Town of Atlantic Beach

PURCHASING AND CONTRACTING POLICY

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INTRODUCTION

The Atlantic Beach Purchasing Policy is intended to serve as a guide for all departments in obtaining supplies, materials, equipment, apparatus, and services. Atlantic Beach's purchasing program is based on the principle of competitive bidding. When it is not sought or obtained, the reason must be valid and be documented. In public purchasing and contracting, utmost fairness is required in expending public funds. Generally, purchases shall be made from vendors with the lowest prices. If requested to use a vendor with a higher price, the reason must be documented. The Town shall not be required to choose a vendor which has shown previous history of substandard work or equipment, or past history of not completing or standing behind their services or products. The practice of favoritism whether to the user department or to the seller is not permissible. Purchasing's primary obligation in a governmental environment is commitment and adherence to fair and open competition.

The Town's purchasing operations are governed by North Carolina General Statutes and, therefore, must seek competitive offers from qualified suppliers unless the items can be obtained through existing contracts established by North Carolina State Purchasing and Contracts Division. Atlantic Beach participates in North Carolina State Contracts whenever feasible and cost-effective.

Local government purchasing is recommended by the North Carolina Department of State Treasurer to be a centralized function in order to ensure legal compliance and to obtain the most competitive pricing. The Finance Officer is responsible for issuing all purchase orders for supplies, services, materials, and equipment. Atlantic Beach does not currently have a full-time purchasing agent and must rely on departmental staff to identify their needs, obtain competitive pricing, and follow sound and legal purchasing practices. The Finance Officer and the Town Manager will provide assistance to department heads as needed. Departmental needs should be communicated to the Finance Officer via a purchase requisition on a timely basis and should document the department's efforts to obtain the correct items at the best possible price.

It is recommended that the following steps be taken:

(1) All department heads should read and understand this policy;

(2) All employees involved in the purchasing process should become thoroughly familiar with the procedures outlined in this policy;

(3) This policy should be kept where it is easily accessible for reference;

(4) Comments concerning this policy or clarification of its contents should be directed to the Finance Officer or Town Manager.

ARTICLE I

GENERAL RULES AND PROCEDURES FOR PURCHASING

Section 1. Purchases Under $1,500

Purchases less than $1,500 (individually or in total) may be made without the use of a purchase order upon department head approval.

Section 2. Purchases of $1,500 to $5,000

Purchases of $1,500 to $5,000 must be made through the purchase order process unless otherwise exempt under this policy and require authorization by the department head and the Finance Officer, or the Deputy Finance Officer in the absence of the Finance Officer. Written price quotes from multiple vendors are not required for purchases below $5,000; however, departments are encouraged to exercise due diligence in obtaining the best combination of price and quality and to act as responsible stewards of public funds.

Section 3. Purchases of $5,000 to Under $30,000

Purchases of $5,000 to under $30,000 must be made through the purchase requisition process unless otherwise exempt under this policy and must have **written price quotes** from at least three (3) vendors. In cases when available or appropriate vendors are limited, every effort will be made to obtain price quotes from at least two (2) vendors. The solicitation of multiple price quotes must be documented and supporting documentation retained with the purchase requisition. In cases when the item or service is available from a single source, this information must be stated on the purchase requisition. If the item can be obtained through State Contract, the three (3) required quotes are not necessary.

All purchase requisitions from $5,000 to under $30,000 must be approved by the Department Head, the Finance Officer (or Deputy Finance Officer in the Finance Officer's absence), and the Town Manager. .

The Town Manager may waive the Town's three (3) written price quote requirement in cases of emergency, when performance or price competition is not available, when standardization is the overriding consideration, or when the item is available through the “Piggyback” option. In cases when the waiver of competitive bidding is anticipated, all reasons for taking such action must be documented.

All purchases over $5,000 shall be carefully reviewed by the department head to determine if a fixed asset acquisition form should be completed and forwarded to the Finance Officer.

Section 4. Purchases of $30,000 +

Expenditures of funds totaling $30,000 or more shall comply with all applicable requirements of the North Carolina General Statutes and the additional purchasing requirements established by the Town.

Purchases of $30,000 or more must be made through the purchase requisition process unless otherwise exempt under this policy. Applicable competitive bidding requirements are summarized below:

Type of Expenditure	Informal Bidding	Formal Bidding
Apparatus, supplies, materials, and equipment	$30,000 to under $90,000	$90,000 or more
Construction or repair	$30,000 to under $500,000	$500,000 or more

Purchases subject to the informal bidding requirements of N.C.G.S. § 143-131 shall be made after informal bids have been secured and shall be awarded to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified for performance. Documentation of bids received shall be retained with the purchasing records.

