

CITY OF CLINTON

Purchasing Manual

ADOPTED BY CITY COUNCIL ON:

July 1, 2013



CLINTON
South Carolina





CLINTON
South Carolina

Purchasing Manual

Mayor & City Council

Randy Randall, Mayor
Danny Cook, Mayor Pro Tem
Mary Byrd, City Council Member
John Dowdle, City Council Member
Shirley Jenkins, City Council Member
Eddie McGee, City Council Member
Bob McLean, City Council Member

City Administration

Frank N. Stovall, City Manager
Mike Reddeck, P.E., Director – Dept. of Public Works
Robin Entrekin, Director – Risk Management &
Human Resources
Stephen Taylor, Director – Community & ED
Renee Morrow, Chief Financial Officer
Joey Meadors, Director – Administrative Services
Phil Hasty, Chief Information Officer
Robin Morse, Director – Dept. of Public Safety
James “Tink” Barnes, Building Official

CITY OF CLINTON

PURCHASING MANUAL

Table of Contents

Article I.	General Information	Page 7
Article II.	Organizational Overview	Page 11
Article III.	Purchasing Ethics	Page 15
Article IV.	Purchasing Procedures	Page 17

NOTE: For ease of readability, these policies follow the traditional English practice of referring to unidentified individuals by the use of masculine pronouns. Wherever such a pronoun is used, it is intended to apply to both males and females and is not intended to appear discriminatory.



ADMINISTRATIVE POLICY CITY OF CLINTON

SUBJECT:	PURCHASING – General Information	PAGE:	Page 1 of 3	SECTION NUMBER:	2201.1
APPROVED:	Frank Stovall – City Manager	EFFECTIVE DATE:	July 1, 2013	REVISED DATE:	July 1, 2013

ARTICLE I. GENERAL INFORMATION

Section 1.1 PURPOSE

This manual was developed as a source for City of Clinton employees to become familiar with the policies and procedures for procuring goods and services. An understanding of how the Department of Administrative Services (DAS) conducts the business of purchasing can provide the foundation for a solid partnership between the DAS and its internal customers. The policies provided in this manual were established to ensure the fair and equitable treatment of all persons involved in public purchasing, to maximize the purchasing value of public funds and to provide safeguards for maintaining a purchasing system of quality and integrity.

Section 1.2 SCOPE

This policy applies to the purchasing of any materials and supplies, equipment, professional and contractual services, or construction contracts (goods and services) entered into by the City as of the effective date of this policy and shall amend, as applicable, all prior Purchasing policies of the City.

COMPUTER SOFTWARE/HARDWARE & MOTORIZED VEHICLE/EQUIPMENT PURCHASES

It is further policy of the City of Clinton that computer hardware/software requests will require prior approval by the IT Director / CIO. Motorized vehicles and/or equipment request will require prior approval by the Director of Administrative Services and the City Manager

Section 1.3 DEFINITIONS

Addenda/Addendum: Additional requirements, specifications, or instructions to the originally Request for Bids and Proposals or Request for Quotations. All contents of the addendum are incorporated into the original document.

Appropriation: An authorization granted by the City Council to make expenditures and to incur obligations for specific purposes.

Architectural, Surveying and Engineering Services: Contracts performed by private consulting firms as agents of the City of Clinton including but not limited to feasibility studies, planning, design, testing, and construction administration or management services.

Bidder: Any person, firm, partnership, corporation, association, or joint venture seeking award of a public contract or subcontract with the City of Clinton.

Business: Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.

Commodity: Tangible goods, wares, and merchandise which are moveable in trade.

Contract: A legally binding document, which specifies and defines the performance requirements and expectations for a purchase or project administered by the City.

Contractor: The person, firm, partnership, joint venture, corporation, or association, who performs a trade or service agreement at any level with the City.

Discrimination: An action or series of activities which sets apart or causes separate and unequal treatment of a person or group of persons solely on the basis of their age, gender, ethnic background, national origin, veteran's status, and/or disability. Acts of discrimination are illegal in the performance of projects for the City.

Encumbrance: Expenditure commitments created by purchase orders that have been issued, but for which no goods or services have been received.

Formal Bid: Procedure required for awarding contracts for apparatus, supplies, materials and equipment by the sealed competitive bid valued at \$8,000 or more with certain exceptions as set forth in the policy. They must be advertised, opened in public, and recorded. Award is made to the lowest responsible bidder(s) taking into consideration quality, performance, and the time specified for the performance of the contract.

Quote: Procedure used for expenditures greater than \$499 and less than \$8,000. Pricing can be obtained by written quotation, facsimile, or sealed competitive bids.

Proposer: Refers to each firm that submits a proposal for consideration by the City in compliance with the requirements stated in the Request for Bids and Proposals or Request for Quotation.

Purchase Order (PO): Created from a purchase requisition, this is a legal contract document issued by the Department of Administrative Services making a purchase to a vendor to order goods and or services.

Direct Purchase Order (DP): In most cases used for a purchase under \$ 7,999 this is a legal contract document issued by the Department making a purchase to a vendor to order goods and or services.

Request for Bids and Proposals: Formal procedure for obtaining bids and proposals for apparatus, supplies, materials and equipment with the formal bid range.

Request for Quotation (RFQ): Informal procedure for expenditures greater than \$499 but under \$8,000. Vendors may quote on items in writing, by fax, email or informal written quotations.

