



CITY OF JACKSONVILLE, ARKANSAS

PURCHASING MANUAL

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I. INTRODUCTION

A. PURPOSE OF THE MANUAL

The intent and purpose of this Manual is to establish operational policies for the City's Purchasing System to assure the Community that the goods and services required to support the operation of City government are procured in a manner consistent with City Ordinances, Administrative Directives, and Arkansas Code Annotated and to assure the Community that the procurement system of the City is committed to fair and equal opportunity with integrity and openness. The Personnel in the Finance Department are prepared to answer questions that may arise from any existing problems or clarify any information contained in this Manual. If we may be of assistance to you, please do not hesitate to call us at 501-982-6641.

B. OBJECTIVES OF THE FINANCE DEPARTMENT AND THIS MANUAL

- To clearly establish that the responsibility for purchasing is the responsibility of all employees with the assistance of the Finance Department.
- The timely procurement of all supplies, materials, equipment, contractual labor and services, as specified by City Ordinance and this Manual, at the most appropriate cost and best quality consistent with the goods and services required.
- To exercise positive financial accountability in the expenditure of City funds.
- To ensure the fair and equitable treatment of all persons who deal with the purchasing system of the City.
- To ensure that all parties involved in the negotiation, performance or administration of City contracts act in good faith.

C. RESPONSIBILITIES OF THE FINANCE DEPARTMENT

- Assure compliance with Federal, State, and City laws and regulations pertaining to acquisition of supplies, equipment, and services.
- Promote an understanding of sound purchasing policies and procedures throughout all Departments of the City.

- Provide aid and assistance to all Departments in purchasing matters.
- Maintain up-to-date vendor files.
- Advertise and evaluate bids and maintain bid files.
- Determine compliance with purchasing regulations.
- Approve Purchase Orders.
- Audit invoices received to assure prices and account numbers are correct.
- Compliance with and enforcement of the procedures outlined in this manual.
- Generation and maintenance of all files necessary to evidence compliance with City purchasing requirements.
- Property Disposal through public auction or other authorized measures.

D. RESPONSIBILITIES OF CITY DEPARTMENTS

- Provide sufficiently defined information on items to be purchased and assist in the preparation of specifications.
- Prepare Purchase Requisitions through BS&A Purchase Order module.
- Plan purchases to eliminate avoidable emergencies.
- Provide complete receiving information including sales receipts to the Finance Department.
- Submit invoices immediately to the Finance Department for payment, making sure the correct General Ledger Number and Purchase Order number is written on the face of the invoice. The invoice must be signed with an “ok to pay” before submitting to the Finance Department. Prices must be checked by the Department to verify they are correct.
- Notify the Finance Department of Surplus Property.

E. PURCHASING POLICY

To maintain integrity in its relationship with the public, it is the policy of the Finance Department and all City employees not to accept any gifts or gratuities that contain value from any vendor and to comply with all applicable provisions of local, state, and federal law. All purchases will be made by the City without regard to race, color, creed, national origin, or sex and in accordance with this manual.

The Finance Department exists to obtain needed goods and services utilized by the City Departments at the best available price. The criteria for awarding any bid, contract, or individual commodity to any vendor shall include, but are not limited to, the following: price, quality of item bid vs. that requested, delivery time, past performance by the vendor; and, the vendor's ability to service or support its product.

In accordance with City of Jacksonville Municipal Code 3.08.004, the Finance Department along with all City employees will follow the City of Jacksonville Purchasing Manual.

II. PURCHASING PROCEDURES

The Budget provides a guideline for each Department to use in making purchases.

A. PURCHASE REQUISITION

A Purchase Requisition must be submitted through BS&A Purchase Order module *prior to making a purchase*. Care should be exercised to indicate the proper General Ledger number for charging the item against the department's budget.

B. PURCHASE ORDERS

The Finance Department approves and issues all purchase orders.

C. BLANKET PURCHASE ORDERS

Blanket Purchase Orders can be used for recurring monthly expenditures from the same vendor. The total estimated cost of the items can be obtained by referencing past requisitions and purchases. Each purchase will be subtracted from the blanket purchase order until the encumbrance has been expensed. If additional purchases need to be made, a new requisition must be submitted.

D. ENCUMBRANCE OF FUNDS

All requisitions and following purchase orders issued call for encumbering the necessary funds for completion of the order from the proper account(s). This is primarily an accounting procedure, that is automatically generated through the BS&A Accounting System. However, it is essential that all Department Directors be continually aware of the correct balance of unencumbered funds in their Department budgets and realize the effects of expenditures and encumbrances on their budgets and the appropriate line items/funds.

E. TRAVEL

Department Directors must approve all requests for official travel prior to the Employee's departure. The City's Travel Policy (<P:\POLICY MANUAL\Policy Manual Revisions 9-12-12.pdf>) establishes the rules governing the eligibility for payment of expenses incurred by the Employee. These rules provide for the

payment of travel funds to employees and for the reimbursement of out-of-pocket expenses.

Hotel reservations can be made using the City credit card. The hotel authorization form should be faxed to the Finance Department. The Finance Department will complete the credit card information and fax it back to the Hotel. The traveling employee will need to submit a requisition using the City's currently approved Bank Card Services as the vendor and list the Hotel name in the description.

F. RECEIPT AND INSPECTION

Upon receipt of delivery, the receiving department should check delivery against the invoice. The delivery receipt should be signed and dated by the Employee receiving the merchandise and forwarded to the Finance Department. Deviations in quantity, description, or condition of commodities should be noted on the invoice.