Purchases subject to the formal bidding requirements of N.C.G.S. § 143-129 shall be advertised, bid, and awarded in accordance with applicable North Carolina General Statutes.

All purchase requisitions of $30,000 to under $90,000 must be approved by the Department Head, the Finance Officer (or Deputy Finance Officer in the Finance Officer's absence), and the Town Manager. Purchases of $90,000 or more must be approved by the Town Council.

Exceptions to statutory competitive bidding requirements may only be utilized when authorized by applicable North Carolina General Statutes and approved by the Town Council. The basis for any exception shall be documented and retained with the purchasing records.

All purchases over $5,000 shall be carefully reviewed by the Department Head to determine if a fixed asset acquisition form should be completed and forwarded to the Finance Officer.

Section 5. No Purchase Order Required

The following purchases do not require a purchase order:

(A) Advertising;

(B) Electricity;

(C) Insurance;

(D) On-going utility charges;

(E) Telephone;

(F) Travel / Training (Employee Development);

(G) Professional / Organizational Dues;

(H) Contract Purchases for items or services.

A purchase order should be used for the above items only if the department has a need for tracking historical data.

Exemption from the purchase requisition and purchase order process does not exempt a purchase from applicable budgetary, approval, competitive bidding, or North Carolina General Statute requirements.

ARTICLE II SPECIFICATIONS

Section 1. Preparation of Specifications

All specifications should include a clear, concise and accurate statement of the requirements to be satisfied by a product, material, or service. The specifications should also indicate, when appropriate, the procedure to be followed to determine whether the requirements are satisfied. A purchasing specification can be construed as a restriction; that is, it both includes and eliminates by setting limits on what is acceptable, but it cannot be unduly restrictive. Usually, more than one (1) make, brand, or model is satisfactory for a need, and specifications should preserve competition among different makes, brands, or models that are acceptable.

Section 2. Town Manager Approval

The Town Manager must approve all specifications for items greater than $50,000. Once specifications have been developed for a particular item, they will be reviewed to ensure that they are not "vendor restrictive" and that the specifications effectively balance the need against the available budget.

ARTICLE III PURCHASE REQUISITIONS

Section 1. Requisitions

All supplies, equipment, etc., with a value over $1,500, required by town departments are to be submitted by the requesting department through the purchase requisition process, unless otherwise exempt under this policy. The department head must approve all requisitions. Requisitions must also receive approval from the Finance Officer (or Deputy Finance Officer in the Finance Officer's absence) and any additional approvals required by the applicable purchasing threshold established in Article I before a purchase order is issued. The requesting department is responsible for providing complete and accurate information when entering the purchase requisition.

Section 2. Merchandise Quality

Public funds are not appropriated to provide "deluxe" or luxurious levels of quality. As a general rule, specifications are developed for standard grades of merchandise which represent a balance between quality and price, but that are consistent with providing adequate and satisfactory levels of service. In preparing requisitions, it is important to draw specifications or otherwise designate requirements with emphasis on performance, function, utility, and economy. Requisitions that call for grades or qualities in excess of normal standards, or quantities in excess of normal requirements, will be subject to review, and may be returned.

Section 3. Processing Time

Requisitions should be submitted far enough in advance of the date needed to enable the Finance Officer to check the competitive pricing provided by requesting departments and ensure the goods are received by the time required. Requisitions must include sufficient and correct information. If information is not adequate, delays will be necessary either to obtain missing information or for clarification. Once a requisition is complete, a purchase order will be issued within three (3) business days.

Section 4. Preparation of a Purchase Requisition

The requesting department shall submit its complete and accurate purchase requisition and notify the Finance Officer of the pending request. All requisitions must contain the following information and may be returned to the requesting department if the required information or documentation is incomplete:

(A) Description – A brief description identifying the overall purpose of the purchase.

(B) Vendor – The vendor from whom the goods or services will be purchased. For all new vendors, except professional associations for membership fees, a completed W-9 must be submitted to the Finance Department prior to submission of the purchase requisition. Where applicable, vendors shall also provide certificates of insurance, licenses, or other documentation required by the Town. Required insurance documentation shall be submitted to the Administration Department for review and approval prior to the commencement of work.