Requisition: An electronic request from a City department to the Department of Administrative Services to obtain specific goods or services (Valued \$ 2,000 or more).

Specifications: The parameters, requirements, and instructions that define the exact item or service that is desired and provides the basis for comparing bids. Specifications are generally incorporated into a contract, by reference, to become the successful bidder's legal obligations under the contract.

Subcontractor: Any persons named by a general contractor, and approved by the City to perform work or provide services for a public contract.

Term Contract: A formal agreement between the City and a designated vendor(s) to provide an identified commodity upon request at an established price, and for a specified term.

Purchasing Card: A Purchasing Card system is used to simplify the procurement/disbursement process. Purchasing card responsibility is delegated to the ordering department/division enabling an authorized cardholder to place an order directly with the vendor in accordance with the city Purchasing Card Policy.

Vendor: Individual or company who sells products or services and is usually compensated financially.



ADMINISTRATIVE POLICY CITY OF CLINTON

SUBJECT:	PURCHASING – Organizational Overview	PAGE:	Page 1 of 3	SECTION NUMBER:	2201.2
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ARTICLE II. PURCHASING ORGANIZATIONAL OVERVIEW

Section 2.1 PURCHASING

The Department of Administrative Service, in conjunction with the city’s Chief Financial Officer, are responsible for the acquisition of supplies, equipment, materials, apparatus, the management of the central warehouse and procuring some of the services as requested by all departments within the City of Clinton.

The Purchasing Division provides services to all City Departments as requested by departments by planning, organizing, and directing purchasing activities in accordance with federal, state, and local laws governing purchasing.

Section 2.2 RESPONSIBILITIES AND OBJECTIVES

Responsibilities

It is the Department of Administrative Services and the Finance Department’s responsibility to ensure that all purchases are made in accordance with the established Procedures and Policies of the City of Clinton.

The City maintains a central warehouse where a variety of routinely needed materials and supplies can be obtained in one place. The savings in personnel hours, which this service represents for operating departments, are obvious. Therefore, it is the responsibility of all departments to utilize the central warehouses inventory for items they need. Any such materials that are available in the warehouse must be obtained from the warehouse and not purchased on the open market.

In addition to purchasing responsibilities the Department of Administrative Services and / or the Office of Finance also handles the disposal of surplus property.

Objectives as Defined by the Purchasing Ordinance

The Purchasing Ordinance, as approved by City Council, outlines the following key objectives for the city’s purchasing program:

- (a) To direct the purchase of supplies, material, equipment and contractual services required by any department of the city government.
- (b) The storage and distribution of all supplies, materials and equipment required by any office or department of the city government.
- (c) Establishing written specifications, whenever practical, for supplies, materials and equipment required by any office or department of the city government. Such specifications shall be definite and certain and shall permit competition.
- (d) Maintaining, whenever practical, a perpetual inventory record of all materials, supplies and equipment stored in storerooms or warehouses.
- (e) Soliciting and maintaining an up-to-date list of qualified suppliers who have requested their names to be added to a bidders list; the purchasing agent shall have authority to temporarily remove the names of vendors who have defaulted on their quotation, attempted to defraud the city, or who have failed to meet established specifications or delivery dates.
- (f) Obtain full and open competition whenever possible on all purchases, contracts and sales.
- (g) The purchasing agent shall work closely with other city employees tasked with the financial management and operation of the city. The purchasing agent's duties shall include the management of all purchasing activities undertaken by the city and shall be responsible for ensuring that all purchasing is done in accordance with all applicable local ordinances, policies, procedures, and state and federal regulations where applicable.
- (h) Developing procedures and guidelines, as required, regarding the management of purchasing and procurement of supplies, material, equipment and contractual services required by any department of the city government.

Additional Objectives

In addition to those objectives defined by ordinance, the City of Clinton has established the following management objectives for the purchasing program:

- (a) To conduct business with integrity, fairness and dignity so as to maintain public trust and reduce the government's exposure to criticism and legal action.
- (b) To secure the right materials, equipment, and services at the right quality and quantity, on a timely basis, as efficiently as possible, and at the best value.
- (c) To conserve public funds by obtaining the best products and services for the dollars spent.
- (d) To provide all customers with quality service in a manner that is courteous, responsive, accessible, and seamless.
- (e) To maintain continuity of supply to support on-going service, operations, and schedules.
- (f) To furnish timely information to management and appropriate departments covering market conditions and trends, and the probable effect on supply and price.

- (g) To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the City.
- (h) To secure, whenever possible, competitive prices on purchases.
- (i) To establish specifications which will encourage competition and accurately describe the equipment, materials and services needed.
- (j) To be receptive to changes in material and requirements along with new products and procedures.
- (k) Promote the use of local contractors and purchasing, along with the employment of City of Clinton citizens.
- (l) To conduct random audits of Cities' purchasing practices throughout the year. To be performed by the Purchasing Division staff or Finance staff on semi-annual basis.
- (m) Monitor and implement no idling policies. All vehicles & motorized equipment must be turned off when not being used for emergency purposes that require the vehicle/equipment to run to maintain power for attached equipment, or when the vehicle/equipment must remain running to operate hydraulic lifts, generators, etc. Running vehicles should not be left unattended. Vehicles/equipment should not be started longer than necessary to clear ice from windows. Vehicles/equipment should not idle for the purpose of controlling the internal temperature of the vehicle or equipment.



