

CITY OF BEAUFORT
PURCHASING MANUAL

Revised January 2013



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In a true sense, this manual attempts to provide more than just a purchasing procedure. Indeed, the express purpose of the manual is to establish an efficient, fiscally responsible purchasing system, as approved by the City Manager on January 16, 2013 and is for use by all departments of the City of Beaufort. It has been prepared to aid all employees, directly or indirectly associated with the Purchasing Department. It is intended as a guide, pointing out duties and responsibilities, and for maintaining the City's reputation for fairness and integrity. The program outlined herein recognizes and addresses the importance of the overall support mission of the procurement and the need for maximizing the value of each dollar expended. The objectives, policies and procedures set forth in subsequent sections of this manual were written and are designed to assure the Citizenry, the Council and the City administrative staff that the City is receiving maximum value for each tax dollar spent.

In the interest of clarity, the manual is divided into four parts. Part I (this section) provides a brief introduction and explains the background and purpose of the manual. Part II outlines the objectives of the City purchasing program. Part III establishes general procurement policies. Part IV elaborates on the City procurement procedure.

The purchasing function involves the procurement of materials, supplies, equipment, and services at the lowest possible cost, consistent with the quality needed for the proper operation of the various departments. Our goal is the promotion of the City's best interests through intelligent action and fair dealing, which will result in obtaining the maximum projected value for each dollar of expenditure.

The art of purchasing is a dynamic process. For this reason, this manual should be reviewed and revised periodically in order to keep abreast of and current with continuing developments in the state of the art as it pertains to purchasing.

The objectives, policies and procedures outlined herein will contribute to a more efficient and fiscally responsible purchasing system.



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DEFINITIONS

For purposes of this Manual, the following definitions will apply:

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|---------------------|---|
| 1) City Agency | A Department or Division of City Government |
| 2) Purchasing Agent | The City Manager or his designee |
| 3) Department Head | Those persons, generally Department Heads, or there designee. |
| 4) City | The City of Beaufort, South Carolina. |
| 5) RFP | Request for Purchase. |
| 6) RFQ | Request For Quotation. |
| 7) PO | Purchase Order. |
| 8) Vendor | Any person or company that sells supplies or services. |
| 9) Price | The total cost to the City, including shipping charges and sales tax. |

I. INTRODUCTION/PURCHASING ORDINANCE

This manual is the result of the recognition of a need to improve and modernize the City's purchasing capability and to enhance and ensure fiscal responsibility in the procurement process. The authority for this manual is provided in Section 1-4004(9) of the Code of Ordinances of the City of Beaufort, South Carolina.

9. Purchase all materials, supplies, equipment or services for which funds are provided in the budget, in accordance with the following procedures:

a. Whenever it is deemed necessary or desirable that supplies, materials, equipment or contractual services, except for professional services, be purchased or secured, requisitions shall be submitted to the purchasing agent who shall be designated by the City Manager. Upon receipt of such requisition, the purchasing agent shall proceed with the procurement as follows:

- 1. If the estimated cost of procurement is less than ten thousand dollars (\$10,000.00) but more than five thousand dollars (\$5,000.00) purchase information may be gathered by telephone or email. A minimum of three (3) verbal quotes must be obtained or a statement as to why they are not available filed.**
- 2. If the estimated cost of a procurement is less than twenty-five thousand dollars (\$25,000.00) but more than ten thousand dollars (\$10,000.00) a minimum of three (3) written quotes are required for procurement or a statement as to why they are not available filed with the purchasing agent. (Public bid opening is not required.)**
- 3. If the estimated cost of procurement exceeds twenty-five thousand dollars (\$25,000.00), a minimum of three (3) sealed bids and a public bid opening is required for the award of purchase. If the bids are not available, a statement of explanation will be on file with the purchasing agent.**

b. Whenever the estimated cost of procurement is twenty-five thousand dollars (\$25,000.00) or more, the purchasing agent shall prepare or cause to be prepared specifications for the article or services required and shall advertise the requirements of the City twice in a newspaper of general circulation in the City and inviting the tender of bids in writing for the furnishing of those requirements, such bids to be publicly opened at a time and place specified in the published notice. The bids shall be opened and read publicly by the purchasing agent. An investigation of the responsibility of the bidders shall be made if the City Manager deems it necessary.