(C) Sales Tax Location – The appropriate sales tax location must be identified based on whether the purchase will be delivered to the Town or picked up at the vendor's location. "Municipality" shall be selected for purchases delivered to the Town, and "Vendor" shall be selected for purchases picked

up at the vendor's location.

(D) Account Number – The appropriate budget account number to which the purchase will be charged.

(E) Complete Item Description – Complete information for the goods or services being purchased, including quantity, stock or item number (if applicable), correct name or description of the item or service, applicable specifications, quantity and unit of measure, and cost.

(F) Ship to Location – The appropriate Town location to which the goods or services are to be delivered.

(G) Supporting Documentation – Applicable quote(s), artwork, specifications, proposals, or other supporting documentation shall be attached to the purchase requisition.

ARTICLE IV PURCHASE ORDERS

Section 1. Purpose of Purchase Orders

The purchase order serves as authorization to a vendor to furnish a product or service to the Town at the prices shown thereon. It also serves as the basis for encumbering department funds and assures the supplier that funds are available for the purchase. As a media for encumbering funds, it represents a means for providing management with a much more accurate and complete statement of financial position and is instrumental in preventing departments from overspending their budgets. If there are not sufficient funds in the line item, the order should not be placed until a budget transfer or amendment has been prepared and approved to provide necessary funds.

Section 2. Purchase Order Preparation

All purchase orders are to be prepared by the Finance Officer. Any purchase made that is not in accordance with the procedures outlined in this policy will require approval by the Town Manager. **If approval is not obtained, the employee may be personally liable for the payment.**

Section 3. Changes to Purchase Orders

If the department head fails to notify the Finance Officer of any changes or additions to the purchase order, only the original cost of the purchase order will be paid. Any increase in the price must be fully justified by the department head and approved by the Finance Officer, or for requisitions greater than $5,000, the Town Manager.

ARTICLE V

BLANKET PURCHASE ORDERS

Section 1. Blanket Purchase Order Preparation

This procedure is to provide an additional purchasing tool for obtaining items when the amount of paperwork involved or the nature of the purchase makes it impractical to use regular purchasing procedures. The Finance Officer and departments shall work together to use this procedure when it appears to be in the Town's best interest.

Blanket purchase orders are intended for recurring purchases from the same vendor when the exact amount or quantity of individual purchases cannot reasonably be determined in advance. Unlike a regular purchase order, which is issued for a specific purchase and dollar amount, a blanket purchase order establishes a maximum authorized amount that may be purchased from the vendor during a specified period.

Blanket purchase orders shall follow the same requisition, documentation, purchasing, and approval requirements established elsewhere in this policy, based upon the maximum authorized amount of the blanket purchase order. Blanket purchase orders shall not be used to circumvent applicable purchasing thresholds, competitive bidding requirements, or required approvals.

(A) The requesting department shall submit a purchase requisition in accordance with Article III and identify the period covered by the blanket purchase order and the maximum amount anticipated to be purchased during that period.

(B) Vendor requirements shall be handled in accordance with Article III.

(C) The maximum amount of the purchase order will be encumbered until the encumbrance is liquidated. Departments are not to exceed the total amount in funds encumbered for the period of the purchase order. It is the responsibility of each department to ensure that purchases made against all blanket purchase orders do not exceed the total dollar amount of the purchase order. Each department will monitor purchases against purchase orders for their department to ensure compliance.

(D) Blanket purchase orders are intended for items that the vendor has in stock only. Items that the vendor must order should be handled through regular purchasing procedures. This eliminates paying shipping costs or special order costs from the vendor.

ARTICLE VI

SMALL PURCHASES (PETTY CASH)

Section 1. Use of Petty Cash

Petty cash should be used to obtain small quantities not available under existing contracts, and/or to buy very limited quantities when the value is less than $20.

Section 2. Examples

Examples of acceptable petty cash purchases include the following:

(A) Meeting supplies;

(B) Postage;

(C) Special event supplies;

(D) Office supplies;

(E) Other small items.

ARTICLE VII

EMERGENCY PURCHASES

Section 1. Emergency Defined

For purposes of this policy, an emergency is defined as an immediate and present condition involving the health and safety of people and/or their property and not one that may or may not arise in the future or one that is apt to arise or may be expected to arise.

North Carolina General Statutes provide an exception to applicable competitive bidding requirements in cases of special emergency involving the health and safety of people or their property.