ADMINISTRATIVE POLICY CITY OF CLINTON

SUBJECT:	PURCHASING - ETHICS	PAGE:	Page 1 of 1	SECTION NUMBER:	2201.3
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ARTICLE III. PURCHASING ETHICS

Section 3.1 ETHICS STATEMENT

The staff of the City of Clinton is governed by the highest ideals of honor and integrity in all public and professional relationships in order to merit the respect and inspire the confidence of the City of Clinton and the public we serve.

Section 3.2 ETHICAL CONDUCT

The City of Clinton believes strongly in the precept of fair and open competition and in maintaining the integrity of the City's purchasing and contracting process.

Section 3.3 EQUAL OPPORTUNITY

The policies of the City of Clinton prohibit discrimination against any person or business in pursuit of business opportunities on the basis of race, color, sex, religion, or national origin. The City of Clinton is committed to assisting small, women-owned, and minority-owned businesses in becoming active vendors with the City of Clinton. The City of Clinton encourages and invites small, women, and/or minority owned businesses to participate in the City's procurement process.

Section 3.4 FAIR AND OPEN COMPETITION

The City of Clinton promotes the precept of a fair and open competitive solicitation process, wherever practicable. Restrictive or proprietary specifications are kept to minimal use; and only applied where absolutely necessary to meet technical demands for operational compatibility with existing City equipment and applications or operations for truly unique and cost effective performance.

The City may contract with persons other than City personnel for the preparation of specifications. However, no person or entity preparing specifications shall receive any direct or indirect benefit from the utilization of such specifications.

Section 3.5 CONFIDENTIAL INFORMATION

It is unethical and unlawful 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, organization, business, or firm.



ADMINISTRATIVE POLICY CITY OF CLINTON

SUBJECT:	PURCHASING PROCEDURES	PAGE:	Page 1 of 12	SECTION NUMBER:	2201.4
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ARTICLE IV. PURCHASING PROCEDURES

Section 4.1 PURPOSE

The purpose of this document is to provide guidelines for the use of personnel engaged in the procurement and purchase of materials, supplies, goods, services and contracts.

Every activity covered by this policy imposes an obligation of good faith in its negotiation, performance, and enforcement. “Good Faith” means all activities are conducted honestly and ethically and with the observance of reasonable commercial standards of fair dealing.

The Purchasing Division is a part of the Department of Administrative Services The Director of Administrative Services is charged with the management of all City purchases that are processed through the Purchasing Division. Since we have a decentralized purchasing system, any other purchases not processed through the Purchasing Division become the sole responsibility of the respective Department Director as to where the purchase originated. All purchasing activities are to be made in accordance with this purchasing policy and other state and federal laws and regulations where applicable.

Section 4.2 SPECIAL PROVISIONS FOR VEHICLES, MOTORIZED EQUIPMENT, COMPUTER HARDWARE, COMPUTER SOFTWARE, AND SAFETY EQUIPMENT

The following special provisions are required to be adhered to when purchasing vehicles, motorized equipment, computer hardware, computer software, and safety equipment. These provisions are in addition to the provisions contained elsewhere in this document regarding purchasing processes and limitations.

4.2.1 Vehicles

Vehicles are defined as motorized car, truck, or other equipment that is used for transporting goods or people and is required under South Carolina Law to be registered and have a government issued license plate or tag.

The purchase of vehicles must be approved by the City Manager and the Director of Administrative Services prior to being purchased, quoted, or bid.

4.2.2 Motorized Equipment

Motorized equipment includes those pieces of equipment that are self powered and propelled and used to perform

the functions of the city. Examples include, but are not limited to, tractors, back hoes, graders, riding lawnmowers, and other similar devices.

The purchase of motorized equipment must be approved by the City Manager and the Director of Administrative Services prior to being purchased, quoted, or bid.

4.2.3 Computer Hardware and Software

The purchase of computer hardware or software must be approved by the IT Director and/or the CIO prior to purchase.

4.2.3 Safety Equipment

The purchase of safety equipment in excess of \$499.00 must be approved by the Risk Manager / Human Resources Director prior to purchase.

Section 4.3 RECORDS RETENTION AND INTERNAL AUDIT

All original purchasing documents pertinent to bidding activities including, licenses, insurance certificates, certifications, disclosure statements, reporting updates, and or agreements of any kind shall be retained in official files of the department issuing the purchase order.

All invoices associated with the purchase of goods and or service will be retained by the Office of Finance. The Office of Finance will not authorize payment for goods and services unless the purchase order and any applicable proof of quotations or bids are turned in to the Office of Finance.

All documents must be maintained under provision of the records retention policy of the City, State or Federal Gov., whichever is more restrictive with a longer retention period.

The Finance Director / CFO will conduct semiannual internal reviews of Department purchasing records to ensure compliance with the City of Clinton Purchasing Ordinance and this document.

The Director of Administrative Services will conduct periodic reviews of purchases made by division supervisors to ensure compliance with the City of Clinton Purchasing Ordinance and this document.

It is the responsibility of the Department Director to ensure that all purchasing done by personnel in his or her department is in compliance with the City of Clinton Purchasing Ordinance and this document.

SECTION 4.4 ETHICS

The provisions of the Ethics, Government Accountability and Campaign Reform Act of the South Carolina Code of Laws are incorporated herein by reference and are applicable to all City procurement activities.

