



RESOLUTION 26-692

A RESOLUTION OF THE TOWN OF MOUNT CARMEL, TENNESSEE, ADOPTING APPROVING AND ADOPTING A COMPREHENSIVE PURCHASING AND PROCUREMENT POLICY

WHEREAS, the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee, is responsible for establishing policies and procedures governing the expenditure of public funds and the procurement of goods and services for the Town; and

WHEREAS, the Board of Mayor and Aldermen desires to establish comprehensive administrative procedures implementing Ordinance No. 24-539 and applicable provisions of Tennessee law in order to promote fiscal responsibility, accountability, transparency, competitive procurement, and effective internal controls; and

WHEREAS, Town Administration and the Finance Department have prepared a Comprehensive Purchasing and Procurement Policy establishing procedures for purchasing thresholds, competitive quotations and bidding, purchase orders, emergency and sole-source purchases, cooperative purchasing, professional services, construction and public works, grant-funded procurement, contract administration, vendor management, invoice approval, asset control, ethics, and related purchasing matters; and

WHEREAS, adoption of the Comprehensive Purchasing and Procurement Policy will provide Town employees and officials with consistent procedures for the responsible expenditure of public funds while allowing the Town Manager and Finance Director to maintain appropriate administrative and financial controls; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen meeting at Mount Carmel, Tennessee, on this 27th day of August, 2026, that

SECTION 1. The Town of Mount Carmel Comprehensive Purchasing and Procurement Policy, attached hereto as Exhibit A and incorporated herein by reference, is hereby approved and adopted as the official administrative purchasing and procurement policy of the Town of Mount Carmel.

SECTION 2. Ordinance No. 24-539, the Town Charter, the Mount Carmel Municipal Code, applicable Tennessee law, federal law, and legally binding grant or funding requirements shall control in the event of any conflict with the administrative provisions of the Policy.

SECTION 3. The Town Manager and Finance Director are authorized and directed to administer and implement the Comprehensive Purchasing and Procurement Policy and may develop forms, procedures, guidance, and administrative controls necessary for its implementation, provided that such administrative procedures are consistent with Ordinance, this Resolution, the adopted Policy, and applicable law.

SECTION 4. Any prior administrative purchasing policies, procedures, practices, or directives that are inconsistent with the Comprehensive Purchasing and Procurement Policy adopted by this Resolution are hereby superseded to the extent of the inconsistency. Nothing in this Resolution shall repeal, modify, or supersede Ordinance No. 24-539 or any other duly enacted ordinance of the Town unless expressly provided by ordinance. The standalone Town Purchasing Card (P-Card) Policy and Administrative Procedures shall remain in effect unless separately amended or repealed by appropriate action of the Town.

SECTION 5. Administrative forms, processes, and procedures implementing the Comprehensive Purchasing and Procurement Policy may be revised by the Town Manager and Finance Director when such revisions do not modify a purchasing threshold, approval authority, competitive procurement requirement, or other substantive requirement established by ordinance, resolution, or applicable law. Material amendments to the Comprehensive Purchasing and Procurement Policy shall be presented to the Board of Mayor and Aldermen for approval.

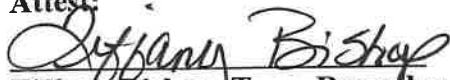
This Resolution shall take effect immediately, the public welfare requiring it.

ADOPTED this 27th day of August, 2026



John K. Gibson, Mayor

Attest:


Tiffany Bishop, Town Recorder



TOWN OF MOUNT CARMEL, TENNESSEE PURCHASING AND PROCUREMENT POLICY

Effective Date: July 1, 2026

Last Revised: August 27, 2026

1. PURPOSE

The purpose of this Purchasing and Procurement Policy is to establish uniform procedures for the expenditure and encumbrance of public funds by the Town of Mount Carmel, Tennessee ("Town").

- Obtain supplies, equipment, materials, construction, and services at the best overall value to the Town;
- Encourage full and open competition to the maximum extent practicable;
- Maintain appropriate internal controls over public expenditures;
- Ensure purchasing decisions are fair, transparent, documented, and free from improper influence;
- Ensure expenditures are authorized within the adopted budget;
- Promote accountability for Town property and public funds;
- Comply with Town Ordinances, the Mount Carmel Municipal Code, applicable provisions of the Tennessee Code Annotated, grant requirements, and other applicable law; and
- Establish practical procedures for routine purchasing while maintaining appropriate financial oversight.