Section 2. Emergency Purchase Procedures

When an emergency does arise, and can be rectified only by immediate purchase or rental of equipment, supplies, materials, or services, the following procedures must be followed:

(A) The Department Head shall obtain authorization from the Finance Officer (or Deputy Finance Officer in the Finance Officer's absence) prior to making an emergency purchase. Authorization may be obtained remotely. The Town Manager shall also provide approval when required by the applicable purchasing threshold. If prior authorization is not reasonably possible, only purchases necessary to address the immediate emergency may be made, and the Finance Officer and Town Manager shall be notified as soon as practicable.

(B) On the next working day, the Department Head shall follow the normal purchase requisition procedures established in this policy. The notes/comments shall document the nature of the emergency and indicate whether prior authorization was obtained, including how and from whom authorization was received. If prior authorization was not obtained, the reason shall be documented.

No emergency purchase orders will be issued unless it is an emergency as described above.

If a situation arises and expedited action is needed to prevent a potential emergency that may occur in the future or is likely to occur, jeopardizing the health, safety, and/or property of citizens, the Town Manager shall notify the Mayor and Town Council of the need for expedited action on procurement that meets the threshold that would under normal circumstances require preauthorization form Town Council. After receiving a consensus to proceed from the Town Council, the Town Manager may expedite procurement with formal council approval to be made at the next regular meeting. If possible, an effort should be made to obtain at least two bids, but two bids are not required.

ARTICLE VII

PURCHASE OF VEHICLES AND OTHER LARGE EQUIPMENT

Section 1. State Contracts

The purchase and acquisition of vehicles and other large equipment shall be coordinated by the department head and the Finance Officer and approved by the Town Manager. The Town of Atlantic Beach participates in the North Carolina State Contract for the purchase of vehicles and other large equipment when feasible and cost effective. Due to the time required to evaluate proposals by the State, the vehicle contracts usually do not become available until the Fall of each year. The State Contract usually remains open until the following Spring.

All vehicles and other large equipment purchases, including those purchased through State Contract, shall require a purchase requisition and purchase order. Purchase requisitions for vehicles purchased through State Contract are not required to include documentation of competitive price quotes.

Section 2. "Piggyback" Purchases

In 1997, the General Assembly enacted legislation making several changes in the competitive bidding laws that apply to local government contracts. This law created a new exception, commonly referred to as the "piggyback" exception.

The Town of Atlantic Beach will utilize the "piggyback" exception for the purchase of vehicles and other large equipment that are required to utilize the formal bid process ($90,000 or greater in value) when feasible and cost-effective. The "piggyback" exception allows North Carolina local governments to purchase apparatus, supplies, materials, or equipment from any person or entity that has, within the previous 12 months, after having completed a public, formal bid process, contracted to furnish the apparatus, supplies, materials, or equipment to:

(A) The United States of America or any federal agency;

(B) The State of North Carolina or any agency or political subdivision of the State; or

(C) Any other state or any agency or political subdivision of that state, if the person or entity is willing to furnish the items at the same or more favorable prices, terms, and conditions as those provided under the contract with the other unit or agency.

Any purchase made with the "piggyback" exception must be approved by the Town Council at a regularly scheduled meeting no fewer than 10 days after publication of notice, in a newspaper of general circulation in the area, that a waiver of the formal bid procedure and the use of the "piggyback" exception will be considered. The public notice will contain the following information:

(A) a general description of the items(s) to be purchased and the anticipated quantity

(B) the identity of the supplier;

(C) the city, state, or other agency with whom the supplier has contracted within the past 12 months and the date that contract was entered into; and

(D) the date of the regular board meeting at which the Town Council will consider the waiver of bidding.

(E) the name and phone number of a person within the Town to contact for more information.

A sample notice might read as follows:

"The Atlantic Beach Council will consider a waiver of competitive bidding under G.S. 143-129(g) at its regular meeting on November 18, 2007 for the purchase of two front end loaders from Heavy Duty Equipment, Inc., the seller having agreed to extend to Atlantic Beach the same or more favorable prices and terms set forth in its contract with the Town of_____entered into on June 10, 2007. For additional information, contact Town Employee at 252-726-2121 or email at tab@atlanticbeach-nc.com. "

Section 3. Vehicle Title Work

The Administrative Services Director will handle all necessary forms for title work on new vehicles.