If the materials delivered are not in conformity with the required specifications or for other reasons, are not acceptable to the using department, they shall notify the Finance Department of the reasons for withholding acceptance. The using Department shall notify the vendor that the delivery has been rejected and that a satisfactory replacement of a supplementary delivery must take place before payment can be processed.

Adequate inspection of deliveries is an important but frequently neglected part of the purchasing procedure. Such inspection of deliveries saves the City from losses due to errors or deliberate attempts to defraud.

G. INVOICES

An invoice is the vendor's statement of its charges to the City for items/services provided. Invoices are normally based on information from Purchase Orders and must contain substantially the same information. Invoices should be mailed to the Finance Department. In some cases, however, the invoices may be delivered with the items at the receiving point. In this case, the using Department must forward it to the Finance Department. Please note that packing slips are not considered invoices.

- Invoices received by the using Department must be scanned into the using Department's purchasing folder found on the public drive.

The PO number must be written on the invoice and signed with an “ok to pay”.

◆Definition of “ok to pay” – types of documents telling the Purchase Department to pay an invoice are: shipping/delivery tickets, receipts, confirmations, receiving document, completion document form, or an electronic signature on the invoice. An email should only be used if no documentation is available.

- Invoices received by the Finance Department will be scanned into the Invoice and Statement folder located on the public drive.

H. PETTY CASH PURCHASES

Department Directors should inform the Finance Director of their need for Petty Cash. Once approved by the Finance Director, such a request is presented to City Council for approval. The custodian, as designated by the Department Director is responsible for the fund. The custodian is to be aware of the proper procedures for maintaining the fund and will be held responsible for any and all discrepancies, misuse, or violation of the fund. The custodian and the Department Director shall approve each voucher. If a custodian is to be replaced, the Finance Department is to be notified. Access to the money must be restricted to the custodian and the Department Director. Routine purchases of items of less than Twenty Dollars (\$20.00) may be made from petty cash without contacting the Finance Department.

The following regulations will apply to all petty cash funds:

- No personal checks are to be cashed.
- Reimbursement is to be made only to personnel authorized by the department head. It shall be the responsibility of the using department to properly code or classify the item or expenditure. Authorization for the custodian to replenish the fund shall be processed using a Purchase Order.
- No reimbursement is to be made for items over Twenty Dollars (\$20.00) without prior approval by the Department Director. The Department Director may authorize up to Fifty Dollars (\$50.00).
- Items incidental to travel (such as transportation, gasoline, and registration fees) are not reimbursable through petty cash and should be reported on the Travel Expense Report.

- All petty cash funds will be subject to audit at unannounced times by a designated representative of the Finance Director.
- Custodians of petty cash funds shall requisition for replenishment of the fund when needed. A requisition will be submitted as the means for requesting replenishment of petty cash funds. The Finance Department will charge the appropriate expenditure accounts for the various departments, thus reflecting expenditures made through petty cash funds.
- The Finance Director may establish such additional rules and regulations regarding petty cash funds as deemed necessary.

I. PAYMENTS

The Finance Department makes every effort to have a 7 day turn-around for all City obligations.

III. BIDDING PROCEDURES

The City strives to use only vendors who have adequate financial strength, high ethical standards, and a record of adhering to specifications, maintaining shipping promises, and giving a full measure of service. New vendors will be given due consideration as multiple sources of supply are necessary to insure availability of commodities and services. All purchases will be made in strict conformance to ACA 14-58-301 et. seq., JMC 3.08 and other applicable provisions of local, state and federal law.

A. COMPETITIVE BIDS

Purchases not exceeding Five Thousand Dollars (\$5,000.00) may be made without advertising or soliciting competitive bids. If it is in the City's best interest, quotes do not have to be obtained from more than one (1) vendor. It is, however, always encouraged that comparative quotes be taken.

B. COMPETITIVE BIDS BY TELEPHONE

Purchases between \$5,000.00 and \$10,000.00 may be made after taking bids from at least two (2) potential vendors able to provide the item being purchased. A Price Quotation Sheet must be completed and submitted to the Finance Department. The bid quotes must be entered into BS&A in the Purchase Order Module before a purchase order is issued.

C. WRITTEN INFORMAL BIDS

Written quotes (two or more) are required on all purchases exceeding Ten Thousand Dollars (\$10,000.00) and less than Twenty Thousand Dollars (\$20,000.00) Informal written bids do not require advertising nor a public bid opening shall not be required. The written bids must be submitted to the Finance Department, and the bid quotes must be entered into BS&A in the Purchase Order Module before a purchase order is issued.

D. FORMAL BIDS

Formal Bids are required on purchases in excess of Twenty Thousand Dollars (\$20,000.00) and must be formally advertised One (1) time no less than Two (2) weeks prior to the bid opening. Information contained in the advertisement should include:

- A detailed description of the commodity or service desired.
- Notification that only sealed bids shall be evaluated.
- Bonding requirements, if any.
- Time, date, and place of bid opening.

Bid specifications must be submitted to the Finance Department along with a vendor list. The Finance Department will set a date for the bid opening, assign a bid number, contact the newspapers to meet advertising requirements and prepare vendor bid packets. Final approval is required by the City Council per Municipal Code 3.08.040.

E. BID PROCESSING

- Sealed bids will be received at any time during normal working hours prior to the specific time and date as advertised. Each bid will be time and date stamped as received. The bids will be publicly opened and read at the time designated for the bid opening.
- Bids will be rejected if received after the time and date set for the opening. These bids will be time and date stamped and returned to the vendor unopened in a separate envelope with a letter notifying the vendor of the reasons for rejection.
- A Five Percent (5%) preference will be given to Arkansas based vendors who, in accordance with ACA 19-11-259 so qualify.

