

CDE Lightband

Operating Policy 7-1

Subject: Competitive Procurement Policy

Policy Statement:

Recognizing its obligations to the public, its ratepayers, and to the business community, CDE Lightband desires to provide an effective purchasing program for goods and services needed to operate the business. The policy of CDE Lightband shall be to use a competitive procurement process extended to qualified persons, businesses and firms interested in doing business with CDE Lightband that CDE Lightband may obtain needed goods and services at competitive costs consistent with suitable performance standards.

All purchasing policies and practices for CDE Lightband shall be in compliance with the Code of the City of Clarksville; specifically section 6-102, Purchasing and Appendix F, Purchasing Policy and Procedures.

Competitive Procurement Process

- Purchases of more than \$10,000
All purchases, leases and lease-purchases of \$10,000 or more purchased either singly or in the aggregate, for like items purchases in lots of two (2) or more, shall be formally bid or sealed proposals solicited prior to purchase. All purchases competitively bid shall be awarded to the lowest responsible and responsive bidder meeting quality and performance specifications unless otherwise provided for within the provisions of this policy. All bids under this paragraph must be sealed. All purchases under this paragraph must be approved by the requesting department manager or division manager, the Purchasing Department, the Superintendent and the Electric Power Board. After bid approval, a purchase order will be issued by the Purchasing Department. Purchases of more than \$10,000.00 but less than \$50,000.00 made pursuant to an ongoing contract previously approved by the Electric Power Board need not be approved by the Electric Power Board. All purchases of more than \$50,000.00 made pursuant to an ongoing contract previously approved by the Electric Power Board must be approved by the Electric Power Board.

- Purchases of \$5,000 to \$9,999
All purchases, leases and lease-purchases from \$5,000 to \$9,999 purchased either singly or in the aggregate, for like items purchases in lots of two (2) or more, shall require solicitation, whenever possible, of at least three (3) competitive quotes prior to purchase. Quotes shall be in writing (letter, fax, email, or online) and shall state 1) the company's name, address and phone number, 2) the person's name giving the quote, 3) the price including delivery, and 4) the complete description of the product or service. All purchases from the competitive quotes shall be awarded to the lowest

quote meeting quality and performance specifications unless otherwise provided for within the provisions of this policy. All purchases under this paragraph must be approved by the requesting department manager or division manager, superintendent and the Purchasing Department. After bid approval, a purchase order will be issued by the Purchasing Department.

- Purchases of \$1,000 to \$4,999

All purchases, leases and lease-purchases from \$1,000 to \$4,999 purchased either singly or in the aggregate, for like items purchases in lots of two (2) or more, shall require solicitation, whenever possible, of at least three (3) competitive quotes prior to purchase. Quotes may be verbal or written. A written summary of all quotes received shall remain with the purchase order. All purchases from the competitive quotes shall be awarded to the lowest quote meeting quality and performance specifications unless otherwise provided for within the provisions of this policy. All purchases under this paragraph must be approved by the requesting department manager or division manager, and the Purchasing Department. After bid approval, a purchase order will be issued by the Purchasing Department.

- Purchases of less than \$1,000

All purchases of less than \$1,000 are considered to be small dollar purchases and may be made on an Authorization to Purchase (AP). All purchases under this paragraph must be approved by the appropriate division manager, and reviewed by the Purchasing Department after the AP is written.

Exemptions from Competitive Procurement Process

The following purchases, leases and lease-purchases shall be exempt from the competitive procurement process. Any items or services purchased under these exemptions for an amount up to \$10,000 must have the approval of the department manager or division manager requesting the service, the purchasing department, and the superintendent. Items or services over \$10,000 must also have the approval of the Electric Power Board, with the exception of items or services less than \$50,000.00 purchased pursuant to an ongoing contract previously approved by the Electric Power Board.

- Sole source or proprietary items – Sole source purchases or purchases of proprietary items may be awarded for items, services, or proprietary items to the only known capable supplier where no competition exists due to the unique nature of the item, supplier, or market conditions. The department requesting sole source procurement shall provide written evidence to support the request to the Purchasing Department. The following examples represent circumstances under which sole source procurement may be justifiable:
 - Compatibility to existing equipment
 - Trial use or testing of a particular item
 - Public utility services
 - Subscriptions, memberships, and seminars
 - Computer software, maintenance agreements, or material that is only available from the copyright holder

- Proprietary or specified brand name items, only available from one manufacturer, that do not have and “equal” or “approved equal.”
- Emergency purchases – Recognizing that purchases must be made in times of emergencies, the normal competitive procurement process will be waived under such conditions. However, a written report must be filed with the Purchasing Department within three working days after the emergency detailing the emergency and explaining why the normal competitive procurement process could not be followed. Such purchases shall still require the same approval as if it had been competitively bid.
- Professional services – Contracts for legal services, fiscal agent, financial advisor or advisory services, educational consultant services, architects, engineers, information management services, and similar services by professional persons or groups of high ethical standards, or as disciplines requiring a high level of technical expertise and integrity. Such contracts for professional services must be approved by the Electric Power Board in all cases.
- Repairs – Use of the competitive procurement procedures shall not be required for repair services or parts for existing equipment. Such purchases shall still require the same approval as if it had been competitively bid.
- Fuels - Use of the competitive procurement procedures shall not be required for fuels, fuel products, or other perishable commodities.

The head of the Purchasing Department is authorized to implement and enforce this purchasing policy as well as necessary procedures to implement the provisions of this policy.

CDE Lightband may enter into annual contracts for goods or services that contain a one-year renewable option not to exceed three years. Lease or lease/purchase agreements may be for more than three years with the decision for time determination being based on that which will best serve the interest of the Department. Special contract conditions will be approved by the Board.

Any employee, supervisor, department manager, division manager, superintendent, or appointed official that willfully violates or causes another person to willfully violate the provisions of this policy will be subject to disciplinary action.

CDE Lightband
Competitive Procurement Process

Amount of Purchase	Process	Approval
\$50,000.00 and over	<ul style="list-style-type: none"> ▪Sealed bids accepted ▪Purchase Order issued by Purchasing Department 	<ul style="list-style-type: none"> ▪Dept. Mgr. Or Div. Mgr. ▪Purchasing Dept. ▪Superintendent ▪Electric Power Board
\$10,000.00 to \$49,999.99	<ul style="list-style-type: none"> ▪Sealed bids accepted ▪Purchase Order issued by Purchasing Department 	<ul style="list-style-type: none"> ▪Dept. Mgr. Or Div. Mgr. ▪Purchasing Dept. ▪Superintendent ▪Electric Power Board, unless made pursuant to ongoing contract approved by the Electric Power Board
\$5,000.00 to \$9,999.99	<ul style="list-style-type: none"> ▪Obtain 3 written quotes (online quotes acceptable) ▪Purchase Order issued by Purchasing Department 	<ul style="list-style-type: none"> ▪Dept. Mgr. Or Div. Mgr. ▪Purchasing Dept. ▪Superintendent
\$1,000.00 to \$4,999.99	<ul style="list-style-type: none"> ▪Obtain 3 quotes (quotes placed with Purchase Order) ▪Purchase Order issued by Purchasing Department 	<ul style="list-style-type: none"> ▪Dept. Mgr. Or Div. Mgr. ▪Purchasing Dept.
Less than \$1,000.00	<ul style="list-style-type: none"> ▪Authorization for Payment 	<ul style="list-style-type: none"> ▪Appropriate Div. Mgr. ▪Purchasing Dept. (review only after AP issued)

Items not subject to competitive procurement process

- Sole source products
- Emergency purchases
- Professional services
- Repairs
- Fuels