ARTICLE IX

MISCELLANEOUS PURCHASING PROVISIONS

Section 1. Cancellation of Purchase Orders

If a department desires to cancel a purchase order, in part or in whole, the request should be made directly to the Finance Officer. The request should include the purchase order number, the vendor name, item(s), and reason for cancellation. When applicable, the Finance Officer will revise the purchase order following normal approval requirements, and supply an updated copy to the department.

The department head will notify the vendor of the cancellation and the reason. Outstanding purchase orders shall be reviewed weekly by department heads.

Section 2. Purchase Returns

To ensure proper credit is obtained for items being returned to vendors, it is important that the proper procedures be followed.

(A) The user department may return supplies to the vendor but should notify the Finance Officer.

(B) In all cases the user department should send written notice to the Finance Officer indicating which items are being returned, the date of the return, and the signature of the appropriate employee.

(C) When applicable, the Finance Officer shall amend the purchase order by removing said items and forward the updated purchase order to the department.

Section 3. Payment Procedures

Invoices received by the department receiving the apparatus, goods, supplies, services, etc. shall be thoroughly reviewed by the department head to ensure that apparatus, goods, supplies, services, etc. have been received in the correct quantities, in an acceptable condition, and/or completed satisfactorily. Upon approval to pay, the department head shall sign the invoice, note the purchase order number, attach the purchase order, and forward the invoice to the Finance Officer for review, approval, and processing.

No invoices shall be processed without signature approval from the department head and Finance Officer.

Section 4. Federal and State Funds

When purchases of equipment, supplies and materials are to be made with funds obtained from federal and state government, the **exact source** of funding must be noted on the requisition form. If a purchase is made with federal or state government funds, and upon auditing it is determined that the purchase was not in compliance with federal or state regulations, the Town may have to repay the granting government for the amount of the purchase.

Section 5. Charge Accounts

Charge accounts may not be established without the approval of the Finance Officer. The Finance Officer must sign all applications.

Section 6. Credit Cards

The use of Town-issued credit cards for purchases does not eliminate the need to follow purchasing procedures outlined in this policy, and the use of competitive pricing, purchase requisitions, and purchase orders is still required.

The Finance Officer shall retain all Town-issued credit cards and distribute these cards for use on a case-by-case basis when requested, unless the permanent issuance of a credit card is authorized by the Town Manager. Town personnel shall request use of a Town-issued credit card through the Finance Officer, and town personnel shall be required to sign-out the credit card before usage. The credit card shall be returned to the Finance Officer after use, along with receipts for all transactions completed using the credit card.

Town personnel placing credit card orders via telephone or the internet, thus requiring only the credit card number, must still request the use of the credit card through the Finance Officer. Town personnel shall be required to sign-out the credit card in the same manner as if the actual card is used. Orders placed using the Town credit card via telephone or the internet shall be documented with an order confirmation obtained via facsimile transmission or by printing the order confirmation from the internet. The order confirmation shall be submitted to the Finance Officer after the order has been placed.

ARTICLE X

SURPLUS PROPERTY

Section 1. Notification

Department heads are to notify the Finance Officer and the Administrative Services Director of surplus property that needs to be disposed of. Departments may transfer property to other departments provided that the Finance Officer and the Administrative Services Director have been notified and the Town Manager has approved the transfer. Department heads shall complete either a fixed asset disposal form or inventory disposal form for surplus items and items to be transferred.

Section 2. Sale of Personal Property (Less than $15,000)

The Town Manager is authorized to dispose of any personal property owned by the Town of Atlantic Beach, whenever he/she determines, in his/her discretion, if:

(A) The item or group has a fair market value of less than $15,000;

(B) The property is no longer necessary for the conduct of public business; and,

(C) Sound property management principles and financial consideration indicate that the interests of the Town would best be served by disposing of the property.

The Town Manager may dispose of any such surplus personal property by any means which are judged to yield the highest attainable sale price in money or other consideration, in accordance with North Carolina General Statutes.

The surplus property shall be sold to the party who tenders the highest offer, or exchanged for any property or services useful to the Town if greater value may be obtained in that manner, and the Town Manager is hereby authorized to execute and deliver any applicable title documents. If no offers are received within a reasonable time, the Town Manager may retain the property, obtain any reasonable salvage value, or cause it to be disposed of as waste material.