F. BIDDING EXCEPTIONS, EXEMPTIONS, AND MODIFICATIONS

In the event all bids submitted for a project exceed the amount appropriated for the award of the contract, and if bidding on alternates was not required by the plans and specifications, City officials may, at their discretion, attempt to negotiate an award with the apparent responsible low bidder. However, the negotiated amount must be within Twenty-five Percent (25%) of the amount appropriated by the City for the project.

If the plans and specifications for the project require bids on alternates in addition to a base bid, there shall be no more than Three (3) alternates; the alternates shall be deductive; and, the alternates shall be set forth in the Bidder's submitted bid packet plans and specifications in numerical order.

If all bids submitted exceed the amount appropriated for the award of the contract, City officials may determine the apparent responsible low bidder by deducting the alternatives in numerical order.

After making the deductions, if the cost of the project is less than Twenty-Five Percent (25%) above the amount appropriated for the project, then and only in that event may City officials negotiate an award with the low bidder so determined.

Whenever it is obvious from examination of the bid document that it was the intent of the bidder to submit a responsible bid but the bidder made an error (such as but not limited to transposition of numbers), City officials have the authority to relieve the bidder from responsibility under his bid and may reject the erroneous bid.

For all bid projects, City officials shall have designated and derived that; the City has the funds available to cover the costs associated with the project as bid; and, the City has allocated those funds available for payment of the cost associated with the project.

No contract providing for the making of major repairs, alterations, for the erection of buildings or other structures, or for making other permanent improvements with costs exceeding Seventy-five Thousand Dollars (\$75,000.00) shall be entered into by the City unless the bid documents contain statements encouraging participation of small, minority, and women's business enterprises.

The following are exempted from the bidding requirements:

- Purchasing through state contracts, the AHTD bids of record, and/or from vendors who meet exactly the terms and conditions of a current state contract as authorized under State law and Jacksonville Municipal Code.

- Repairs to equipment. Replacement of complete assemblies is not included in the exemption.
- Purchases of equipment from any governmental jurisdiction in this state or any adjoining state.
- Governmentally owned equipment purchased at public auction.
- Raw (unprocessed) fill material.
- Sole source items.
- Emergency purchases. (see below)
- Purchases of training materials. (Note: Training equipment is not included in this exemption.)
- Purchases of unmarked vehicles and high-tech equipment to be used by narcotics agents in covert activities.

G. EMERGENCY PURCHASES

Emergency purchase situations must be authorized by City Council based on the decision that delay incurred by following purchasing requirements would be detrimental to the best interests of the City. The Department Director must, submit for approval an Ordinance including the vendor's name and a specific request for payment and an exact or maximum amount to be expended. Minutes of the City Council meeting will record approval for an emergency purchase.

All efforts should be made by the individual offices and departments to anticipate all Department needs, allowing sufficient time to follow the proper and most cost-effective method of purchasing.

NOTE: LACK OF PLANNING DOES NOT CONSTITUTE AN EMERGENCY

H. SPLIT PURCHASE – PROHIBITED

It is expressly forbidden by law to parcel or split a purchase with the intent of circumventing more competitive bidding requirements.

IV. GENERAL FIXED ASSETS

An inventory of all City owned real and tangible property shall be established and maintained current by the Finance Department.

A. ACQUISITION

When an equipment item is purchased that meets the definition of a fixed asset if: the an estimated useful life of Two (2) years or more; the item must be identifiable as an individual unit; **AND** have the item has a unit cost of One Hundred Dollars (\$100.00) or more. If the item meets those qualifications, it is assigned a City property identification number and entered into the BS&A Fixed Asset module.

B. TRANSFERS

When an equipment item is to be transferred from one Department to another, an email from the transferring Department Director should be sent to the Finance Department. The inventory list will be updated and the information recorded in the Fixed Asset module.

C. DISPOSALS

When an equipment item is ready for disposal an Auction Template must be completed and submitted to the Finance Department. The Finance Department will submit the information to GovDeals or other authorized providers for auction.

D. INVENTORY

All Departments will conduct an annual physical inventory in the Fourth Quarter (4th) of each year. An inventory list will be sent to each Director for inventory verification. Once annotated and certified, the list is to be returned to the Finance Department where changes must be entered into the BS&A Fixed Asset module.

V. ETHICS

A. GENERAL ETHICAL STANDARDS

The citizens depend on us to protect public funds and property that is entrusted to our care. We have an obligation to use proper accounting and control measures to avoid financial loss, to reinforce expectations of our officials and employees and to avoid violations of the law.

B. EMPLOYEE CONFLICT OF INTEREST

Employees will not have any financial interest in any contract with the City, unless properly disclosed and authorized.

C. GRATUITIES AND KICKBACKS

- It is a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or any offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a contract requirement, specification, or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim, or controversy, or other particular matter, pertaining to any requirement, contract, subcontract, or any solicitation or proposal associated with his/her position with the City.
- It is a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a contractor or subcontractor under a contract to the City, prime contractor, or higher tier subcontractor, or any person associated therewith, as an inducement for the award of a subcontract or order.