c. Professional services shall be procured as follows:

- 1. Advertise publicly the request for qualifications or request for proposals in a newspaper of general circulation for an adequate number of days to announce all requirements for professional services.**
- 2. Establish the minimum criteria and performance data by which each responding firm will be evaluated.**

3. *Conduct interviews or discussions with no less than three (3) firms regarding the agreement and select from among them the firm deemed most qualified to provide the required services. Firms should be scored and then ranked in order of preference.*
 4. *Determine that adequate time was allowed for response and that a good faith effort was put forth to solicit responses should less than three (3) firms respond to the advertisement.*
 5. *Negotiate an agreement with the highest qualified firm at a compensation on which is considered to be fair and reasonable, taking into account the established value, scope, complexity and professional nature of the services to be rendered.*
- d. *No contract for the purchase of articles or services shall be made unless council has authorized and directed the City Manager to do so by budget or otherwise.*
 - e. *Execution of contracts. Unless otherwise specifically stated by a resolution or ordinance of council, all contracts made by and on behalf of the City shall be executed by the signature of the City Manager.*
 - f. *Exceptions. In the event of disaster or other emergency, if purchases of supplies, materials, equipment or contractual services must be made immediately without an opportunity for the procedures herein or Council approval, the Mayor and/or the City Manager is authorized to make necessary purchases in excess of five thousand dollars (\$5,000.00) to protect the public health, safety and welfare without complying with the procedures outlined in this chapter. In the event of any emergency purchase, the City Manager shall report the details of the purchases to Council at the earliest possible regular meeting.*
 - g. *For continuing or repeating projects (such as studies required annually) a multi-year contract may be awarded to a firm where detailed knowledge of city procedures or databases is important to the ability to perform the project and would add significantly to the costs if it had to be relearned by a new firm. The multi-year contract cannot exceed five (5) years without rebidding. City council must approve all multi-year contracts.*
10. *Resident vendor preference.*
- a. *A competitive procurement made by the city shall be made from responsive and responsible resident vendors in the city for procurement, if the bid from such responsive and responsible resident vendor does not exceed the lowest qualified bid from a nonresident vendor by more than one percent or two thousand five hundred dollars (\$2,500.00), whichever is less. The resident vendor has the discretion to match the bid submitted by the non-resident vendor and receive the contract award. If no city resident vendor qualifies, then a Beaufort County resident vendor shall have the same opportunity as provided to a city vendor.*
 - b. *A vendor shall be deemed to be a resident of the city or county if such vendor is an individual, partnership, association or corporation that is authorized to transact business within the state, maintains an office in the city or county, has a business license issued by the City of Beaufort, Beaufort County, or one*

of the other municipalities of Beaufort County, maintains a representative inventory of commodities within the city or county on which the bid is submitted, and has paid all taxes duly assessed.

- c. If the procurement is to be made pursuant to state or federal guidelines which prohibit or restrict a local or state preference, there shall be no local or state preference unless a more restricted variation is allowed under the guidelines. Local/state preference as provided herein shall not be applied to the procurement of construction services.*