The Town Manager shall, on or before the first day of February, report in writing to the Town Council on any property disposed of under these provisions from January 1 through December 31 of the previous year. The written report shall generally describe the property sold or exchanged, to whom it was sold, or with whom exchanged, and the amount of money or other consideration received for sale or exchange since the last such report was submitted.

Section 3. Sale of Real Property or Personal Property (Greater than $15,000)

The Town Council must authorize the disposal of any real property or surplus personal property valued at greater than $15,000. Private negotiation and sale may be used for personal property valued at less than $30,000 for any one item or group of similar items. Real property, of any value, and personal property valued at $30,000 or more for any one item or group of similar items may be sold through sealed bid, negotiated offer and upset bid, and public auction procedures, as outlined in the North Carolina General Statutes.

Section 4. Employee Purchases / Sales

The Town of Atlantic Beach will not purchase items and/ or services from its employees. Likewise, when the Town of Atlantic Beach has surplus property to be sold, the practice of selling such property to employees is prohibited. This shall include selling such property by private negotiation and sale or sealed bids, but this shall not apply to property that is sold during a public auction.

ARTICLE XI

CONTRACTS FOR SERVICES

Section 1. Establishment of Contracts for Services

Contracts for services may include, but are not limited to, maintenance contracts, construction contracts, repair contracts, service contracts, professional consulting contracts, etc. The need for such contracts is based upon the requirements of the department and/or project, and must have the approval of the Town Manager or the Town Council.

Section 2. Authorizing Authority

The Town Manager is authorized to sign contracts committing Town funds for any purpose, provided the dollar amount of the contract does not exceed $50,000. Contracts greater than $50,000 must be authorized by the Town Council. Any contract that pledges the faith and credit of the Town, in any form is neither acceptable nor permissible unless authorized by the Town Manager or the Town Council. The original copy of the executed contract must be filed with the Finance Officer and Town Clerk.

The Town Manager is authorized to amend contracts, provided the dollar amount of the contract amendment does not exceed the greater of $30,000 or 10% of the project cost, Contract amendments greater than $30,000 or 10% of the project cost must be authorized by the Town Council.

Section 3. Real Property

All leases and/or contracts for real property (purchase, lease, or rental) shall be negotiated through the Town Manager and must be approved by the Town Council.

ARTICLE XII

COMPETITIVE BIDDING

Section 1. Finance Officer / Department Head Responsibility

In preparing and issuing bid solicitations and requests for proposals, and in issuing contract and purchase orders, the Finance Officer and department heads are authorized to employ such terms and conditions as they deem advantageous and which are not inconsistent with the North Carolina General Statutes and these rules and regulations.

Section 2. Prospective Bidders

Town departments will maintain a file of prospective bidders on various categories of materials, equipment, and services. Prospective bidders may be included on or removed from this list after taking into consideration financial standing and responsibility, facilities for production, distribution and services, length of time successfully in business, responsiveness, performance, and other factors deemed pertinent and reasonable.

Section 3. Bid Error Clarifications

If a bid appears to contain an obvious error or when an error is suspected, the circumstances may be investigated and then may be considered and acted upon under the procedure for reviewing bids and awarding contracts. Any action taken shall not prejudice the rights of the public or the bidders. If bids are submitted substantially in accordance with the invitation but are not entirely clear as to the intent or to some particular fact or other ambiguities, clarification may be sought and accepted; provided that in doing so, changes which would improve the competitive position of a bid are not permitted.

Section 4. Bid Awards

In determining bid awards, responsive bids and proposals will be considered and evaluated as provided by North Carolina General Statutes and by this policy. Non-acceptance of the proposal is not to be construed as outright rejection or that it lacks merit, but that another is deemed more advantageous.

Section 5. Soliciting Bids

The purpose of soliciting bids is both to seek and to obtain competition; the responsibility is dual. If only a single bid or single acceptable bid is received, or if reasonable and available competition is not obtained, the reason shall be ascertained and made a matter of record.

Section 6. Employee Private Gain Prohibited

Purchases from or through employees of the Town or purchases from or through companies in which Town employees have financial interest, either directly or indirectly, is not permitted. The purchasing power of the Town shall not be used for private advantage or gain.

ARTICLE XIII

BIDDING PROCEDURES

Section 1. Informal Bid Procedures

Informal proposals involve the solicitation of informal bids, either verbal or written, from qualified suppliers. Informal proposal procedures must be utilized for purchases of apparatus, supplies, materials, or equipment expected to require an expenditure equal to or greater than $5,000 but less than $90,000.