D. CONFIDENTIAL INFORMATION

It is a breach of ethical standards for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

REVENUE AND FINANCE

Chapter 3.08

PURCHASING PROCEDURE

Sections:

- 3.08.001 Non-Discriminatory Policy
- 3.08.002 Gifts
- 3.08.003 Purchase Authority
- 3.08.004 Purchasing Manual and Ordinances
- 3.08.005 Mayor and Alderman allowed to do business with the City
- 3.08.010 Expenditures up to Five Thousand Dollars (\$5,000.00)
- 3.08.020 Expenditures above Five Thousand Dollars (\$5,000.00) but below Ten Thousand Dollars (\$10,000.00)
- 3.08.025 Expenditure above five thousand but below ten thousand dollars - Sealed Quotations
- 3.08.030 Expenditures above Ten Thousand Dollars (\$10,000.00) but below Twenty Thousand Dollars (\$20,000.00)
- 3.08.040 Expenditures exceeding Twenty Thousand Dollars (\$20,000.00)
- 3.08.041 Exceptions, Exemptions, and Modifications
- 3.08.042 Payment Approval
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- 3.08.060 State Purchasing Contract
- 3.08.070 Reverse Internet Option for purchase of goods
- 3.08.080 Property Disposal
- 3.08.081 Sale and lease of property

3.8.1 Non-Discriminatory Policy

All requests for prices and/or services and all purchases shall be made by the City without regard to race, color, creed, national origin, age or sex and in accordance with the Policy Manual of the City of Jacksonville. (Ord. 1016, (part), 1993)

3.8.2 Gifts

Acceptance of gifts at any time, other than advertising novelties, shall be prohibited. No city personnel shall become obligated to any vendor and must not conclude any city transaction from which they may personally benefit directly or indirectly. (Ord. 1016, (part), 1993)

3.8.3 Purchase Authority

All purchases shall be accomplished in compliance with Arkansas Code Annotated 14-58-301 ET. seq. (Ord. 1016, (part), 1993; Ord. 1337, Sec. 1, 2008)

3.8.4 Purchasing Manual and Ordinances

All departments and officials of the City of Jacksonville shall abide by and follow the City of Jacksonville Purchasing Manual. All regulations and procedures mandated by said Manual shall remain in full force and effect unless otherwise specifically modified or superseded.

(Ord. 115, 1961; Ord. 444, 1977; Ord. 542, 1979; Ord. 855, 1987; Ord. 989, 1993; Ord. 1016, 1993; Ord. 1337, Sec. 1, 2008)

3.08.005 Mayor and Alderman allowed to do business with the City

The Mayor and Alderman may conduct business with the City as authorized by Act 485 of 1981. (Ord. 647, Sec. 1 (part), 1981)

3.08.010 Expenditures Up to Five Thousand Dollars (\$5,000.00)

All expenditures or purchases on behalf of the City for the acquisition or purchase of apparatus, equipment, labor, services, or supplies shall be made by the Mayor or his duly authorized representative(s) without the necessity of obtaining bids or quotation for those expenditures or purchases not exceeding Five Thousand Dollars (\$5,000.00). (Ord. 1337, Sec. 1, 2008)

3.08.020 Expenditures above Five Thousand Dollars (\$5,000.00) but below Ten Thousand Dollars (\$10,000.00)

All expenditures or purchases on behalf of the City for the acquisition or purchase of apparatus, equipment, labor, services, or supplies shall be made by the Mayor or his duly authorized representative (s) shall be made after obtaining verbal or written bids or quotations for those expenditures or purchases above Five Thousand Dollars (\$5,000.00) but not exceeding Ten Thousand Dollars (\$10,000.00). All expenditures or purchases made by or through the State Bidding Program shall be exempted from these provisions as more specifically outlined in JMC § 3.08.060 et. al.

(Ord. 1337, Sec. 1, 2008)

3.08.025 Expenditures above Five Thousand Dollars but below Ten Thousand Dollars - Sealed quotations

All purchases for the City of supplies, apparatus, equipment purposes where the expenditure therefore is in excess of five thousand dollars (\$5,000.00) but less than ten thousand dollars (\$10,000.00) shall be made by the Mayor, or his duly authorized representative, after the securing of sealed quotations.

(Ord. 542, Sec. 1, 1979; Ord. 781, 1986; Ord. 855, 1987; Ord. 1016, 1993; Ord. 1025, 1994; Ord. 1047 (part), 1995)

3.08.030 Expenditures above Ten Thousand Dollars (\$10,000.00) but below Twenty Thousand Dollars (\$20,000.00)

All expenditures or purchases on behalf of the City for the acquisition or purchase of apparatus, equipment, labor, services, or

REVENUE AND FINANCE

PURCHASING PROCEDURE

supplies shall be made by the Mayor or his duly authorized representative (s) shall be made after obtaining written bids or quotations (in any applicable medium) for those expenditures or purchases above Ten Thousand Dollars (\$10,000.00) but not exceeding Twenty Thousand Dollars (\$20,000.00) . All expenditures or purchases made by or through the State Bidding Program shall be exempted from these provisions as more specifically outlined in JMC § 3.08.060 et. al. (Ord. 542, Sec. 1, 1979; Ord. 855, 1987; Ord. 1016, 1993; Ord. 1025, 1994; Ord 1047, 1995; Ord. 1337, Sec. 1, 2008)

3.8.40 Expenditures exceeding Twenty Thousand Dollars (\$20,000.00)

Where the amount of expenditure or purchase for the acquisition or purchase of apparatus, equipment, labor, services, or supplies exceeds the sum of Twenty Thousand Dollars (\$20,000.00), the Mayor or his duly authorized representative shall invite competitive bids thereon by legal advertisement in any local newspaper with a minimum of one (1) publication. Bids received pursuant to the advertisement shall be opened and read on the date set for receiving the bids in the presence of the Mayor or his duly authorized representative. The acquisition, purchase, or contract shall be awarded to the lowest responsive and responsible bidder, provided that the Mayor, his duly authorized representative, and/or the City Council may reject any and all bids received. All expenditures or purchases made by or through the State Bidding Program shall be exempted from these provisions as more specifically outlined in JMC § 3.08.060 et. al. (Ord. 1337, Sec. 1, 2008)

