notice shall be at least ten (10) days before the bids are to be received.

5-413. Force account or cost-plus contracts for public improvements. After bids have been advertised and received for making any public improvement, the Mayor or Town Manager may negotiate with the lowest responsible bidder to have such bidder make such public improvement by force account or on a cost-plus basis if, in the opinion of the Mayor or the Town Manager, the making of such agreement is advantageous to the Town. Contracts for repair of buildings or structures may be let on a cost-plus basis which shall include the cost of labor, material, insurance or other legitimate expenses of the contractor and a fixed fee or percentage for profit with a maximum cost to the Town of such contract. All such agreements shall be in writing and approved by the Town Council.

5-414. Contractor's bond. No contract shall be let for any public work until the contractor shall have first executed a good and solvent bond to the effect that he will pay for all the labor and materials used by such contractor, or any immediate or remote subcontractor under him, in such contract, in lawful money of the United States. The bond to be so given shall be for one hundred (100) percent of the contract price. Where advertisement is made, the condition of the bond shall be stated in the advertisement; provided, that this section shall not apply to contracts under Ten Thousand dollars (\$10,000.00).

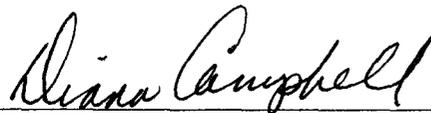
SECTION 2. That this Ordinance shall become effective immediately from and after its passage as provided by law.

Passed First Reading JULY 11, 2005

Passed Second Reading AUGUST 8, 2005



WILLIAM O. LEONARD, III, Mayor



DIANA CAMPBELL, Town Recorder