11. Small and minority business program.

- a. As used herein, "small and minority business" means a firm located within the city which is certified by the Governor's Small and Minority Business Assistance Office (SMBAO) or Disadvantaged Business Enterprise Program of the South Carolina Department of Transportation.*
- b. The "small and minority business" subcontractor program requires bidders to the city to make subcontracting opportunities available to a broad base of qualified subcontractors and achieve an annual participation goal for subcontractor participation.*
- c. Bidders to the city shall be required to take affirmative steps to ensure maximum recruitment of small and minority businesses as sources of supplies, construction and other services whenever possible. Bid documents issued by the city shall require documentation of a bidder's efforts to recruit small and minority businesses as subcontractors.*
- d. Not less than ten (10) calendar days prior to bid submittal to the city, a bidder must provide written notice to certified small and minority businesses located within the city of the bidder's interest in receiving sub-bids on a project. The list of certified small and minority businesses located within the city shall be maintained by the city manager, and shall be made available upon request by any potential bidder.*
- e. A bidder's written notice shall consist of a letter containing the bidder's name, a description of work available for subcontracting, the bidder's contact information, information on availability of plans and specifications, and the bidder's policy concerning assistance to subcontractors in obtaining bonds, credit lines and/or insurance.*
- f. A copy of the letter sent to small and minority businesses and a list of businesses to which the letter was sent is required to be provided with the bid documents submitted to the city, along with the fax transmittal confirmation slip for letters sent by fax and copies of metered or stamped envelopes for letters sent by mail.*
- g. The city manager will make an annual report of small and minority business recruitment into the city and participation in this program.*

II. PROGRAM OBJECTIVES

Program objectives are essential to the implementation and administration of a meaningful, viable and successful purchasing program. Program objectives spell out in words what is expected of the program and of the individuals who administer and participate in it. Program objectives also serve as a set of guidelines to be used by management, operating personnel and the Purchasing Agent in reaching responsible and intelligent decisions relative to the day-to-day administration of the program. Over the long run program objectives provide management with a set of general standards against which to gauge the effectiveness and success of the program.

The primary objectives of the City of Beaufort's purchasing program are as follows:

1. Establish an on-going purchasing function.
2. Introduce a greater measure of responsibility and accountability over implementation of the Annual Budget, specifically as related to the procurement of commodities, contractual services and capital outlay items.
3. Assure realization of the principles of competitive purchasing and best buy at least cost.
4. Assist management at all levels in reaching responsible, cost-effective decisions in the procurement of quality supplies and services for City use.
5. Formulate policies and procedures designed to systematize and enhance the efficiency of the City's procurement process and assure procurement in a timely and proper manner.
6. Promote good will and clear communication in City-Vendor relations and intra-organization relations relative to purchasing.
7. Promote the realization of equal opportunity policies through procurement relations with vendors.

III. PROCUREMENT POLICIES

To be fully effective, the authority and responsibility for maintaining a purchasing program must reside in the City Manager through the Purchasing Agent. This places the responsibility on those who have the interest and skill to do the procedural work properly and whose primary concern is the performance of this special task. Also, it permits the establishment of uniform policies covering City-Vendor relationships as well as interdepartmental relationships, and it permits adequate controls to be exercised over expenditures.

The express purpose of this section of the manual is to establish a set of policies designed to guide the decision process as it relates to the procurement of supplies and services for use by the City.

1. PURCHASING POLICY

It shall be the Purchasing Agent's responsibility to administer purchasing policies, institute reports

necessary to permit analysis of purchasing performance, negotiate and approve term contracts in concert with City departments and established policy, analyze prices paid for materials and equipment, and generally define how to obtain savings and to coordinate purchasing procedures.

2. SOURCES OF SUPPLY

In accordance with City Ordinance, the Purchasing Agent shall select sources of supply with a view toward creating good vendor relations and promoting the best interests of the City. The City recognizes that frankness and fair dealing comprise the cornerstones to strong and lasting relationships with suppliers. As a general policy, purchases shall be awarded with vendor preference being:

- (1) In-City Vendors
- (2) Local Vendors
- (3) Central State Purchasing (including SC and other states where appropriate)
- (4) Other vendors

Unless the purchase is made from federal funds in which case the vendor preferences will not be applicable. The award decision will be determined on the basis of availability, price, delivery and quality as well as the reputation and performance capability of the suppliers.

3. COMMITMENTS

The Purchasing Agent shall conduct all negotiations affecting vendor selection, prices, terms, delivery, etc. for final approval. Commitments and orders are not valid until stated on a Purchase Order signed by the Purchasing Agent; i.e., Unbudgeted Items, Capital Items, Equipment, items over five thousand dollars, Contract Services, etc. Negotiations leading up to or likely to conclude in, contract arrangements shall not be conducted without the knowledge and authorization of the Purchasing Agent. No one other than those directed by City Council or the City Manager through the Purchasing Agent shall commit the City to any purchase, vendor, or product, or give any information concerning price or competitive performance. Exceptions to the above include emergencies, limited purchase allowance, and other situations as detailed later herein.