Requests for informal proposals do not have to be advertised. Informal bids do not have to be publicly opened. Whenever possible, the department head will solicit three or more proposals from representative suppliers based on previous experience and knowledge of the market. It is not permissible to divide a proposal in order to avoid formal bid requirements in favor of informal bids.

If bids are unsatisfactory or under conditions when effective competition is not available, purchases or leases may be made or services acquired by direct negotiation.

Section 2. Formal Bid Procedures

Formal bid procedures involve solicitation of sealed bids from qualified vendors. Formal bid procedures must be utilized for purchases of apparatus, supplies, materials, or equipment expected to require an expenditure equal to or greater than $90,000. Requests for formal bids must be legally advertised. Formal bid procedures may be used for purchases totaling less than $90,000 if deemed advantageous to secure the best pricing. It is the responsibility of the Town Clerk and the department head to open and read bids publicly prior to the award of the contract. The Town Clerk and the department head will also make known to any interested person the names of the bidders, the manufacturers and catalog numbers of the items the bidders have offered, and the prices, delivery schedules, and terms specified in the bids. After the bids have been opened, they are analyzed and compared with respect to compliance with specifications, quality and suitability of the products, time of delivery, and any other pertinent factors.

During the period of evaluation and prior to the award, possession of the bids and accompanying information is limited to Town personnel directly involved in the project and to those in user agencies who are responsible for participating in the evaluation. Vendor participation, or furnishing information to vendors on the status of bid evaluation, is not permitted.

After award of the contract, the complete bid file with the exception of trade secrets, test information, or similar proprietary information as provided by statute and procedures will be available to any interested person(s).

Section 3. Bids for Construction, Renovation, or Repairs

If a proposal involves construction, renovation, or repairs, the following guidelines apply:

(A) $5,000 - $500,000

(1) Informal bids required
(2) Written proposals or quotes

(B) Over $300,000 will follow NC General Statutes

Section 4. Minimum Number of Bids for Public Contracts

No formal bid contract for construction or repairs shall be awarded by the Town Council unless at least three (3) competitive bids have been received from reputable and qualified contractors regularly engaged in their respective lines of endeavor. If at least three (3) competitive bids are not received, bids will be solicited again, and the Town Council will have the option of awarding the contract to the lowest responsible bidder of the second bid solicitation, regardless of the number of bids received.

Section 5. Rejection of Bids

In requesting proposals any and all offers received may be rejected in whole or in part. The Town of Atlantic Beach will accept and make award to the lowest responsible bidder. Basis for rejection may include:

(A) The proposal being deemed unsatisfactory as to quantity, quality, delivery, price or service offered;

(B) The proposal not complying with the specifications or with the intent of the proposed contract;

(C) Lack of competitiveness, by reason of collusion or otherwise, or knowledge that reasonably available competition was not received;

(D) Errors in specifications or indication that revision would be to the Town's advantage;

(E) Cancellation of or changes in the intended project or other determination that the proposed requirement is no longer needed;

(F) Limitation or lack of available funds;

(G) Circumstances which prevent determination of the lowest responsible or most advantageous bid;

(H) A determination that rejection would be for the best interest of the Town.

ARTICLE XIV

ARCHITECTURAL / ENGINEERING / SURVEYING SERVICES

Section 1. Procurement of Professional Architectural / Engineering / Surveying Services

Although professional services are not subject to competitive bidding requirements, North Carolina General Statutes include special requirements for the procurement of architectural, engineering, and surveying services. The Town of Atlantic Beach will select architectural, engineering, and surveying firms for Town projects based on the firm's qualifications for the project, and will attempt to negotiate an acceptable contract with the best qualified firm. The Town of Atlantic Beach will not award contracts for architectural, engineering, and surveying services on the basis of price alone.

Section 2. Architectural / Engineering / Surveying Contracts Greater than $50,000

All contracts greater than $50,000 must be authorized by the Town Council. The Town of Atlantic Beach shall follow the process outlined below to identify the best-qualified firm for the project:

(A) The need for architectural / engineering/surveying services shall be announced by the Town of Atlantic Beach via direct notice, advertisement, posting on the Town's website, or other acceptable means.

(B) The Town will solicit statements of qualifications from interested firms. These statements, personal interviews, and references from similar clients shall be the basis for determining the best-qualified firm for the project.