2. AUTHORITY

This Policy implements and supplements Ordinance No. 24-539, the Town's ordinance governing purchasing and competitive procurement.

The Town Manager shall serve as the Town's purchasing agent unless another official or employee is designated by ordinance, resolution, policy, or written delegation. Department Heads and other authorized employees may initiate purchases within their respective departments subject to this Policy, approved budget appropriations, and delegated purchasing authority.

The Finance Director shall administer the financial-control aspects of the purchasing process, including budget verification, accounts payable, vendor records, purchase-order controls, purchasing-card oversight, financial reporting, and maintenance of procurement documentation.

Nothing in this Policy authorizes an expenditure that is not otherwise legally authorized or properly budgeted.

If a provision of this Policy conflicts with an Ordinance, the Town Charter or Municipal Code, Tennessee law, federal law, a grant or funding-agency requirement, or another legally binding procurement requirement, the more restrictive legally applicable requirement shall control.

3. SCOPE

This Policy applies to all Town departments, offices, boards, commissions, employees, officials, and other persons authorized to expend, commit, or encumber Town funds.

This Policy applies regardless of the source of funds, including the General Fund, utility or enterprise funds, special revenue funds, capital-project funds, grant funds, restricted funds, asset-forfeiture funds, donations accepted by the Town, bond proceeds, and any other funds under the custody or control of the Town.

No department or employee may avoid the requirements of this Policy by using an alternate funding source.

4. GENERAL PURCHASING STANDARDS

All purchases shall serve a legitimate public purpose; be reasonably necessary for Town operations; be charged to an appropriate budget account; have sufficient unencumbered appropriation available before the purchase is made; be authorized at the appropriate approval level; follow applicable competitive procurement requirements; be supported by sufficient documentation; avoid actual or apparent conflicts of interest; and be made in the best interests of the Town.

Town employees shall exercise the same care when spending public funds that a prudent person would exercise when spending funds for which that person is personally accountable.

5. PURCHASING THRESHOLDS

For purposes of this Policy, the Town's competitive-bid threshold established pursuant to Ordinance No. 24-539 is \$25,000, unless subsequently amended by ordinance or applicable law. Purchasing requirements shall be based upon the total reasonably anticipated cost of the transaction or series of related transactions.

A. Purchases of \$2,500 or Less - Small Purchases

Purchases of \$2,500 or less may generally be made without competitive quotations when funds are available in the approved budget, the price is considered fair and reasonable, the purchase is for a legitimate Town purpose, and appropriate departmental authorization has been obtained. Employees are encouraged to compare prices when practical.

A Purchase Order is not required. Authorized Purchasing Cards may be used for qualifying purchases in accordance with Section 18 and the Town's separate Purchasing Card Policy.

B. Purchases Over \$2,500 Through \$10,000 - Informal Competition

For purchases exceeding \$2,500 but not exceeding \$10,000, reasonable efforts shall be made to obtain competitive pricing. Competitive pricing may be documented through telephone quotations, vendor websites, catalog pricing, emails, written quotations, cooperative-contract pricing, or other reliable market-price comparisons. Whenever practical, at least three vendors should be considered. A written Purchase Order shall normally be required before the purchase is made.

C. Purchases Over \$10,000 but Not Exceeding \$25,000 - Three Written Quotations

Purchases exceeding \$10,000 but not exceeding \$25,000 shall, whenever possible, be based upon at least three written competitive quotations. Written quotations may be obtained electronically. The requesting department shall maintain documentation identifying the specifications or scope requested, vendors solicited, quotations received, recommended vendor, total purchase amount, and an explanation when the lowest responsible quotation is not recommended. When three quotations cannot reasonably be obtained, the Department Head shall document the vendors contacted and the reason fewer than three quotations were available. Failure of vendors to respond does not prevent an otherwise properly solicited purchase from proceeding.