SECTION 4.5 FEDERAL FUNDS

All goods and services obtained through the use of Federal funds shall be in compliance with applicable state and federal laws and regulations and be in compliance with the mandatory requirements of the selected agency. Whenever City policy is more restrictive than the state or federal laws or regulations, the provisions of this City policy shall be followed. All Purchasing that involves Federal Funds must be approved by the purchasing agent for mandatory agency compliance rules prior to contract issuance, revisions, amendments, etc.

SECTION 4.6 FREEDOM OF INFORMATION ACT

Procurement information shall be public record to the extent required by the South Carolina Freedom of Information Act (FOIA). Commercial or financial information obtained, which is determined to be privileged and confidential, shall not be disclosed.

SECTION 4.7 COOPERATIVE PURCHASING

The Director of Administrative Services may administer a cooperative purchasing agreement for the purchase of goods and services with one or more governmental entities by entering into an intergovernmental agreement with the other governmental entities. The purchasing laws, ordinances, and policies of each entity will be considered in the intergovernmental agreement.

Whenever the City enters into an intergovernmental agreement for a joint project with the federal or a state government, or with another governmental entity including, but not limited to a county, regional council, special purpose district, special tax district, state authority, joint district, or public university, then the purchasing practices of the other public entity may be used in lieu of the City's own procedures.

SECTION 4.8 INSURANCE, BONDS, AND LICENSING

4.8.1 Insurance

Contractors and professional service providers contracted by the City shall be required to provide a Certificate of Insurance with limits acceptable to and approved by the Risk Manager prior to commencing work. Certificates containing wording that release the insurance company from liability for non-notification of cancellation of the insurance policy shall not be acceptable. Policies shall be endorsed to include a waiver of subrogation against the City, its officers, officials, agents, and employees.

Separate endorsements shall be required, naming the City as additional insured, for liability insurance and providing a waiver of subrogation for Worker's Compensation Insurance. At any time, if insurance as required by the City is canceled, then all work shall cease until insurance acceptable to the City is once again provided. The Risk Manager may for good causes waive the Certificate of Insurance for professional services, but only when the lack of such coverage will have no significant impact upon the City.

Prior to the commencement of any work under this Contract and until completion and final acceptance of the work, the Contractor shall, at its sole expense, maintain the following insurance on its own behalf, and furnish to the City of Clinton, certificates of insurance endorsements evidencing the same and reflecting the effective date of such coverage as follows:

The term "Contractor" as used in this agreement, shall mean and include Subcontractor of every tier.

Minimum Coverage and Limits

- A. Workers' Compensation and Occupational Disease Insurance in accordance with applicable laws and statutory limits; Employer's Liability Insurance with a limit of at least One Million (\$1,000,000) dollars. This includes sole proprietorships and officers of corporations who will be performing work on the job. Insurer must also provide a waiver of subrogation in favor of the City of Clinton, its officers, officials, agents and employees. (Contractor) and/or its insurers are responsible for payment of any liability arising out of Workers' Compensation, unemployment or employee benefits offered to its employees. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII and licensed to conduct business in the State of South Carolina, unless otherwise approved by the City of Clinton; and (Contractor) shall not self-insure in satisfaction of any insurance requirement set out herein without the express, written approval of the City of Clinton. (Contractor) shall maintain Workers' Compensation Insurance for all of (Contractor's) employees who are in any way connected with the performance under this Agreement.

B. Commercial General Liability with a combined Bodily Injury and Property Damage limit of not less than One Million (\$1,000,000) dollars per occurrence and Two Million (\$2,000,000) dollars in the aggregate. The aggregate must be applicable on a per project basis. Coverage must also include the following perils:

1. Broad Form Blanket Contractual Liability for liability assumed under this Contract and all other Contracts relative to the project.
2. Completed Operations/Products Liability.
3. Broad Form Property Damage
4. Persons and Advertising Injury Liability
5. Independent Contractors
6. Professional Liability not less than One Million (\$1,000,000) per occurrence as required for projects that contain conceptual/design and professional engineering or similar design services. (i.e. architects, design engineers, etc.)
7. Endorsements must be furnished reflecting the inclusion of the interests of the contractor and the City of Clinton, their officers, officials, directors, partners, representatives, agents and employees, and naming each as an Additional Insured on a primary and noncontributing basis.
8. Coverage is to be endorsed to reflect that insurance is to be primary and non-contributory with respect to any other collectable insurance, for the (contractor's name) and the City of Clinton and all other parties required to be named as additional insureds.
9. Coverage is to be provided on an "occurrence" basis with carries licensed and admitted to do business in the State of South Carolina or otherwise acceptable to (the contractor's name) and the City of Clinton.
10. A copy of the policy and/or endorsement(s) and any other documents required to verify such insurance are to be submitted with the appropriate certificate(s). Failure to provide these documents is not to be construed as a waiver of the requirements to provide such insurance.

C. Commercial Automobile Liability Insurance covering the use of all Owned, Non-Owned, and Hired Vehicles with combined Bodily Injury and Property Damage Limit of at least One Million (\$1,000,000) dollars.

D. Umbrella/Excess Liability Insurance with a limit of no less than One Million (\$1,000,000) dollars minimum per occurrence.

