



ORDINANCE NUMBER 1-2017

AN ORDINANCE AMENDING THE CITY OF GREER CODE OF ORDINANCE CHAPTER 2 ADMINISTRATION, ARTICLE V PURCHASING RULES AND PROCEDURES, SECTION 2-293 SMALL PURCHASES, SECTION 2-294 REGULAR PURCHASES, SECTION 2-295 EMERGENCY PURCHASES, SECTION 2-296 CENTRAL STOREHOUSE AND SECTION 2-297 OTHER GENERAL RULES

WHEREAS, the City of Greer City Council at various times reviews the city ordinances to make necessary improvements and/or changes; and

WHEREAS, Greer City Council wishes to amend Chapter 2 Administration, Article V Purchasing Rules and Procedures Section 2-293 through Section 2-297 to streamline the processes, create better efficiencies by shortening the procurement window, and adjusting the approval thresholds to better accommodate inflation and rising prices for smaller parts and supplies;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Greer, South Carolina that the City of Greer Code of Ordinance be amended as follows:

ARTICLE V. - PURCHASING RULES AND PROCEDURES

State Law reference— Requirement that political subdivisions develop and adopt procurement laws, S.C. Code 1976, § 11-35-50.

Sec. 2-291. - Purpose.

- (a) The provisions of this article are adopted pursuant to S.C. Code 1976, § 11-35-50, and may be referred to as the city procurement code or purchasing rules and procedures.
- (b) The purpose of this system is to assure that the city receives the best possible prices from vendors for quality goods and services.

(Code 1982, § 2-171)

Sec. 2-292. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Formal bid means a sealed, written quotation of price for such items conforming to city specifications. Such bids must be written and submitted after vendors have been properly notified that the city seeks such bids.

Informal bid means any oral or written quotation of price for materials or services conforming to specifications required by the city. State purchasing contracts or other such contracts may be considered an informal bid.

(Code 1982, § 2-172)

Sec. 2-293. - Small purchases.

A small purchase is one where the items or services required do not exceed \$1,000.00. The items purchased must be within the budget appropriation (refer to monthly budgetary statement). The approval of the department head for the small purchase shall be his certification that funds are appropriated and available for purchased items or services.

- (1) Step one. The department head determines the item needed is below \$1,000.00 and that funds are available in the budget for the item or service to be purchased.
- (2) Step two. The department head authorizes the order from the vendor most advantageous to the city.
- (3) Step three. The department head delivers invoices/receipts to the finance office coded to the proper departmental line item with approval for payment.
- (4) Step four. The finance office checks the invoice for pricing and mathematical errors and ensures the payment is not a duplicate; then stamps and initials the invoice signifying verification of the invoice details and accuracy of the departmental line item to which the invoice is coded.
- (5) Step five. The finance office issues a check and sends payment to the vendor along with a payment stub or copy of the invoice, and files appropriately.

(Code 1982, § 2-173)

Sec. 2-294. - Regular purchases.

A regular purchase is any item that exceeds \$1,000.00 or any item for which quotes must be secured. The standard purchase order form shall be used for such purchases and the following procedure shall be used:

- (1) Step one. The department head prepares requisition forms completely, ensuring the requisition form is properly filled out and the requisition does not exceed the budget, then submits the requisition to the finance office well in advance of the time goods and services are required.
- (2) Step two. The department head, in cooperation with the finance office checks to see if the items requisitioned are covered by contract agreement (state purchasing, etc.). If so, proceed to step seven (subsection (7) of this section). Otherwise, proceed to step three (subsection (3) of this section).
- (3) Step three. The finance office determines if the expenditure is less than \$10,000.00. If so, the finance office then determines whether or not this is a situation where informal bid may be waived (see section 2-297(g)), and if so, then proceeds to step seven (subsection (7) of this section); otherwise the finance office, in cooperation with the department head, seeks and obtains at least three informal bids if possible, selects the vendor most advantageous to the city and proceeds to step seven (subsection (7) of this section). If the expenditure exceeds \$10,000.00, proceed to step four (subsection (4) of this section).
- (4) Step four. The finance office, having determined the expenditure exceeds \$10,000.00, then determines whether or not this is a situation where informal bid may be waived (see section 2-297(g)), and if so, then proceeds to step seven (subsection (7) of this section); Otherwise, the finance office, in cooperation with the department head, prepares a formal bid/proposal, drawing up detailed specifications and the bid/proposal notice, advertises the notice in a newspaper of general circulation at least ten days prior to receipt of

bids/proposals, notifies suppliers that have indicated they wish to be notified, notifies applicable city business license holders, and secures a minimum of three bids/proposals where possible.