D. Purchases Exceeding \$25,000 - Formal Competitive Procurement

Unless an exemption or cooperative purchasing program applies, purchases exceeding \$25,000 shall be procured through public advertisement and a formal competitive process in accordance with Ordinance No. 24-539 and applicable Tennessee law. The procurement method may include an Invitation to Bid, Request for Proposals, Request for Qualifications when legally appropriate, competitive sealed proposals, or another procurement method authorized by law. Formal procurements shall be administered by or coordinated through the Town Manager and Finance Department. Award shall be made by the Board of Mayor and Aldermen when Board approval is required by ordinance, policy, budget authorization, contract authority, or law.

6. AGGREGATION AND PROHIBITION AGAINST SPLIT PURCHASES

Purchasing thresholds apply to the total cost of like, related, or reasonably foreseeable purchases during the applicable procurement period. No employee shall divide, separate, stagger, or otherwise split a purchase for the purpose of avoiding competitive quotations, formal bidding, a Purchase Order, Board approval, a Purchasing Card transaction limit, or any other purchasing control.

When multiple departments regularly purchase the same or substantially similar goods or services, the Town may aggregate purchases to obtain improved pricing and ensure compliance with procurement requirements. Intentional purchase splitting may result in suspension of purchasing authority or disciplinary action.

7. PURCHASE ORDERS

A Purchase Order ("PO") is the Town's formal authorization to procure specified goods or services. Except for approved exceptions, purchases requiring a PO shall not be ordered before the PO is issued.

Upon request and approval, a PO number will be generated and logged by the Finance Department. A full written PO document is not required.

The Finance Department hereby establishes categories of purchases for which a PO is not required, including purchases in the amount of \$2,500 or less, fuel, utilities, recurring contractual payments, invoices, payroll-related expenditures, debt payments, legally required remittances, approved travel reimbursements, emergency purchases, and other transactions the Finance Department determines for which a PO would provide no meaningful additional control.

Issuance of a PO confirms that appropriate authorization has been obtained, budget funds are available, required procurement procedures have been completed, and the expenditure has been properly encumbered when applicable. Employees who make an unauthorized purchase may be personally responsible for resolving the transaction and may be subject to disciplinary action.

8. COMPETITIVE BIDDING

Formal competitive solicitations shall contain clear specifications or a defined scope of work sufficient to permit fair competition. Bid documents should include, as appropriate, a description and specifications, quantity, delivery requirements, insurance and bonding requirements, licensing requirements, bid deadline, submission instructions, evaluation criteria, contract terms, the Town's right to reject bids, applicable statutory certifications, and other information necessary to protect the Town's interests.

Formal bids shall be publicly advertised as required by law. Sealed submissions shall remain unopened until the established bid-opening time. Late bids shall not be accepted unless permitted by applicable law and the solicitation documents. Bid tabulations and procurement records shall be maintained in accordance with applicable public-record and retention requirements.

9. AWARD OF CONTRACT

Competitive procurement does not necessarily require award to the vendor submitting the lowest dollar amount if applicable law permits consideration of responsibility, responsiveness, qualifications, value, service, delivery, lifecycle cost, or other published evaluation factors.

For Invitations to Bid, awards should generally be made to the lowest responsive and responsible bidder whose bid conforms to the specifications and whose performance is expected to meet the Town's requirements. When legally permissible, the Town may reject any or all bids, waive minor informalities, cancel or rebid a solicitation, negotiate when authorized, accept alternatives identified in the solicitation, and make awards in the best interest of the Town. A written explanation shall be maintained when an award is not made to the lowest-priced responsive bidder.

10. SOLE-SOURCE AND PROPRIETARY PURCHASES

A sole-source purchase may be made when goods or services are reasonably available from only one source or when compatibility, proprietary technology, unique qualifications, patents, copyrights, warranties, or other legitimate circumstances make competition impracticable. Sole-source procurement shall not be used merely because a department prefers a particular vendor.

The requesting department shall provide written justification describing the goods or services, vendor, amount, reason competition is not practical, basis for determining the price is reasonable, and supporting documentation. Sole-source purchases shall receive approval at the level otherwise applicable to a purchase of the same amount and shall be reported to the Board of Mayor and Aldermen when required by Ordinance No. 24-539 or Tennessee law.

11. EMERGENCY PURCHASES

An emergency purchase may be made when an unforeseen condition creates an immediate and substantial threat to public health, public safety, life or property, continuity of essential Town services, critical Town infrastructure, or the Town's ability to respond to a disaster or other urgent condition. Lack of planning, failure to timely initiate procurement, or exhaustion of budgeted supplies does not ordinarily constitute an emergency.