4. INTERDEPARTMENTAL RELATIONS

A purchasing system cannot function properly without the cooperation and assistance of all City departments. The Purchasing Agent has the duty and authority to request reconsideration of specifications or quantity of material if, in his opinion, it appears that the interest of the City may be better served.

To enable the Purchasing Agent to develop the best source of supply, Purchase Orders should be submitted as far in advance of the required date as possible. Useful information obtained by the Purchasing Agent from salesmen's interviews and direct-mail will be forwarded to the appropriate

City departments. Using departments are encouraged to reciprocate by forwarding useful information on materials and suppliers to the Purchasing Agent.

5. *VENDOR RELATIONS*

The City Purchasing system will promote a program of fairness and friendship with all vendors. Salesmen will be received by the Purchasing Agent as promptly and courteously as time permits.

- a) The Purchasing Agent may arrange interviews between vendor representatives and City personnel when it appears to be to the advantage of the City or when such an interview is requested by an appropriate City employee. Sales representatives are not to visit any department, unless they have a bidder's application on file in the Purchasing Department.
- b) The Purchasing Agent may correspond with suppliers; however, City departments will handle all routine correspondence for purchases below \$2,500.
- c) Prices and other specific information received from vendors will be considered confidential **until bid opening (if required)**. During negotiations, quotations received from one supplier will not be divulged to another.
- d) The Purchasing Agent will advise unsuccessful bidders as to the disposition of their quotations or bids **upon request**.

6. *GIFTS AND GRATUITIES*

No City employee may knowingly use his official office or employment to obtain an economic interest for himself, a member of his immediate family, an individual with whom he is associated or a business with which he is associated. City employees are expressly prohibited from soliciting or accepting any rebate, money, or costly entertainment, gift or gratuity (excepting mementos and novelties of nominal value) from any person, company, firm or corporation to which any purchase order or contract is, or might be awarded.

The City will not tolerate circumstances that produce, or reasonably appear to produce, conflicts between the personal interests of an employee and the interests of the City. Accordingly, the City may terminate, at no charge to the City any purchase order or contract if it is found that substantial gifts or gratuities were offered to a City employee. The City may also take disciplinary action, including dismissal, against a City employee who solicits or accepts gifts or gratuities.

7. *BID DEPOSITS*

Bid deposits or surety may be prescribed in the public notices inviting bids. Unsuccessful bidders shall be entitled to the return of their deposit or surety. A successful bidder, upon failure on his part to enter into a contract within the time specified after written notification of the bid award, shall forfeit any surety deposited with the City. **Bid deposit funds must be turned in to the Finance Department for deposit into the bank account. Under no circumstance will payments be held by**

any other department.

8. PERFORMANCE BONDS

The City may require a performance bond before entering a bid-based contract in such amount as shall be found necessary to protect the best interests of the City as determined by the City Attorney.

9. AWARD OF BID-BASED CONTRACTS

City Manager will award bid-based contracts. The award will usually be to the lowest and most responsible bidder. When an award is recommended not to be made or not to the lowest bidder, a full and complete statement of the reason shall be prepared by the Purchasing Agent and shall be filed along with other papers relating to the transaction.

10. EXPEDITING

Expediting or a follow-up on material on order will be accomplished by the Purchasing Agent.

IV. PROCUREMENT PROCEDURE

1. PURCHASE ORDER

The Purchase Order is basically a legal contract. It represents a "meeting of minds" between buyer and seller. All purchase orders will be prepared, executed and issued by the Purchasing Agent. The Requisition initiates the procurement cycle and is completed by the issuance of a Purchase Order (PO). The issuance of a PO by the Purchasing Agent with the necessary information and required signature(s) gives the authority for each specific purchase. The Department Head is responsible to assure that the funds authorized on the PO are budgeted, or approved for purchase by the City Manager if not budgeted. The PO makes the Purchasing Agent accountable for filling the need as stated. The following signatures are required on all purchase orders:

1. The Department Head
2. The Finance Director – for purchases greater than \$2,500.
3. The City Manager – for purchases greater than \$5,000.
4. The Purchasing Agent

All purchases (see exceptions), whether for single or multiple items, of Twenty-Five hundred dollars (\$2,500.00) or more will require a purchase order. Purchases made that are not in compliance with this policy will not be paid and will become the responsibility of the City department. Note – Purchases using State Contracts will require a Purchase Order, regardless of the amount of the purchase.