3.8.41 Exceptions, Exemption, and Modifications

- (1) In the event that. all bids submitted for a project exceed the amount appropriated for the award of the contract, and if bidding on alternates was not required by the plans and specifications, City officials shall have the authority to negotiate an award with the apparent responsible low bidder, but only if the low bid is within Twenty-five percent (25%) of the amount appropriated by the City for the project.
- (2) If the plans and specifications for the project require bids on alternates in addition to a base bid, there shall be no more than three (3) alternates and the alternates shall: (A) Be deductive; and, (B) Be set forth in the plans and specifications in numerical order.
- (3) If all bids submitted exceed the amount appropriated for the award of the contract, City officials may determine the apparent responsible low bidder by deducting the alternatives in numerical order.
- (4) After making the deductions, if the cost of the project is less than Twenty-five percent (25%) above the amount appropriated for the project, then and only in that event may City officials negotiate a ward with the low bidder so determined.

- (5) Whenever it is obvious from examination of the bid document that it was the intent of the bidder to submit a responsible bid and the bid, if accepted, would create a serious financial loss to the bidder because of error such as transposition of figures, City Officials have the authority to relieve the bidder from responsibility under his bond and may reject this bid.
- (6) For all bid projects, City officials shall have designated and derived that; (a) the City Has the funds available to cover the costs associated with the project as bid; and, (b) have allocated those funds available for payment of the cost associated with this project.
- (7) No contract providing for the making of major repairs, alterations, for the erection of buildings or other structures, or for making other permanent improvements with costs exceeding Seventy-five Thousand Dollars (\$75,000.00) shall be entered into by the City unless the bidding documents contain statements which encourage the participation of small, minority, and women's business enterprises.

No bidding will be required for contracts providing major alterations, repairs, for the erection of buildings or other structures, or for making permanent improvements to City property when all estimated costs of work required does not exceed the sum of Twenty Thousand Dollars (\$20,000.00).

(Ord. 1161, 2001; Ord. 1337, Sec. 1, 2008)

3.08.042 Payment Approval

The Mayor or his duly authorized representative may approve for payment out of any funds previously appropriated for that purpose or disapprove any bills, debts, or liabilities asserted as claims against the City, when funds on hand are adequate to pay such bills, debts or liabilities. The payment or disapproval of any bills, debts or liabilities not covered by a previous appropriation shall require confirmation of the governing body.

(Ord. 542, 1979; Ord. 1337, Sec. 1, 2008)

3.08.043 Preference

In awarding bids and/or purchase orders, a Five Percent (5%) preference will be given to vendors who, in accordance with(ACA §19-11-259 as amended, so qualify. (Ord. 1337, Sec. 1, 2008)

3.08.050 Procedure - Supplies, Materials or Equipment

The Mayor or his duly authorized representative may sell or exchange any municipal supplies, materials, or equipment without competitive bidding if such supplies, materials or equipment have a value of less than Four Thousand Dollars (\$4,000.00). The Mayor or his designated representative shall certify in writing that, in his opinion, the fair market value of such item or lot (to be disposed of in one unit) is less than Four Thousand Dollars (\$4,000.00), and said item or lot may be sold by the Mayor or his designated representative without competitive bidding.

No municipal supplies, materials, or equipment shall be sold without receiving competitive bids if said item's value thereof exceeds the sum of Four Thousand Dollars (\$4,000.00).

(Ord. 542, 1979; Ord. 1337, Sec. 1, 2008)

3.08.060 Procedure - State Purchasing Contract

A. AUTHORIZATION: The City Council of the City of Jacksonville, Arkansas, hereby request authority in the name of the City of Jacksonville to participate in the state contracts which the Department of Finance and Administration, Office of State Purchasing, for the purchase of supplies, services equipment, and certain materials pursuant to he State Purchasing Laws and Amendment 54 to the Arkansas Constitution. (Ord. 989, Sec. 1, 1993)

B. CONTRACTUAL TERMS: The Mayor of the City or his authorized agent is hereby authorized to agree in the name of the City of Jacksonville to be bound by all contract terms and conditions as the Department of Finance and Administration, Office of State Purchasing, prescribes. Such terms and conditions may include a reasonable fee to cover the administrative cost, which the Department of Finance and Administration incurs as a result of the City of Jacksonville's participation in a contract. Further, that the City of Jacksonville does hereby agree to be bound by all such terms and conditions.

(Ord. 989, Sec. 2, 1993)

C. PAYMENT FOR VENDORS : The Mayor of the City or his authorized agent is hereby authorized to agree in the name of the City of Jacksonville to pay directly any vendor, under such state contract in which the City of Jacksonville may participate, for items received pursuant to the contract, and that the City vendors form which they receive said supplies, equipment, materials, and services.