During an emergency, competitive procedures may be suspended only to the extent reasonably necessary to address the emergency. The person authorizing an emergency purchase shall document the nature of the emergency, goods or services purchased, vendor, amount, reason normal procurement procedures could not be followed, and person authorizing the transaction. Emergency purchases shall be reported to the Town Manager and Finance Director as soon as practicable and to the Board of Mayor and Aldermen when required by law or Ordinance.

12. COOPERATIVE, STATE, AND GOVERNMENT CONTRACTS

The Town may purchase from contracts lawfully established by the State of Tennessee, federal agencies, other municipalities, counties, school systems, governmental purchasing cooperatives, public agencies, or other cooperative purchasing organizations when such purchasing is authorized by Tennessee law and the Town determines that use of the contract is advantageous.

The Finance Department shall maintain documentation identifying the contract or statutory purchasing authority relied upon. A cooperative contract shall not be used to circumvent a legal bidding requirement when the cooperative procurement does not satisfy applicable Tennessee law.

13. USED EQUIPMENT AND SURPLUS PROPERTY

The Town may purchase used or secondhand equipment when permitted by Tennessee law and when the purchase is determined to be in the Town's best interest. Before purchasing significant used equipment, the department should consider condition, remaining useful life, maintenance history, warranty, availability of parts, inspection results, comparable market pricing, and total cost of ownership. Purchases of surplus property from another governmental entity may be made without competitive bidding when authorized by law.

The Town may buy used or secondhand items from any private individual or entity without public advertisement and competitive soliciting if the Town documents the general range of value of the purchased item through a nationally recognized publication or through an appraisal by a licensed appraiser. The price paid must be no more than five percent (5%) higher than the highest value of the documented range.

14. PROFESSIONAL SERVICES

Professional services shall be procured in accordance with applicable Tennessee law. Where state law requires selection based upon qualifications rather than price, the Town shall use a qualifications-based selection process.

Professional services may include architectural, engineering, legal, auditing, financial advisory, surveying, planning, consulting, and other specialized professional services. Nothing in this Policy shall authorize competitive price bidding when state law prohibits price competition for the professional service involved. Contracts for professional services shall clearly identify the scope, compensation, duration, deliverables,

ownership of work product, insurance requirements, termination rights, and other terms appropriate to the engagement.

15. CONSTRUCTION AND PUBLIC WORKS

Construction, repair, renovation, and public-works contracts shall comply with all applicable Tennessee statutes in addition to this Policy. Departments shall coordinate construction procurements with the Town Manager, Finance Director, Town Attorney, engineer, architect, or other professional advisor as appropriate.

Where applicable, solicitations shall address contractor licensing, bid security, performance bonds, payment bonds, workers' compensation, liability insurance, applicable wage requirements, retainage, change orders, inspections, substantial completion, final completion, and closeout documentation. A department shall not divide a construction project into smaller contracts for the purpose of avoiding a statutory procurement requirement.

16. FEDERAL AND GRANT-FUNDED PURCHASES

Purchases made in whole or in part with federal or grant funds shall comply with the requirements of the funding source. When federal requirements, including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, impose stricter procurement standards than this Policy, the federal requirements shall govern.

Grant-funded procurements shall include all required documentation concerning competition, cost or price analysis, contractor eligibility, suspension and debarment, conflicts of interest, domestic-preference requirements when applicable, disadvantaged or minority business requirements when applicable, contract clauses, and grantor approvals. Departments are responsible for notifying the Finance Department when grant funds are involved before initiating a procurement.

17. PURCHASING CARDS (P-CARDS)

17.1 Incorporation of Separate P-Card Policy

The Town may issue Purchasing Cards ("P-Cards") to specifically authorized employees as an efficient method for making qualifying small-dollar purchases. All issuance, possession, security, use, documentation, reconciliation, review, suspension, and cancellation of P-Cards shall be governed by the Town of Mount Carmel Purchasing Card (P-Card) Policy, which is maintained as a standalone policy and is incorporated into this Purchasing Policy by reference.

The standalone P-Card Policy shall be read together with this Policy. If the P-Card Policy establishes a more restrictive requirement for a card transaction, the more restrictive P-Card requirement shall apply. Use of a P-Card does not alter purchasing thresholds, quote requirements, bid requirements, budget requirements, approval authority, conflict-of-interest requirements, or the prohibition against split purchases. A P-Card is a method of payment, not an alternative procurement method.