Purchases less than Two Thousand Five Hundred Dollars, but more than Fifty Dollars will be paid through the Accounts Payable system using the invoice received for the item(s). The invoice must be

signed by the appropriate Department Head, and include the account number to be charged. Prior to all purchases less than \$2,500, the City department must check to see if the vendor has an existing relationship with the City. If not, it is the City department's responsibility to obtain a W-9 from the vendor and submit the form to the Purchasing Agent. The Purchasing Agent will set-up the vendor and provide the vendor number. No purchase is authorized until the vendor number has been established.

Purchases under Fifty Dollars (\$50.00) may be made through a Petty Cash/Imprest Fund.

Exceptions: The following purchases will not require the issuance of a purchase order:

- Utilities (telephone, electricity, water, sewer)
- Monthly vehicle fuel charges
- Leases and rents
- Debt service payments
- Credit Card payments
- Travel expenses (these are approved using the Travel Request Forms)
- Insurances

a. **PURCHASE ORDER FORM**

The Purchase Order (PO) will be issued using the financial software. The system issues numbers in sequence and tracks by Department and PO number. Once the PO has been approved by all approving authorities, the PO will be issued authorizing the purchase. Please note that the auditors check for POs issued "after the fact".

2. PETTY CASH FUND

A Petty Cash Fund is the amount of cash approved by the City Manager to be kept on Hand by authorized Departments for purchases of Fifty Dollars (\$50.00) or less. A reimbursement request form will be completed by the Department as needed and forwarded to the Finance Department for reimbursement. The reimbursement request will show each amount expended the account number to be charged and have the receipts for all charges attached. Petty cash funds should be used for "immediate need" purchases and not for purchases of regularly used supplies. Do not use a PO for reimbursement.

3. PURCHASING AGENT'S SIGNATURE

The signatures of the Purchasing Agent and the Finance Director are required prior to the issuance of the PO under the following conditions:

- a. Capital Items (\$5,000 or above per item)

- b. Purchases requiring contractual services
- c. Materials and services costing (\$2,500.00) or more
- d. Unbudgeted items

4. BLANKET PURCHASE ORDER

The Purchasing Agent may issue Purchase Orders to selected vendors establishing charge accounts at the beginning of each fiscal year for a one year period. Examples of the types of purchases under this section are: auto supplies, construction/building materials (small day to day needs – NOT construction or major renovation or repair projects)

5. RECEIPT AND INSPECTION

The City department shall ultimately be responsible for the receipt, inspection, and acceptance of incoming supplies and equipment. Receiving procedures are as follows:

- a. When items on the PO have been received, inspected and accepted, go into the financial software and do a “quick receipt”. Using this process will allow Finance to pay the invoice upon receipt without requiring additional confirmation from the Department Head.
- b. When received items are not acceptable, the City department will arrange for the return and replacement of the defective items, or take other action as required, including involvement by the Purchasing Agent, if deemed necessary.
- c. When items are returned to the company, a copy of the return notice/credit slip must be sent to Finance (with the PO# written on the paperwork).

6. PAYMENTS

Many vendors offer a cash discount if their invoices are paid promptly. To take advantage of this discount policy and to maintain good vendor relations, it is important that all receipt documents (with PO #'s) be forwarded to the Finance Department without delay.

7. CHANGES TO PURCHASE ORDER

The Finance Department will be notified by the Purchasing Agent of any changes in the items approved for purchase.

8. CANCELLATIONS OF PURCHASE ORDER

In the event of a cancellation of a purchase, Finance must be notified immediately to ensure timely cancellation.