E. Where an Off Project Site Property exposure exists, the Contractor at its sole expense shall furnish to the Owner and Contractor and the City of Clinton Certificates of Insurance and other required documentation evidencing the following coverage which shall provide for the interests of the contractor and the City of Clinton to be named as Loss Payees and shall contain a provision requiring the insurance carriers to waive their rights of subrogation against all indemnitees named in the contract.

"All Risk" Property Insurance on all materials, equipment and supplies intended to become a permanent part of the construction stored on premises away from the project site and while in transit, until actually delivered to the project site, Coverage is to be provided on a replacement cost basis.

F. The above insurances shall each contain the following wording verbatim:

"[The Contractor's Name) and The City of Clinton are interested in the maintenance of the insurance and it is agreed that this insurance will not be canceled, materially changed or not renewed without at least a thirty (30) day advance written notice to [Name and address of Contractor], and The City of Clinton,

PO Box 748, Clinton, SC 29325 by certified mail-return receipt requested.”

- G. The amount of insurance contained in the aforementioned insurance coverages shall not be constructed to be a limitation of liability on the part of the Contractor or any of its Subcontractors.
- H. The Contractor shall file certificates of insurance at least fifteen (15) days prior to the commencement of work with The City of Clinton, which shall be subject to the City of Clinton’s approval of adequacy of protection and the satisfactory character of the Insurer.
- I. Any type of insurance or any increase of limits of liability not described above which any Subcontractor requires for its own protection or on account of statute shall be its own responsibility and at its own expense.
- J. The carrying of the insurance described shall in no way be interpreted as relieving the Contractor or Subcontractor(s) of any responsibility of liability under this contract.
- K. Any policies effected by the Contractor on its Owned and/or Rented Equipment and Materials shall contain a provision requiring the insurance carriers to waive their rights of subrogation against [the Contractor], and the City of Clinton and all other indemnitees named in the Contract.
- L. Should the Contractor engage a Subcontractor, the same conditions will apply under this contract to each Subcontractor, however the retained Subcontractor shall be required to maintain limits of liability of not less than One Million (\$1,000,000) dollars per occurrence and Two Million (\$2,000,000) Dollars in the aggregate, with said limits applicable on a per project basis, or such greater limits as may be required by the retaining Contractor.
- M. Contractor further agrees to perform all work under this agreement in accordance with all federal, state, county, municipal and other local laws, ordinances and regulations applicable to said work.

4.8.2 Business License

Any company or person conducting business with, or on behalf of the City of Clinton shall obtain a City business license in compliance with the City of Clinton’s Code of Ordinances.

4.8.3 Bid Deposits

When deemed necessary by the purchasing agent, bid deposits shall be prescribed in the public notices inviting bids. Upon entering into a contract, bidders shall be entitled to return of bid deposit where the purchasing agent has required such. A successful bidder shall forfeit any bid deposit required by the purchasing agent upon failure on his part to enter into a contract within ten days after the award; provided, however, that the city, in its sole discretion, may waive this forfeiture.

4.8.4 Performance Bonds

The purchasing agent shall have the authority to require a performance bond, before entering into a contract, in such form and amount, as he shall find reasonably necessary to protect the best interest of the city.

4.8.5 Payment Bonds

The purchasing agent may require a payment bond and a labor and material bond, before entering into a contract, in such form and amount, as he shall deem necessary to protect the best interest of the city.

SECTION 4.9 WOMEN & MINORITY OWNED BUSINESS

It is the policy of the city to provide minorities and women equal opportunity for participating in all aspects of the city’s contracting and procurement programs, including but not limited to, employment and construction projects consistent with the state laws. It is further the city’s policy to prohibit discrimination against any person or business in pursuit of these opportunities on the basis of race, color, national origin, religion, sex, age, handicap, or veterans’ status. It is further the policy of the city to conduct its contracting and procurement programs so as to prevent such discrimination and to resolve any and all claims of such discrimination.

SECTION 4.10 IMMIGRATION ACT COMPLIANCE

The City of Clinton will require contractor or vendors to agree to the following:

“The contractor certifies that the contractor will comply with the requirements of Chapter 14, Title 8 of the South Carolina Code of Laws entitled Unauthorized Aliens and Public Employment and agrees to provide to the City of Clinton any documentation required to establish either; (a) the applicability of such law to the contractor, subcontractor, and sub-subcontractor; or (b) the compliance with this law by the contractor and any subcontractors or sub-subcontractors.”

SECTION 4.11 SPECIFICATION

All specifications shall be drafted so as to assure cost effective procurement for the purposes intended. They shall also encourage competition and shall not be unduly restrictive.

The user department shall prepare, revise, and maintain the specifications for supplies, services, and construction required by their departments with advice, recommendation, and approval of the Director of Administrative Services.

Brand name or equal specifications may be used when the user department makes a written determination that no other design or performance specification or qualified products list is available. The solicitation shall contain explanatory language that the use of a brand name is for the sole purpose of describing the standard of quality, performance, and a characteristic desired and is not intended to limit or restrict competition.

Brand name or “equal” specification: A clause that uses one or more manufacturers’ brand names or catalog numbers to describe the “best value” needed to win a bid.