(Ord. 989, Sec. 3, 1993)

D. WAIVER OF COMPETITIVE BIDDING: Because of the economic savings and minimal cost involved in purchasing through the State Purchasing Contract Program, it is unfeasible and impractical to solicit bids for those supplies, materials, equipment, and services available through the State Purchasing Contract. As such, and by authority granted in ACA 14-48-383, the City of Jacksonville authorized the Mayor, the City Purchasing Agent, or their duly authorized agent, to purchase and utilize those supplies, equipment, materials, and services available under the State Purchasing Contract program which are deemed necessary for the efficient and effective operation of the City of Jacksonville without requiring the necessity of competitive bidding on the selection of those materials, equipment, supplies, and services. As such, the competitive bidding process will have been done by the State, and the City of Jacksonville shall avoid any unnecessary duplication of effort and hereby waives competitive bidding on all supplies, materials, equipment, and services obtained through the Office of State Purchasing. (Ord. 989, Sec. 4, 1993)

3.08.070 Reverse Internet Auction Option**Definitions**

A. Reverse Internet auction means an Internet-based process in which bidders:

(1) Are given specifications for items and services being sought for purchase by a municipality;

(2) Bid against themselves in order to lower the price of the item or service to the lowest possible level; and

B. Reverse Internet auction vendor means an Internet-based entity that hosts a reverse Internet auction.

Bidders shall be provided instructions and individually secured passwords for access to the reverse Internet auction by the City or the reverse Internet auction vendor. Any reverse Internet auction shall be held at a specified date and time. The bidding process shall be timed, and the time shall be part of the reverse Internet auction specifications and instructions.

The reverse Internet auction and bidding process shall be interactive, with each bidder able to make multiple bids during the allotted time. Each bidder shall be continually signaled his or her relative position in the bidding process in some manner.

Bidders shall remain anonymous and shall not have access to other bidders, bids, or bidding information so as to create any unfair competitive advantage.

A reverse Internet auction as contemplated by this Code shall not be used for purchases and contracts for construction projects and materials.

A fee may be included as part of the bids received during the reverse Internet auction and shall be paid by the winning bidder or paid separately by the City.

The City Council or its designated representative shall have access to real-time data including all bids, bidders, and bid amounts.

The City has the right to refuse any and all bids made during the reverse Internet auction. The right to begin the reverse Internet auction process anew is reserved if the City or its designated representative determines it is in the best interest of the City to do so.

All powers and duties assigned to the City in this Code are hereby delegated and shall be executed by the Mayor or his authorized and designated representative, except as otherwise determined by separate motion or resolution approved by a majority vote of the City Council.

REVENUE AND FINANCE

**PURCHASING
PROCEDURE CITY'S
INVESTMENT POLICY**

3.8.80 Property disposal

Surplus personal property shall be disposed of in accordance with this Chapter and State law after that property has been declared surplus by the appropriate Department Head and written approval of such declaration by the Mayor or the Aldermen. Methods of disposal can include but are not limited to: Open bids; sealed bids; or, Public auction. Disposal method shall be advertised in compliance with the terms of this Chapter and State law.

(Ord. 1016, 1993) (See Purchasing Manual, Sec. II p.5) (Ord. 1337, Sec. 1, 2008)

3.8.81 Sale and Lease

The sale and lease of real property (buildings and land) shall be in accordance with the provisions stated in Arkansas Code Annotated 14-54-302. (Ord. 1016; 1993) (See Purchasing Manual, Sec. II p.5)

CHART OF ACCOUNTS

Supplies and Materials

Expenditures/expenses for materials, supplies and services, which are obtained by express or implied contract or materials, supplies and services which are of such nature that they normally would be obtained by such a contract. Also includes equipment items not meeting the definition of a fixed asset, such as small tools.

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| 5090 | Supplies and Office Expenses | Includes all supplies necessary for the operation of an office, e.g. toner, copy paper, blank diskettes, stationery, books used for office reference, small office items such as staples, staplers, letter trays, etc., and standard forms that do not require special printing services. This classification does not include postage or pre-stamped envelopes. |
| 5091 | Public Education Materials Expense | Public educational materials which are required to be tracked separately for reporting purposes and are of an amount significant to be separated. This classification is restricted to Police, Fire and Sanitation. |
| 5092 | Ambulance Supplies | Supplies required to equip emergency response ambulances with required materials to handle medical emergencies. These also include medicines and narcotics that are required to be strictly accounted for. |
| 5095 | Office Equip. & Hand Tools | Small office equipment and hand tools that costs more than \$100.00 but less than \$500.00 and with the useful life of 2 or more years. |
| 5120 | Vehicle Gas and Oil | Diesel and gasoline expense for vehicles and machinery as well as oils and hydraulic fluids. |
| 5135 | Tires & Tire Repair | Tires, tire repair, tire road service calls and related expenses. |
| 5190 | Janitorial Supplies | Janitorial supplies used for office and building maintenance. This includes soap, solvents, disinfectants, deodorizers, paper towels, etc.. |
| 5200 | Uniforms | Charges for uniforms, badges, belts, boots, hats, shoes, slickers, holsters, handcuffs, gloves (excluding Sanitation's gloves, which are classified as supplies), laundry and repairs to clothing, etc.. |

Contractual Services

Contractual Services are contracts for personnel services performed by non employees or contractual agreements to perform construction, provide utility services, repair buildings or equipment, or other agreements to perform services.