9. CONTRACTS

The Department Head's will ensure all contracts and/or agreements are reviewed by the Purchasing Agent on an annual basis. The Finance Department will maintain all records and information

concerning City Contracts.

10. VENDOR'S LIST

The Purchasing Agent will maintain a vendor's catalog file. Catalogs will be available to all interested City employees. Departments are encouraged to maintain their own catalog files and to share information with other departments as appropriate. Currently established vendors with their assigned vendor numbers are available through "Vendor Inquiry" in the MUNIS system.

11. VENDOR SELECTION

Vendors may be selected on a competitive basis. Bids, quotations, and proposals will be solicited by newspaper advertising, direct mail request to prospective suppliers, or by telephone. Awards will be to the lowest and most responsible vendor. All bids, etc. may be rejected if it is in the public interest to do so. In determining lowest and most responsible vendor, in addition to price, the following will be considered:

- a. The ability, capacity and skill of the vendor to perform the contract or provide the material or service required.
- b. Whether the vendor can perform the contract or provide the material or service promptly, or within the time specified-
- c. The character, integrity, reputation, judgment, experience, and efficiency of the vendor.
- d. The quality of performance of previous contracts, orders or services.
- e. The previous and existing compliance by the vendor with laws and ordinances relating to the contract, order or service.
- f. The sufficiency of the financial resources and ability of the vendor to perform the contract, fill the order or provide the service.
- g. The quality, availability and adaptability of the supplier, or contractual services to the particular use required.
- h. The ability of the vendor to provide future maintenance and service for the use of the subject of the contract.
- i. The number and scope of conditions attached to the bid.

12. REQUEST FOR QUOTATION (RFQ)

A request for quotation will be processed by the Purchasing Agent, with assistance from the applicable City Agency, when the estimated cost of procurement is less than Ten Thousand Dollars (\$10,000.00) but more than five thousand (\$5,000). Three (3) quotes are required, or a statement as to why these are not available will be maintained in a department file and scanned in and attached to the PO through the use of TCM.

When bid requirements have already been completed by another government Agency, the City may accept their selected supplier.

13. REQUEST FOR PURCHASE (RFP)

A written quotation will be processed by the Purchasing Agent, with assistance from the applicable City department, when the estimated cost of procurement is less than Twenty Five Thousand Dollars (\$25,000.00) but more than ten thousand dollars (\$10,000.00). The RFP will include a general description of the item (s) to be purchased, the bid deposit and performance bond, if required, shall state where detailed specifications may be obtained and the time and place for opening of sealed bids. The RFP will be mailed, emailed or faxed to responsible prospective providers.

When the estimated cost of a procurement is Twenty-five Thousand Dollars (\$25,000.00) or more, the RFP will be advertised **at least** two times, one week apart, in at least one official newspaper in general circulation within the community.

Prospective bidders shall be given no less than fifteen (15) calendar days from the date of the RFP in which to submit a bid. The Purchasing Agent may choose to expand the bid period up to thirty (30) calendar days when circumstances warrant.

Specifications for bids will be drafted by the City department with the assistance and final approval of the Purchasing Agent. All bid packages will be released for advertising, and received for opening by the Purchasing Agent. The Purchasing Agent will notify all interested parties of the date and time of the public bid opening. A tabulation of all bids will be sent to the City Manager and a copy filed with the Purchase Order. Bidders may be notified of the bid results upon request.

City Manager approval is required for all bids of Twenty-Five Thousand Dollars (\$25,000.00) or more.

14. USE OF CREDIT CARDS

Credit cards are available for use to purchase various items. This method does not require a purchase order and is **not** to be used for items costing \$5,000 or more per item. Prior approval from the appropriate supervisor is required. The purchaser is required to turn in the receipts promptly to ensure proper accounting for the purchase. It is expected that there will be thorough review of all purchases prior to approval for payment.

When the cardholder receives his/her statement, the purchases are to be verified against the receipts. The Department Head will sign off on the statement annotating the account number(s) and amount(s) to be charged to each. Documentation supporting the credit card purchases must be maintained by the departments and available for inspection or audit upon request.