17.2 Authorized Cardholders

P-Cards may be issued only upon approval by the Town Manager and Finance Director or their authorized designees. Each card shall be assigned to a specific employee. Cardholders shall complete required training and sign a Cardholder Agreement before receiving a card.

17.3 Transaction and Monthly Limits

The Town Manager and Finance Director shall establish single-transaction limits, monthly limits, merchant-category restrictions, and other controls appropriate to each cardholder's responsibilities. A transaction may not be split into multiple charges to avoid a P-Card limit or procurement threshold.

17.4 Required Documentation

Every P-Card transaction must be supported by an itemized receipt, invoice, electronic receipt, or comparable documentation showing what was purchased. Missing-receipt procedures shall be governed by the standalone P-Card Policy.

17.5 Prohibited P-Card Uses

Unless specifically authorized under the standalone P-Card Policy, P-Cards shall not be used for personal purchases, cash advances, gift cards or cash equivalents, alcohol, fines or penalties attributable to an employee, personal entertainment, fuel for personal vehicles, purchases from a business in which the employee has a financial interest, split transactions, purchases intended to circumvent competitive procurement, or any expenditure prohibited by law or Town policy.

17.6 Sales Tax

Cardholders shall make reasonable efforts to ensure that the Town's Tennessee sales-tax exemption is applied to qualifying purchases. The Town's tax-exempt status shall not be used for personal purchases.

17.7 Reconciliation

Cardholders shall reconcile transactions within the period established by the Finance Department. Supervisors shall review and approve cardholder transactions. The Finance Department shall perform periodic review and audit of P-Card activity.

17.8 Lost or Compromised Cards

A lost, stolen, or potentially compromised P-Card shall be reported immediately in accordance with the standalone P-Card Policy.

17.9 Misuse

P-Card misuse may result in immediate suspension or cancellation of the card, repayment to the Town, loss of purchasing privileges, disciplinary action up to and including termination, referral to law enforcement when appropriate, and any other remedy available to the Town.

18. RECURRING AND BLANKET PURCHASE ORDERS

The Finance Department may authorize blanket or recurring Purchase Orders for repetitive purchases when doing so improves administrative efficiency and maintains adequate internal controls. Blanket POs shall identify the vendor, state the authorized purpose, identify the maximum authorized amount, identify the applicable fiscal period, and be limited to approved budget accounts. Blanket POs shall not be used to evade competitive procurement requirements.

19. CONTRACTS

No employee may sign a contract, agreement, subscription, lease, terms-of-service agreement, or other document legally binding the Town unless that employee has authority to do so. This includes electronic acceptance of contractual terms.

Contracts shall be reviewed by the Town Manager and, when appropriate, the Town Attorney, Finance Director, or other responsible official before execution. Multi-year contracts are subject to applicable Tennessee law and budget requirements. Departments shall provide executed contracts to the Town Recorder and Finance Department for retention.

20. INFORMATION TECHNOLOGY AND SOFTWARE

Purchases involving software, cloud services, telecommunications, cybersecurity, information systems, electronic data storage, or access to Town information systems shall receive appropriate technical review before purchase. Review should address, as applicable, cybersecurity, data ownership, data retention, system compatibility, user licensing, recurring charges, automatic renewals, privacy, breach notification, payment-card information, accessibility, termination and data return, and records-retention requirements.

Employees shall not independently subscribe the Town to technology services that create contractual or recurring financial obligations without authorization.

21. VENDOR MANAGEMENT

The Finance Department shall maintain appropriate vendor records. New vendors may be required to provide IRS Form W-9, legal business name, address, taxpayer identification information, contact information, banking information when electronic payment is requested, insurance documentation, licenses, statutory certifications, and other information reasonably required by the Town.

Changes to vendor banking information shall be independently verified using procedures established by the Finance Department to reduce the risk of payment fraud.

22. RECEIVING GOODS AND SERVICES

Departments are responsible for confirming that goods and services have been received before payment is authorized. The receiving department shall verify quantity, condition, conformity with specifications, completion of services, and accuracy of the invoice. Discrepancies shall be promptly reported to the vendor and Finance Department.