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| 5030 | Contract Services | Contract Services includes charges for services performed by individuals who work under contract or agreement such as janitorial contract, secretarial allowances, and uniform volunteers. |
| 5050 | Electricity | Charges for power, light, and electrical heating. This includes services and installation fees. |
| 5060 | Gas (Heating) | Charges for heating fuels such as natural gas, propane, butane, etc.. This does not include vehicle fuel. |
| 5070 | Telephone | Charges for monthly service, long distance fees, repair and installation charges, disconnect fees and other related fees associated with telephones, cell phones, pagers, etc. |
| 5110 | Printing & Advertising | Charges for advertising, posters, publication of public notices, ordinances, bid invitations, and other such items. All services performed by an outside vendor for printing, reproduction and or pamphlets, or other reading material. This does not include advertising for tourism and promotions. |
| 5130 | Vehicle Repair and Maintenance | Repair and maintenance of vehicles and propelled machinery. This does not include tire repair or vehicle gas and oil. |
| 5140 | Equipment Rental/Repair/Maintenance | Charges for temporary rental of equipment or machinery, delivery fees and charges related to their rental. This includes charges for services and materials required in repair and maintenance of all machinery and equipment. This includes copier maintenance. |
| 5150 | Operating Expenditures/Expenses | Operating expenditures/expenses incurred in the operations of the city, such as bank charges, EDI expense, etc.. |
| 5160 | Radio Repair and Maintenance | Radio Repair and Maintenance includes materials and service charges associated with the repairs and maintenance on the base and mobile radio units. |
| 5170 | Jail Expense | Interlocal contract agreement with Pulaski County for long term housing of prisoners. |
| 5171 | Prisoner Processing and Meals | Expenditures related to operating short term holding of prisoners awaiting transport to county facility. Includes meals, cost of processing, etc.. |

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| 5180 | Postage | Costs associated with mailing items such as stamps, pre-stamped envelopes, meter refills, registered letter fees, express mail and other mailing fees. |
| 5210 | Training Meetings and Seminars | Costs incurred while attending training, meetings, and seminars such as books, tuition, registration, lodging, meals and travel. This does not include alcoholic beverages. |
| 5230 | Physicals | Costs related to required departmental physicals. |
| 5250 | Canine Expense | Canine food and care expenditures for animal shelter animals and Police K-9s. |
| 5260 | Veterinary Expense | Veterinary expenditures for shelter animals, including euthanizations, and veterinary expenditures for Police K-9s. |
| 5270 | Engineering and Administrative Services | Engineering and Administrative Services |
| 5271 | Purchasing Agent Services | Purchasing Agent Services |
| 5272 | Public Works Director Services | Public Works Director Services |
| 5280 | Professional Dues | Professional Dues and membership fees associated with professional organizations that are not classified in another line item description. |
| 5280 | C.A.P.D.D. Dues | Annual membership dues to the Central Arkansas Planning and Development District. |
| 5282 | Metroplan Dues | Annual membership dues to Metroplan |
| 5283 | Defense Fund Deductible | Contingency fund for legal defense fees. As a member of the Arkansas Municipal Legal Defense Fund, representation is a set fee per case. |
| 5284 | Municipal League Dues | Membership dues to the Arkansas Municipal League. Dues are on a per capita basis and are used to represent Jacksonville in a wide range of governmental issues. |
| 5290 | Building Repair and Maintenance | Costs of materials and services required in the maintenance and repair of real property such as land, buildings, swimming pools, heating and air conditioning, etc. If the item is attached to the building, then it is considered building repair and maintenance. If the item is not attached to the building, then it is considered equipment repair and maintenance. This classification also includes construction costs of less than \$1,000.00. |
| 5291 | Lot Maintenance Expense | Lot maintenance costs for properties not meeting code maintenance requirements in a timely manner. Reimbursements are treated as a reimbursement of expenditures. |
| 5310 | Election Expense | Costs incurred for locally initiated elections. |
| 5340 | Building and Vehicle Insurance | Building and Vehicle Insurance Premiums. |

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| 5380 | Legal Fees | Legal fees incurred by the City Attorney's Office while representing the City. |
| 5480 | Elderly Activities Contract | Annual contract with Jacksonville Elderly Activities Program to provides meals and service to Jacksonville's elderly population. |
| 5485 | Chamber of Commerce Contract | Annual contract with Jacksonville Chamber of Commerce to promote Jacksonville to the public. Also includes industrial recruitment. |
| 5488 | CATA Services Contract | Annual contract with Central Arkansas Transit Authority to provide limited bus service between Jacksonville and Little Rock. |
| 5490 | Landfill Fees | Fees incurred by Sanitation Fund for dumping household waste and other items considered non-recyclable trash. |
| 5510 | Communication Leases | Communication leases including educational video training for uniformed services and elevator music. |
| 5530 | Street/Traffic Lights | Street and traffic light utility expenditures. |
| 5535 | Street Signs and Traffic Light Repair | Street signs and traffic light repair expenditures. |
| 5542 | Structural Condemnations | Razing costs for condemned structures, including associated costs. |
| 5625 | Drainage Projects | Drainage project and drainage repair and maintenance expenditures. |
| 5628 | Beaver Control | Annual beaver control contract. Relocation of animals and removal of dams for flood control purposes. |
| 5629 | Remonumentation | Costs associated with remonumenting Jacksonville, including surveying costs, monument and installation costs, aerial photos and plats. |
| 5630 | Asphalt Sealing, Repairs and Striping | Street maintenance including annual streets overlay program. |
| 5633 | Sidewalks, Curbs and Gutters | Sidewalks, curbs and gutters expenditures. Includes sidewalk expansion program. |
| 5636 | Mosquito Control | Expenditures for chemicals and materials to control mosquitoes. Includes costs for aerial spraying. |
| 5637 | Asbestos Abatement | Cost of removing and tracking asbestos material from condemned housing and recycling center. |
| 5710 | Crime Stoppers | Crime Stoppers Program Payments |
| 5715 | Narcotics Buy Money | Buy money for undercover narcotics operations. |

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| 5810 | Depreciation Expense | Depreciation expense for Enterprise Funds. |
| 5835 | Miscellaneous Utility Expenditure | Miscellaneous utility expenditure. |
| 5836 | Utility Expenditure for Elderly Activities Center | Utility expenditure for Elderly Activities Center |
| 5842 | Landscaping and Lawn Expenditure | Costs of maintaining landscaping of City property including ball fields and parks. |
| 5845 | Building Maintenance/ Utilities/ Telephones | Building Maintenance /Utilities/ Telephones |
| 5846 | Tourism and Promotion | Tourism and promotion expenditures, including advertising, billboards, hostings, etc.. |

Capital Outlay

Capital outlay includes the purchase of all real property such as land, buildings, and other improvements, and the purchase of items of personal property, which meet the definition of a fixed asset (capital equipment).