SECTION 4.12 LEVELS OF PURCHASING AUTHORITY

A system of authorization and approval is an important element of internal control. This approval authority is required on all purchases prior to issuing a firm order or entering into a contract. Levels of purchasing authority do not allow for personnel to exceed amounts budgeted in their departments for the purchase of goods and items. The following levels of authority are based on the dollar amount of purchase:

Amount of Purchase	Approval Authority Required				
	Division Supervisor	Department Director	CFO or Director DAS	City Manager	City Council
\$0 - \$499	X				
\$500 - \$2,000	X	X			
\$2,001 - \$5,000	X	X	X		
\$ 5,001 - \$40,000	X	X	X	X	
\$40,001 +	X	X	X	X	X
Additional Authorization Requirements:					
Items not approved as part of the annual budget require City Council approval					
Computer hardware or software requires the prior approval of the IT Director / CIO					
Motor vehicles and large motorized equipment requires the approval of the City Manager.					
Safety equipment with a cost in excess of \$499 must be approved by the Risk Manager					
Change orders require the approval of the CFO or the City Manager.					

SECTION 4.13 PURCHASING OF TANGIBLE ASSETS BY QUOTATION

4.13.1 Tangible Assets

Tangible assets include materials, supplies, equipment, and construction.

4.13.2 Quotations

Purchases made with an estimated price of less than \$8,000 and which were included as part of the City of Clinton's Annual Budget may be purchased using the quotation method.

A verbal quotation is a price that is obtained by telephone, email, in person, or online. Verbal quotations should be documented by the purchaser in writing and maintained in accordance with our record keeping policies. Copies of the quoted prices should be indicated on the purchase order form when submitted to finance for payment and processing.

A written quotation is a price that is mailed, faxed, emailed, or obtained from an online source that includes an itemized price. Written quotations should be attached to the purchase order and a copy should be maintained by the department that is purchasing the tangible asset.

A state contract price, when available, is considered to be a valid quote and / or sealed bid and shall be treated as such.

4.13.3 Estimated Value \$0.00 - \$499

Tangible assets with an estimated purchase price between \$0.00 and \$499 may be purchased without obtaining quotations if the purchaser believes the price for the item(s) purchased to be fair and reasonable.

4.13.4 Estimated Value \$500 - \$1,499

Tangible assets with an estimated purchase price between \$500 and \$1,499 may be purchased from the lowest qualified bidder after obtaining and documenting three verbal quotations.

4.13.5 Estimated Value \$1,500 - \$7,999

Tangible assets with an estimated purchase price between \$1,500 and \$7,999 may be purchased from the lowest qualified bidder after obtaining and documenting three written quotations.

4.13.6 Estimated Value \$8,000 +

Tangible assets with an estimated purchase price of \$8,000 must be purchased using the sealed bid method.

SECTION 4.14 PURCHASING OF TANGIBLE ASSETS BY BID

For Purchases \$8,000 and greater; prior to any solicitation the procurement method must be approved by the Director of Administrative Services or his designee'(s). At the discretion of the Director of Administrative Services or his designee'(s) a decision will be made as to the procurement process, Competitive Sealed Proposals (bidding) or other solicitation methods could be used, except as otherwise provided in this policy.

A state contract price, when available, is considered to be a valid quote and / or sealed bid and shall be treated as such.

4.14.1 Public Notice

Public notice of the Invitation for Bids shall be given not less than seven (7) calendar days prior to the bid opening date. The City shall strive to provide public notice of the invitation for bids at least fourteen (14) days prior to the bid opening date whenever feasible. Such notice shall be given through the internet on the City's web-site, through the local newspaper, and at the discretion of the Director of Administrative Services, through the State's web site, and South Carolina Business Opportunities (SCBO).

4.14.2 Invitation For Bids

An Invitation for Bids shall be issued to at least three (3) qualified vendors when possible, for the particular purchase. The Invitation for Bids shall include specifications and all other contractual terms and conditions applicable to the purchase. The Invitation for Bids shall set forth the evaluation criteria to be used. Each department/division shall maintain a vendors list for all purchases.

4.14.3 Sealing, Opening, and Tabulation

All bids shall be kept in a secure location and shall remain unopened until the announced time of bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and the place designated in the Invitation for Bids. The amount of each bid, the name of each bidder, and other relevant information shall be announced and recorded by the Department Director or designee. The record and bid tabulation shall be opened for public inspection after award of contract.

4.14.4 Change of Opening Date

Bid opening dates may be changed if the Scope of Work or Bid specifications are altered. Any changes in bid opening date must be made in writing and mailed not less than five (5) days prior to the original bid opening date.

4.14.5 Negotiating

The purchasing agent may enter into negotiations with the lowest responsible bidder making reasonable changes in the contract price within the funds available and may award a contract to such bidder to perform the work at the negotiated price within the funds available. If the above cannot be done, the city council may re-advertise on the basis of altered plans and specifications designed to lower the cost to the point necessary.

4.14.6 Rejection of Bids

The purchasing agent shall have the authority to reject all bids, parts of all bids, or all bids for any one or more supplies or contractual services included in the proposed contract, when the public interest will be served thereby.

4.14.7 Bidders in Default to City

The purchasing agent shall not accept the bid of a vendor or contractor who is delinquent in the payment of taxes, license or other monies due the city.

4.14.8 Lowest Qualified Bidder

Contracts shall be awarded to the lowest qualified bidder. In determining the lowest responsible bidder, in addition to price, the purchasing agent shall consider:

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 services.
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 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.
9. The number and scope of conditions attached to the bid.
10. The ability of contractors and professional service providers contracted by the city to meet the requirement that they shall provide a certificate of insurance with limits acceptable to and approved by the City Manager or his or her designee prior to commencing work.