(C) The Town will then attempt to negotiate a mutually acceptable contract with the best-qualified firm. If the Town is unable to negotiate a mutually acceptable contract with the best-qualified firm, the Town will commence negotiations with the next best-qualified firm.

Section 3. Architectural / Engineering / Surveying Contracts Less than $50,000

The Town Manager is authorized to enter into architectural, engineering, and surveying contracts less than $50,000. The Town Council exempts the Town from the statutory requirements for contracts less than $50,000, and the Town Manager is authorized to select a qualified architectural, engineering, or surveying firm for any such contract upon a determination that the selected firm can perform the design work necessary for the project.

ARTICLE XV FORMS

Request for Check

Budget Transfer

Fixed Asset Acquisition

Fixed Asset Disposal Inventory Disposal

CHECK REQUEST FORM

PAYEE: _____

VENDOR #

CHECK AMOUNT: _____

DESCRIPTION: _____

GL ACCT# or PO # _____

GL ACCT# or PO # _____

REQUESTED BY: _____

DATE: _____

TOWN OF ATLANTIC BEACH
BUDGET TRANSFER REQUEST

Department:

Account Number	Name	Amount

Justification and Explanation of Request for Transfer:

Requested by: Date:

Finance Director: Date:

Town Manager: Date:

THIS SPACE RESERVED FOR FINANCE DEPARTMENT

Budget transfer completed on: By (Initials):

FIXED ASSET EQUIPMENT RECORD

For purchases in excess of $5,000

Email as an EXCEL document to tab@atlanticbeach-nc.com and financedirector@atlanticbeach-nc.com

ASSET# _____ *(finance staff will assign asset #)*

DESCRIPTION: _____

DEPARTMENT: _____

LOCATION OF EQUIPMENT: _____

MANUFACTURER:

YEAR: _____

MODEL#:

SERIAL/VIN#: _____

ASSIGNED VEHICLE#: LICENSE PLATE #

MAJOR VENDOR NAME: _____ MAJOR VENDOR #: _____

MAJOR PO DATE: _____ MAJOR PO #: _____

MAJOR INVOICE NUMBER: _____ MAJOR INVOICE DATE: _____

MAJOR CHECK NUMBER: _____ MAJOR CHECK DATE: _____

TOTAL ASSET COST: _____ *(Full Asset Cost, Not Just Main Purchase)*

INSTALL DATE: _____ *(Typically the Check Date)*

Finance Department to complete bottom half of form:

DESCRIPTION	
	Location (Dept)
	Code (Function)
	Class
	Useful Life (in years)

Details on All Applicable Checks

Check Date	Check #	Vendor	Amount	Line Item
			$ -	

FIXED ASSET INFORMATION SHEET
FOR DELETIONS, TRANSFERS, TRADES, ETC.

This information sheet is to be completed and forwarded to the Finance Officer immediately upon retirement and/or replacement of fixed assets or change in location between departments.

CIRCLE ONE: Transfer Trade Sold

Junked/Scrapped Other: _____

Fixed Asset Number: _____

Description: _____

Any additional information: _____
(Vin#, Serial#, etc.)

Department fixed asset is currently assigned to: _____

Function currently assigned to: _____

Disposition Date: _____

(Choose only one):

Transferred to (department): _____

Function to be assigned to: _____

Traded to: _____

Junked/Scrapped to: _____

Sold to: _____

Amount: _____

FUNCTIONS

410 – General Government (Admin/Public Buildings/Public Works)
430 – Public Safety (Police/Fire/Rescue/Lifeguards/Inspections)
450 – Transportation (4003)
470 – Environmental Protection (4002)
490 – Economic & Physical Dev (Planning)
600 – Cultural & Recreation (Beach Access 4005/Comm Events-Rec 5001)
800 – Water

INVENTORY INFORMATION SHEET FOR DELETIONS, TRANSFERS, TRADES, ETC.

*Items valued at < $5000 (not on fixed asset list)

This information sheet is to be completed and forwarded to the Finance Officer immediately upon retirement and/or replacement of inventory items or change in location between departments.

CIRCLE ONE: Transfer Trade Sold

Junked/Scrapped Other: _____

Description:_____

Any additional information:_____
(Vin# , Serial#, etc)

Department item is currently assigned to:_____

Disposition: (Choose only one): Date:_____

Transferred to (department):_____

Traded to:_____

Junked/Scrapped to:_____

Sold to:_____

Amount:_____