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| 5500 | Equipment | Equipment (capital equipment) is defined as items of more or less permanent personal property necessary to the operation of an enterprise. Generally, it must have an estimated useful life of two years or more <u>and</u> must be capable of being permanently identified as an individual unit <u>and</u> have a unit cost of \$500.00 or more. Items not meeting these requirements would be classified as supplies. |
| 5540 | Construction | Construction (capital construction) is defined more closely as land, buildings, and other permanent real property items or improvements. This would include such items as drainage ditches, remodeling of structures, or other improvements including grub work, architectural renderings, and other costs associated to create and identifiable unit. <u>In addition</u> , the cost of creation must be at least \$1,000.00. Activity not meeting this definition would more clearly be identified as building repair and maintenance. |

PRICE QUOTATION SHEET

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|-----------------|-------------------------------|--|-------|
| Company Called: | Date: | Material: u/p | TOTAL |
| | Approximate Date of Delivery: | | |
| Company Called: | Date: | Material: u/p | TOTAL |
| | Approximate Date of Delivery: | | |
| Company Called: | Date: | Material: u/p | TOTAL |
| | Approximate Date of Delivery: | | |
| Company Called: | Date: | Material: u/p | TOTAL |
| | Approximate Date of Delivery: | | |

JACKSONVILLE BS&A PURCHASE ORDER

QUICK GUIDE

October 2012

BS&A PURCHASE ORDER INSTRUCTIONS

Approval Process

1. The Requisition is created by each Department.
2. Once the Requisition is saved, the Requisition is then waiting approval from the Department Head.
3. Once the Department Head approves the Requisition, it then goes to Finance where the Requisition receives the final approval and is then created into a Purchase Order.

Logging Into BS&A

1. Find the program **Equalizer .Net Applications** on your computer and double click the icon.
2. Once the program opens, find the **Purchase Order** icon and double click it.
3. Log into it using the same user name and password used to log into your computer.
4. Click login.

Creating a Requisition

1. Click on the **Purchase Order Entry** in the Application Views on the left hand side.
2. Click **Add** at the top of the screen. This will allow you to add a new requisition.
3. The **Req #** at the top of the screen will automatically populate after the requisition is saved. However, while completing the requisition information, the number will say *Next Available*.
4. All fields highlighted in yellow are required fields and must be completed before selecting save.
5. Click **Options** at the top right side of the screen. Select the option to be able to search for *Vendor Names*. **When an invalid code is used, you can type the name of the vendor to find the correct vendor code.*
6. Select a **Vendor**. Type in the Vendor Code or Vendor Name or click the magnifier glass to search.
7. Click the **Vendor Info** button to verify the vendor address is correct.
8. Select the **PO Type** and choose *Regular* or *Blanket*.

9. Select the **Ship To** department.
10. Type in the **Description**.
11. Add notes for Accounts Payable using the **Public Notes** button. This will allow you to type information to the Finance Department.
12. Select the appropriate **Department**.
13. Use the current date as the **Post Date**.
14. **Pmt Terms** should default to NET 30.
15. Select **FOB Terms** as Destination.
16. Type *Best Way* in the **Ship Via**.
17. Double click the bar labeled **<double-click or begin typing here to add a new row>**
18. Enter the **Quantity**.
19. Select **Each** for your unit.
20. Enter the **Item Description**.
21. Enter the **Unit Price**. If the total of the Requisition is \$5,000.00 or more, complete the Bid tab BEFORE saving it.
22. Enter the **GL Number**.
23. ***Follow instructions 17 through 22 for each item that needs to be listed on the Purchase Order.***
24. Once the Requisition has been completed, click the **Save** button on the bottom of the screen.
25. Once the Requisition has been approved by the Department Head and Finance, the req user will receive an email with the Purchase Order number.

Bid/Quote Requirements

The Purchase Order module requires the user to complete the bid tab for purchases totaling \$5,000.00 or more. A minimum of two (2) bids must be entered. ***This must be completed BEFORE saving the Requisition.***

1. Click the **2. Bids** tab to enter bids/quotes.
2. Double click the blue bar stating **<double-click or begin typing here to add a new row.>**
3. Type in the **Bidder Code** or use the magnifying glass to look it up. The bidder code will populate the **Bidder Name**.
4. **Status** should be either Sent or Received.
5. **Date Sent** will automatically populate with the current date.
6. Tab through **Response Date** and **Acceptance Status** and complete the **Amount**.

7. Repeat these steps for each bid or quote. *Note: If using a sole source provider, use **Bidder Code** will be 1SOLE as the second bid.*
8. Click the **Accept Bid** button at the top right of the screen.
9. Once the bid has been accepted, the vendor will populate in the **1. Order Info** tab.
10. Verify that all information is correct on the **1. Order Info** tab. Click the **Save** button at the bottom of the screen.