4.14.9 Award to Other Than the Low Bidder

When the award is not given to the lowest bidder, a full and complete statement of the reasons for placing the order elsewhere shall be prepared by the purchasing agent and filed with the papers relating to the transaction and held for a period of no less than 12 months. The City Manager must approve all awards to those other than the low bidder.

4.14.10 Notice of Award

The Department Director or his designee shall make the award of bid after obtaining the recommendation from City Management or their designee'(s). The award letter shall be issued by the Department Director. The Department Director is responsible for obtaining the required insurance certificates and submitting to the Risk Manager for approval.

4.14.11 Cancelling or Rejecting A Bid

The City always reserves the right to cancel or reject a bid. A bid may be canceled and/or all bids rejected upon the written Recommendation of the Department Director, and approval of the Director of Administrative Services.

SECTION 4.15 PURCHASING OF PROFESSIONAL SERVICES

Competitive bidding shall be encouraged for all contracts, purchases, or sales; however, certain professional services shall be exempted from the bid process.

Professional services include architects, attorneys, brokers, doctors, accountants, engineers, insurance providers, planners, information technology service providers, programmers, technical consultants, graphic designers and advertising development firms. Professional services are to be obtained on the basis of written contract proposals, not considered as bids or subject to bid requirements, and selected on the basis of qualifications and fairness in pricing.

Professional service contracts must be approved by the City Manager. It shall be the practice of the City of Clinton to periodically review professional service contracts and to utilize appropriate processes to evaluate the cost of those contracts.

SECTION 4.16 CONTRACT PURCHASING AND WAREHOUSING

Blanket contracts may be negotiated by the City of Clinton for the frequent and recurring purchase of tangible assets. The Director of Administrative Services will negotiate all long term contracts and contracts are subject to the approval of the City Manager. Purchasers are required to utilize these contracts when they are available. If a purchase is made from an existing city contract, then the item is exempt from the bid process until the contract expires or is put out for bid by the Director of Administrative Services or the City Manager.

The City of Clinton also maintains a warehouse operation in which many frequently used items are kept in stock. Department personnel are required to utilize the warehouse to acquire items rather than purchasing from the open market if those items needed are stocked in the warehouse. The Director of Administrative Services can provide personnel with a list of items stored in the warehouse.

SECTION 4.17 MOTOR VEHICLE AND MOTORIZED EQUIPMENT REPAIR

The purchasing agent shall have the authority to purchase parts necessary to repair vehicles and equipment at a level not to exceed \$8,000 provided that a requisition listing parts or services needed for said repairs is provided to the purchasing agent at the time of authorization. Vehicle repair purchases are subject to the approval authority listed in Section 4.13.

SECTION 4.18 PURCHASING BY SOLE SOURCE

Sole source purchase of goods and services without competition may be made when the Department Director certifies in writing, at the time of request, that only a single and sole source for the goods or services exists and therefore, the competitive process is not appropriate, and that sole source purchasing serves a proper corporate and public purpose. Sole source purchases are subject to the approval authorization levels outlined in Section 4-13.

SECTION 4.19 ITEMS EXEMPTED FROM BIDDING

Due to the nature of certain items purchased by the City of Clinton and the fact that many of these items are available from limited suppliers, the following items are excluded from bidding.

One-of-a-kind items; Published books, maps, periodicals, subscriptions, and technical pamphlets, training/professional development programs; Membership fees; Postage stamps and other delivery fees; Tuition reimbursement; Conference registration; Public advertising; Safety shoes and prescription safety glasses; Existing bid or contract for like supplies, services, construction; State of S.C. or U.S. Communities contracts; Supplies/services from other governmental agencies; including public colleges/universities; Medicine/drugs; State/Federal Surplus; Used Equipment/Supplies; Equipment maintenance or service agreement with the manufacturer or authorized service agent, bullet proof vests / helmets / blankets / shields.

These services and items are to be obtained on the basis of written contract proposals or through informal or sole source purchasing, not considered as bids or subject to bid requirements, and selected on the basis of qualifications and fairness in pricing.

SECTION 4.20 REQUEST FOR QUALIFICATIONS

For purchases in which qualifications are needed, such as to procure engineering services, other professional services, or to bid out a "design build" project, the city may choose to use a process known as Request for Qualification of RFQ.

To begin the RFQ process, the City Manager or designee may appoint a Project Committee or obtain the services of an outside professional firm to complete the process. The City Manager or designee may designate one committee member as Project Director. The City Manager or his designee may serve as a member of the Committee.

The Project Committee may develop a Preliminary Project Description and a Request for Professional Qualifications. The Preliminary Project Description may include: (a) Scope of professional services; (b) Project design objectives; (c) Time of performance; (d) Preliminary site information; (e) Special conditions or unique factors affecting project design.

The Request for Professional Qualifications may include the request that interested professional firms submit information on (a) Interest in providing the requested services, (b) Resume of principals and qualifications, (c) Summary of experience on similar projects and (d) List of clients served.

A Notice of Request for Professional Qualifications may be published on the City web site and/or the state web site (SCBO) that includes notification of the availability of the Preliminary Project Descriptions and a specified date by which all proposals must be received.