Payment shall not be approved for goods or services that have not been satisfactorily received unless advance payment is customary, necessary, contractually required, and appropriately authorized.

23. INVOICE APPROVAL AND ACCOUNTS PAYABLE

Invoices shall be submitted promptly to the Finance Department. Before payment, appropriate personnel shall verify that the purchase was authorized, goods or services were received, the invoice is accurate, pricing agrees with the PO (if applicable), quote, bid, or contract, the expenditure is charged to the correct account, and all required supporting documentation is present.

Whenever practical, the Town shall maintain segregation among the functions of requesting, approving, purchasing, receiving, and paying.

24. CHANGE ORDERS AND CONTRACT AMENDMENTS

Change orders and amendments shall not be used to circumvent competitive procurement. A proposed change shall be documented and approved before additional work is performed whenever practical.

Approval shall consider the original contract amount, cumulative amendments, revised total contract amount, available budget, scope, procurement method originally used, and whether additional competitive procurement is legally required. Changes requiring Board of Mayor and Aldermen approval shall be presented to the Board before execution except in a documented emergency.

25. CONFLICTS OF INTEREST AND ETHICS

Town officials and employees shall comply with all applicable ethics and conflict-of-interest requirements. No employee or official shall participate in a procurement decision when the individual has a prohibited financial interest or other conflict.

Employees shall not solicit or accept anything of value intended to influence an official purchasing decision; disclose confidential bid information; use Town purchasing power for personal benefit; direct Town business to a vendor for improper personal reasons; or participate in collusive or anticompetitive activity. Potential conflicts shall be disclosed promptly to the Town Manager and, where appropriate, the Town Attorney.

26. GRATUITIES, GIFTS, AND VENDOR INCENTIVES

Employees shall not accept gifts, rebates, rewards, gift cards, personal discounts, travel, entertainment, or other benefits from vendors when acceptance could influence or reasonably appear to influence a Town purchasing decision. Vendor rebates, credits, promotional items, refunds, reward points, or incentives arising from Town purchases belong to the Town and shall be applied for the Town's benefit unless otherwise permitted by law and policy.

27. LOCAL VENDORS

The Town may encourage local vendor participation; however, no local-preference program shall be applied unless specifically authorized by ordinance or applicable law. Solicitations shall provide qualified vendors a fair opportunity to compete.

28. PROTESTS AND PROCUREMENT QUESTIONS

A vendor who believes a formal procurement was administered inconsistently with the solicitation or applicable Town procedures may submit a written protest to the Town Manager within the period stated in the solicitation. The protest shall identify the procurement involved, protesting vendor, specific basis of protest, relevant facts, and requested remedy.

The Town Manager may consult the Town Attorney before issuing a decision. A protest does not automatically stay a procurement unless the Town Manager determines that a stay is in the Town's interest.

29. RECORDS RETENTION AND PUBLIC RECORDS

Procurement records shall be maintained in accordance with the Town's records-retention schedule and applicable Tennessee law. Records may include Purchase Orders, quotations, bid advertisements and submissions, bid tabulations, evaluations, contracts, amendments, sole-source justifications, emergency-purchase documentation, invoices, receiving documentation, P-Card records, grant procurement documentation, and approvals.

Procurement records are subject to the Tennessee Public Records Act except to the extent a record or information is confidential under applicable law.

30. ASSET CONTROL

Capital assets and controlled property purchased by the Town shall be reported to the Finance Department and recorded in the Town's asset records as required by the capitalization and asset-control policies. Departments are responsible for safeguarding Town property assigned to them.

Disposal of Town property shall be conducted only through methods authorized by law and Town policy. No employee may sell, trade, discard, transfer, or personally retain Town property without authorization.

31. UNAUTHORIZED PURCHASES

An unauthorized purchase includes any purchase made without required approval, without available budget authority, without required quotations or bidding, by an unauthorized person, in violation of the P-Card Policy, through an intentionally split transaction, or otherwise contrary to this Policy.

The Town is not obligated to approve or reimburse an unauthorized commitment solely because goods or services have been delivered. Unauthorized purchasing activity may result in revocation of purchasing authority and disciplinary action.

32. PERSONAL PURCHASES

Town accounts, contracts, discounts, tax-exempt status, vendor relationships, P-Cards, Purchase Orders, shipping accounts, or other purchasing resources shall not be used for personal purchases. Employees shall not combine personal and Town purchases in the same transaction.