15. TRAVEL

Travel approval is granted by use of the "Before Travel" form. Credit cards should be used for airfare and hotel arrangements and can also be used if online registration is available. Requests for

payment of registrations fees should be sent to Finance along with a copy of the registration form in an envelope addressed with the proper mailing address. Finance will print the check; place it in the envelope and mail. Per Diem/mileage request should be submitted in an appropriate time frame to ensure that the check is available prior to the event (small amounts can be processed through Petty Cash). All Accounts Payable checks are now processed on Wednesday.

The "After Travel" form will be used to report all credit card purchases as well as any incidentals, which may need additional reimbursement. The form should be sent to Finance within 5 days of the event (include all receipts). It is the responsibility of Department Heads to review travel expenditures and ensure that payments are accurate and appropriate. Finance will conduct periodic audits to ensure compliance with City policies.

16. DISPOSAL OF CITY PROPERTY

The sales of all City-owned surplus supplies and property not in actual public use shall be conducted by the Purchasing Department, at such places and in such a manner most advantageous to the City. All departments must identify surplus items, declare them as such, and report them to the Purchasing agent within ninety (90) days from the date they become surplus. The Purchasing Department shall deposit the proceeds from such sales, less expense of sales, into the City's General Fund.

Surplus supplies and property with an estimated value of \$500 or less may be sold at the discretion of the Department Head, upon approval by the Purchasing Agent. Proceeds from the sale must be promptly submitted to the Finance Department for deposit and receipting purposes. Surplus supplies and property with an estimated value above \$500 shall be offered through competitive sealed bids, public or online auction. It is recognized, however, that some types and classes of items can be sold or disposed of more readily and advantageously by other means, including barter. In such cases, and also where the nature of the supply or unusual circumstances call for its sale to be restricted or controlled, the Purchasing agent or his/her designee may employ such other means, including but not limited to appraisal, provided such officer makes a written determination that such procedure is advantageous to the City. Only cashiers' checks or money orders or company checks with letter from Bank guaranteeing funds shall be accepted for sales of surplus supplies or property. Employees of City of Beaufort shall only be allowed to purchase surplus items through competitive sealed bids or public auction, provided they are not involved in declaring the item or items as surplus.

- A. When making sales by competitive sealed bidding, notice of the sale should be given at least fifteen (15) days before the date set for opening bids. Notice shall be given by mailing a Notice of Sale to prospective bidders, including those bidders on lists maintained for this purpose, and by making the Notice of Sale publicly available. Newspaper advertisement may also be used. The Notice of Sale shall list the supplies or property offered for sale; designate their location and how they may be inspected, and state the terms and conditions of the sale, and instructions to

the bidders, including the place, date, and time set for the bid opening. Bids shall be opened publicly.

- B. Award shall be made in accordance with the provisions of the Notice of Sale to the highest responsive and responsible bidder, provided that the price offered by such bidder is acceptable to the Purchasing agent. Where such price is not acceptable, the Purchasing agent may reject the bids in whole or in part and negotiate the sale, provided the negotiated sale price is higher than the responsive and responsible bid.

AUCTIONS

Supplies may be sold at auction, by an experienced auctioneer to cry the sale and assist in preparation of the sale or thru an online auction forum. The solicitation to bidders should stipulate, at a minimum, all the terms and conditions of any sale and the fact that the City retains the right to reject any and all bids. Auctioneer services shall be obtained by competition through the Purchasing Department, in accordance with the Procurement Ordinance and these Regulations.

TRADE-IN SALES

Departments may trade-in personal property, the trade-in value of which may be applied to the purchase of new like items. The Purchasing agent shall have the authority to determine whether the property shall be traded in and the value applied to the purchase of new like items or classified as surplus and sold in accordance with the provisions of the Procurement **Ordinance and these Regulations.**

Insofar as feasible and practical, the Purchasing agent shall transfer excess supplies to other governmental agencies and other units of government. The price of the supply transferred shall be one mutually agreed upon between the owner agency and the recipient, and be approved by the Purchasing agent.