The Project Committee will review the written Qualifications submitted by all firms. In its review, the Committee will consider all elements of the Request for Professional Qualifications. Following completion of its review, the Project Design Committee will generally select no more than five of the most qualified responding firms. The Committee may interview each of the selected firms and select the most qualified by consensus of the Committee. The department/division head will present the Committee's recommendation to the City Manager or his designee, who will decide who may negotiate a fee for the professional work to be done based upon the scope of services. With City Management approval, the applicable staff member and/or City Manager will proceed with the negotiation of fees. The firm's proposal shall include a task-man-hour breakdown showing hours per task, hourly rates, overhead, profit and expenses. In the event that the selected firm and the Committee cannot agree upon the fee and basis for compensation, the Committee shall negotiate with the second rated firm to do the work. Cost of services may dictate City Council approval of the contract.

SECTION 4.21 PROTESTS

Any actual or prospective bidder, offeror, or contractor who feels aggrieved in connection with the solicitation or award of a contract may protest to the City Manager or his designee, except as otherwise stated in this article. The protest shall be submitted in writing within ten (10) calendar days after such alleged aggrieved bidder, offeror, or contractor, actual or prospective, knows or should have known the facts giving rise thereto.

The City Manager or his designee shall have the authority, prior to being heard by the city council, to settle and resolve a protest by an alleged aggrieved bidder, offeror, or contractor, actual or prospective, concerning the solicitation or award of a contract.

If the protest is not resolved by mutual agreement, the City Manager or his designee shall issue a decision in writing within ten (10) calendar days. The decision shall:

- i. State the reasons for the action taken; and
- ii. Inform the protestant of his right to city council review as provided in this article.

A copy of the decision shall be mailed or otherwise furnished immediately to the protestant and any other intervening party. Copies of the notices will be provided to city council as well.

A decision made following this policy shall be final and conclusive, unless proven fraudulent, or a person adversely affected by the decision appeals administratively to the city council in accordance with this article.

A decision by the purchasing agent can be appealed to city council within five (5) days after a decision is issued through a written request addressed to the city council. The request must outline the reasons why he is adversely affected by a decision and the desired outcome of a hearing. The request will be heard by the city council at the next scheduled city council meeting in accordance with all applicable state and federal laws regarding the placement of items on the agenda of the City Council. The decision of the city council will finalize the award.

SECTION 4.22 LOCAL PURCHASING

It is the intent of the City of Clinton to support local merchants, professionals, vendors, and suppliers by promoting the use of local businesses and the hiring of citizens of the City of Clinton whenever practical and when deemed to be in the best interest of the city pursuant to the following:

- (a) Local contractors and businesses with a valid city of Clinton business license shall have a 5% advantage during the consideration of bids, whenever practical, and when deemed to be in the best interests of the City of Clinton.
- (b) The maximum value of the 5% advantage will be capped at \$10,000.
- (c) If a local business is within 5%, not exceeding \$10,000, of the lowest bid received, the local business will be given consideration of the bid award, if they are willing to provide goods or services at the price of the lowest bid received. If the local business is not willing to provide goods or services at the price of the lowest bid received, the consideration of the bid award will revert back to the lowest bid received, or the next lowest local business within the 5% (maximum \$10,000) advantage threshold.
- (d) Contractors and/or businesses are encouraged to hire local Clinton residents.
- (e) Selected contractor(s) are encouraged to purchase/lease all material, equipment and supplies associated with the awarded bid to a local business with a valid City of Clinton Business License.
- (f) A state contract price, when available, is considered to be a valid quote and / or sealed bid and shall be treated as such. State contracts held by local vendors are subject to this policy.

Appendix A: Purchasing Requisition Forms

City of Clinton Requisition / Purchase Order

Special Provision Approvals

Sp. Prov. Applies	Type	Approvals	Date	Date
<input type="checkbox"/> Yes <input type="checkbox"/> No	Vehicle	City Manager	Director - DAS	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Motorized Equipment	City Manager	Director - DAS	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Computer Hardware or Software	CIO		
<input type="checkbox"/> Yes <input type="checkbox"/> No	Safety Equipment	Risk Manager		

Certifications

<input type="checkbox"/> Yes <input type="checkbox"/> No	This is a cooperative purchase made using another agency or organization's purchasing policy (Section 4.7)
<input type="checkbox"/> Yes <input type="checkbox"/> No	Purchase is exempt from quotations and bidding: (check all that apply)
<input type="checkbox"/> No	<input type="checkbox"/> Price is less than \$499 and is fair and reasonable.
<input type="checkbox"/> No	<input type="checkbox"/> Purchase is a professional service (Section 4.15)
<input type="checkbox"/> No	<input type="checkbox"/> Purchase is from a City of Clinton contract (Section 4.16)
<input type="checkbox"/> No	<input type="checkbox"/> Purchase is an exempt item (Section 4.19)
<input type="checkbox"/> No	<input type="checkbox"/> Purchase is a sole source item (Section 4.18) (Insert justification below)
	Contract Number (if applicable):

Local Provision Applications

Lowest Quote	Lowest Local Quote	Difference
		#DIV/0!

If less than or equal to a 5% difference and not in excess of \$10,000, the local bidder must be offered the opportunity to match the price. Document your local vendor contact below:

City of Clinton, South Carolina
Department of Administrative Services
Division of Purchasing

M. S. Bailey Municipal Center
211 North Broad Street
Clinton, South Carolina 29325

www.cityofclintonsc.com