- (5) Step five. The city administrator, if the cost of the item is estimated to be over \$10,000.00 but less than \$35,000.00, opens the bids and awards the contract to the vendor most advantageous to the city. Except in an emergency situation, in the event that there is only one (1) bidder the City Administrator will bring the bid to Council for final approval or denial.
- (6) Step six. The city council, if the cost is over \$35,000.00, shall make the final decision as to which vendor will be awarded the contract.
- (7) Step seven. The finance office files the requisition and prepares the purchase order when the vendor selection process is complete.
- (8) Step eight. The finance office sends the original signed copy of the purchase order to the department head to be forwarded to the vendor when the order is placed; and keeps one copy on file at the finance office.
- (9) Step nine. The vendor fills the order and sends it to the ordering department and provides the invoice to the finance office.
- (10) Step ten. The department of origin examines the received goods immediately upon delivery. The ordering department then provides notification to the finance office with the proper signatures certifying the items were received in good condition. Payment for these goods will not be made until this certification is made.
- (11) Step eleven. The finance office, after receiving the signed certification that the goods were received in good condition, matches the invoice and purchase order and checks them for billing and mathematical errors and ensures the payment is not a duplicate, then stamps and initials in appropriate spaces signifying verification of the order details and accuracy of the departmental line item to which the invoice is coded.
- (12) Step twelve. The city administrator approves final payment.
- (13) Step thirteen. The finance office issues the check and sends payment to the vendor, along with a payment stub or copy of the invoice and files appropriately.

(Code 1982, § 2-174)

Sec. 2-295. - Emergency purchases.

An emergency purchase is authorized when the interruption of a project due to need of an item or service will directly affect the efficient and orderly completion of the project, and when the use of normal purchasing procedures will cause an excessive delay in obtaining the needed item or service. In such cases the following procedure shall be used:

- (1) Step one. The department head verbally explains the emergency situation to the city administrator, or mayor in the absence of the city administrator.
- (2) Step two. The city administrator or mayor, in the absence of the city administrator, after determining that funds are available for the purchase either from the budgeted account or contingency fund and the purchase is necessary to prevent interruption of a city project or service, gives verbal approval to the department head.
- (3) Step three. The department head, upon verbal approval, immediately obtains a purchase order number and refers this number to the vendor when placing the order.
- (4) Step four. The department head, by the end of the next working day, submits a requisition and one copy to the finance office. This requisition should list the items.
- (5) Step five. The finance office processes in the same manner as the normal purchasing procedure, but eliminates the pricing and vendor selection functions.
- (6) Step six. The finance office marks "emergency purchase" on the assigned purchase order.

- (7) Step seven. The city administrator reports at the next council meeting emergency purchases made and funds utilized if the city administrator determines the purchase will cause a financial hardship on the city.

(Code 1982, § 2-175)

Sec. 2-296. - Central storehouse.

- (a) A new account, to be called central purchasing, shall be set up for ordering merchandise in bulk for more than one city department. When the merchandise is purchased, the amount of the purchase shall be debited to the central purchasing account. For purposes of inventory control, the city administrator shall designate an officer to keep a log of merchandise received in the storehouse and also merchandise disbursed from the storehouse. Then, when a commodity arrives at the storehouse, the date received, the quantity, and new balance shall be entered on the log. Then, when the merchandise is disbursed to the various departments, the proper entries are made, and the individual taking the merchandise for a city department must sign the appropriate blank on the log. The following sample illustrates how the system may work:

CENTRAL STOREHOUSE DISBURSEMENT LOG

ITEM: (description of Mdse.)		UNIT COST: (XX per gal.)			Bal. 000
QTY Received	QTY Disbursed	Date	Dept.	Signature	Bal.
55 gal.	—	XX-XX-75	—	—	55 gal.
—	5 gal.	XX-XX-75	Fire	(signature)	50 gal.
—	10 gal.	XX-XX-75	Police	(signature)	40 gal.

- (b) This log shall be submitted to the finance office monthly, where the dollar value of the merchandise taken out by each department shall be computed and charged to the appropriate department. Then, the total amount checked out by all departments for that month shall then be credited back to the central purchasing account. In addition, the designated officer shall conduct an inventory check quarterly to verify all log figures.

(Code 1982, § 2-176)

Sec. 2-297. - Other general rules.

- (a) Inventory checks should be conducted quarterly, if not more often to prevent stock outs and emergency purchases. It shall be the responsibility of the various department heads to see that such an inventory check is carried out.
- (b) Before appointing anyone to act as his agent for inventory or requisitioning purposes, the department head shall clear such an appointment with the city administrator.
- (c) Quality checks may be made from time to time by the city administrator or someone designated by him to make sure all items used by the city departments are satisfactory and up to required standards.
- (d) The city administrator's office cannot accept requisitions nor issue purchase orders except within the amount adopted in the budget.
- (e) The various department heads should work with the city administrator's office in preparing specifications or standards expected of products to be purchased by the city. Further, it shall be the responsibility of the department heads to provide the city administrator with feedback as to quality of merchandise, dependability of the vendors, etc.
- (f) All invitations to bid shall include the provision that the city reserves the right to reject any and all bids.
- (g) Bidding procedures may be waived under the following circumstances:

- (1) When there exists no possibility of a competitive bid, as in the case of only one source of supply.
 - (2) When it is to the city's advantage to acquire goods or services on the basis of a previously awarded bid or contract.
 - (3) In the case of emergency purchases or purchase of used equipment.
 - (4) When, in the opinion of the city administrator, it is to the advantage of the city to do so.
 - (5) For professional services where the person engaged is customarily employed on a fee basis rather than competitive bidding (including, but not limited to appraiser, architect, auditor, consultant, engineer, legal services, physician).
 - (6) Proposals invited on a competitive sealed basis.
 - (7) Negotiations after unsuccessful competitive sealed bidding.
 - (8) Small purchases under \$1,000.00.
 - (9) Blanket purchase agreements for repetitive small purchases not requiring a purchase order for each purchase.
 - (10) Compatibility of equipment or parts is the paramount consideration.
 - (11) Procurement of information technology.
 - (12) Leasing or purchasing of real property.
 - (13) Purchasing on state and other governmental contracts.
 - (14) "Piggybacking" on another properly executed procurement within one year of the original purchase.
- (h) The functions to be performed by department heads may also be performed by an individual designated by the city administrator to act as purchasing assistant for the department head.
- (i) Any funds expended by the city must be spent in accordance with the procedures in this section, except that, the city administrator may, in his discretion, choose to waive formal bidding procedure and modify existing specifications when purchasing used equipment.

(Code 1982, § 2-177)

Sec. 2-298. - Award of contracts by city.

- (a) Contracts for goods or services shall be awarded to the lowest responsible bidder. In determining the lowest responsible bidder, in addition to price, the city council or city administrator 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 service;
 - (6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;
 - (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; and
 - (9) The number and scope of conditions attached to the bid;

(10) Tie bids:

- a. If two or more bids received are for the same total amount or unit price, quality and service being equal, the contract shall be awarded to the local bidder (as defined in subsection 2-298(b)), if applicable.
- b. If two or more of such bids are submitted by local bidders, the purchasing agent shall award the contract to one of the local tie bidders by drawing lots in public.
- c. If local bidders are not involved in the tie bids, the purchasing agent shall award the contract to one outside tie bidder by drawing lots in public.

(11) For construction projects, bids may only be considered from bidders with the proper state licenses.

(b) It is the policy of the city to support businesses located within the city. To that end, the city supports a local vendor preference applied to requested bids. To qualify for the local vendor preference, the vendor must meet all of the following requirements:

- (1) The vendor must complete the application for local vendor preference certificate;
- (2) The vendor must maintain an office within the legally defined boundaries of the city and have a majority of full-time employees, chief officers and managers regularly conducting work and business from this office;
- (3) The vendor must have held a valid resident city business license for at least three consecutive years prior to the date of the application for certification; and
- (4) The vendor must submit a copy of their local vendor preference certificate with their bid.

(c) Use of the local vendor preference during the bid evaluation process:

- (1) For comparing bids, any vendor who meets all the criteria in [subsections] (b)(1)—(b)(4) above will have their bid price reduced by five percent, not to exceed a maximum reduction of \$2,500.00. If after the application of the local vendor preference, the vendor is determined to be the low responsive and responsible bidder, they will be awarded the contract; and
- (2) Final contract price will reflect the original bid amount before the local vendor preference was applied.

(d) Minority-owned and woman-owned businesses:

- (1) It is the policy of the City of Greer 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, construction projects, and lease agreements consistent with the laws of the State of South Carolina.
- (2) It is further the policy of the City of Greer 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 veteran status.
- (3) It is further the policy of the City of Greer to conduct its contracting and procurement programs so as to prevent such discrimination and to resolve any and all claims of such discrimination.

(Code 1982, § 2-178; Ord. No. 7-2008, 4-8-2008)

Sec. 2-299. - Protests.

Invitations to bid shall include procedures for the filing of protests by an actual prospective bidder who is aggrieved in connection with the solicitation or award of a contract.

(Code 1982, § 2-179)

Sec. 2-300. - Debarment or suspension.

The purchasing agent may issue a notice of debarment or suspension to a person or firm upon a determination, after reasonable notice and an opportunity to be heard, that there is cause for doing so in the best interest of the city. The determination of the purchasing agent may be appealed to council by written notice filed with the city administrator within ten days after receipt of the determination. The causes for debarment or suspension shall include, but not be limited to:

- (1) Conviction of a criminal offense incident to obtaining or attempting to obtain a public or private contract, or in the performance of such contract;
- (2) Conviction for embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or professional honesty which currently, seriously, and directly affects responsibility as a city contractor;
- (3) Conviction under antitrust laws arising out of submission of bids or proposals;
- (4) A recent deliberate failure without good cause to perform in accordance with the terms of a contract;
- (5) Any other cause determined to be so serious and compelling as to affect responsibility as a city contractor, including debarment by another governmental entity.

(Code 1982, § 2-180)

Secs. 2-301—2-330. - Reserved.

This Ordinance shall become effective immediately upon second reading approval thereof.

CITY OF GREER, SOUTH CAROLINA


Richard W. Danner, Mayor

Attest:



Tammela Duncan, Municipal Clerk

Introduced By: Councilman Jay Arrowood

First Reading: January 10, 2017

Second and
Final Reading: January 24, 2017

Approved as to Form:


John B. Duggan, Esquire
City Attorney