33. RESPONSIBILITIES

Board of Mayor and Aldermen

The Board shall establish purchasing policy and procurement thresholds by ordinance or resolution as required; approve contracts and purchases requiring Board authorization; approve budget appropriations; exercise oversight of significant procurement matters; and receive reports required by law.

Town Manager

The Town Manager shall serve as purchasing agent unless otherwise designated; administer this Policy; authorize purchases within delegated authority; oversee formal procurements; approve exceptions when legally authorized; address procurement disputes; and recommend improvements to purchasing procedures.

Finance Director

The Finance Director shall verify budget availability; maintain financial purchasing controls; administer Purchase Orders; maintain vendor records; oversee accounts payable; administer the P-Card program with the Town Manager; retain required purchasing documentation; monitor compliance; report identified deficiencies; and develop administrative procedures consistent with this Policy.

Department Heads

Department Heads shall plan departmental purchasing needs; ensure purchases are budgeted; obtain required quotations; approve legitimate departmental expenditures; ensure goods and services are received; safeguard Town property; supervise employee purchasing activity; and ensure compliance with this Policy.

Employees

Employees authorized to make purchases shall understand this Policy; make purchases only for legitimate Town purposes; remain within delegated authority; maintain receipts and documentation; protect P-Cards and purchasing credentials; disclose conflicts of interest; and promptly report errors, fraud, or suspected misuse.

34. FRAUD AND SUSPECTED MISUSE

Suspected procurement fraud, theft, falsification, collusion, P-Card abuse, kickbacks, conflicts of interest, or other financial misconduct shall be reported immediately to appropriate Town management. The Town may refer suspected illegal activity to the appropriate law-enforcement, audit, or regulatory authority. Nothing in this section limits any reporting obligation established under Tennessee law.

35. ADMINISTRATIVE PROCEDURES

The Town Manager and Finance Director are authorized to develop forms and administrative procedures necessary to implement this Policy, provided such procedures do not conflict with an Ordinance, this Policy, or applicable law.

Administrative procedures may include requisition forms, quote forms, sole-source forms, emergency-purchase forms, bid templates, Purchase Order procedures, vendor setup requirements, P-Card procedures, contract-routing procedures, approval matrices, and year-end purchasing deadlines. Administrative procedures may be revised without amending this Policy when revisions do not alter purchasing authority or a requirement established by ordinance or law.

36. INTERPRETATION

Questions concerning interpretation of this Policy shall be referred to the Town Manager and Finance Director. Legal questions shall be referred to the Town Attorney. No interpretation may waive a requirement imposed by ordinance or state or federal law.

37. VIOLATIONS

Failure to comply with this Policy may result in rejection or delay of payment, revocation of purchasing authority, suspension or cancellation of a P-Card, requirement for reimbursement, disciplinary action, contract remedies, referral for investigation, or other action permitted by law.

38. SEVERABILITY

If any provision of this Policy is determined to be invalid or unenforceable, the remaining provisions shall remain in effect to the fullest extent permitted by law.

39. RELATIONSHIP TO ORDINANCE NO. 24-539

This Policy is intended to implement the purchasing authority and procurement requirements established by Ordinance No. 24-539. Ordinance No. 24-539 remains controlling with respect to the Town's legally established competitive procurement threshold and any other requirements adopted by the Board of Mayor and Aldermen.

Any subsequent ordinance amending the Town's procurement threshold or purchasing authority shall automatically supersede inconsistent dollar amounts or provisions contained in this administrative Policy.

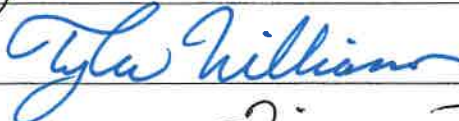
42. EFFECTIVE DATE

This Policy shall become deemed effective as of July 1, 2026. All prior administrative purchasing procedures inconsistent with this Policy are superseded to the extent of the inconsistency, except that Ordinance No. 24-539 and other duly enacted ordinances remain controlling.

APPROVED BY THE BOARD OF MAYOR AND ALDERMEN BY RESOLUTION 26-692

Date: August 27, 2026

Mayor: 

Town Manager: 

Town Recorder/Finance Director: 