

RESOLUTION NO. 2025-07-1197R

CITY OF TONTITOWN, WASHINGTON COUNTY, ARKANSAS

A RESOLUTION ADOPTING A PURCHASING MANUAL FOR THE CITY  
OF TONTITOWN, ARKANSAS.

**WHEREAS**, the City of Tontitown desires to adopt a Purchasing Manual in order to clearly set forth the procedures for purchasing and other purchasing related matters, as well as the roles and responsibilities of city officers and employees in connection thereto, as set forth and more particularly described in the attached Exhibit "A"; and

**WHEREAS**, the City Council has reviewed the proposal and has determined that it is in the best interest and benefit of the city to adopt the Purchasing Manual, attached hereto as Exhibit "A", for the City of Tontitown so that it will become the policy of the city.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Tontitown, Arkansas:

**Section 1.** The City Council hereby approves and adopts the Purchasing Manual, attached hereto as Exhibit "A", for the City of Tontitown.

**Section 2.** Any previous purchasing policy that was adopted by the City Council is hereby repealed to the extent that it conflicts with the Purchasing Manual.


**Section 3.** The Mayor and the Mayors designees are hereby authorized to take all such action as necessary in connection therewith.

**PASSED AND APPROVED** this 15 day of July 2025.

APPROVED:

  
Angela Russell, Mayor

ATTEST:

  
Rhonda Ardemagni, City Clerk-Treasurer  
(SEAL)

**CITY OF TONTITOWN**

**PURCHASING MANUAL**

**JULY 2025**

## CHAPTER 1- INTRODUCTION

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### A. Introduction/Statement of Policy

The purpose of this purchasing manual is to provide the City of Tontitown staff with guidelines and directions for the acquisition of goods and services. When used with good judgment and common sense, the policies and procedures conveyed within will allow the City to obtain required supplies and services efficiently and economically.

The manual is divided into sections dealing with purchasing policies and procedures. The policy sections contain all the purchasing policies reviewed and recommended by the Mayor and Director of Finance and adopted by the City Council which must be adhered to by City employees. The procedures sections provide a “how to” guide for processing purchase requisitions, purchase orders, travel authorization and expense reports and other procedures regarding payment processing.

Employees are expected to read the policy manual and provide their Department Head with feedback regarding the policies and procedures contained within. This manual is designed to be a fluid document and will be modified from time to time to conform with changes in legislation, technology and actual practice. Although it may not answer every question related to purchasing practices, it does provide general guidelines for purchasing activities. Employees who need help dealing with specific situations not covered by the manual should contact the Director of Finance for assistance.

The Mayor shall be the final authority regarding enforcement of any of the provisions of this manual. Failure to follow the procedures outlined in this manual may lead to disciplinary action in accordance with the provisions of the City of Tontitown Personnel Policy Manual.

## CHAPTER 2 - PURCHASING POLICIES

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### A. Code of Ethics

All City personnel engaged in purchasing and related activities shall conduct business dealings in a manner above reproach in every respect. Transactions relating to expenditure on public funds require the highest degree of public trust to protect the interests of the City and the residents of Tontitown. City employees shall strive to:

1. Ensure that public money is spent efficiently and effectively and in accordance with statutes, regulations, and City policies.
2. To the extent allowed by law, maintain confidentiality at all times.

2. Association with vendor representatives at business meals or business organization meetings is occasionally necessary and is neither questionable nor unethical, provided the individual keeps himself/herself free of obligation.
3. Personal loans of money or equipment are not to be accepted by a vendor or an individual associated with a vendor doing business with the city.
4. Solicitation of vendors for merchandise or certificates to serve as door prizes or favors is normally prohibited. However, exceptions may be approved by the Mayor.
5. Corporate discounts granted to City employees are acceptable only if they are offered to all City employees and other corporate clients of the vendor.

If in any doubt about the propriety of accepting a gift, the matter should be referred to the Department Head who will, if necessary, discuss the matter with the mayor.

#### C. Advanced Approval of City Purchases Required

No employee shall purchase goods or services on behalf of the City without first seeking approval as required by this policy. All purchases require advanced approval of the appropriate Department Director and the Mayor in accordance with the guidelines described below:

<u>Dollar Limits</u>	<u>Required Approvals</u>
\$0.00 - \$1,500	Supervisor or Department Head
\$1,501- \$2,000	Department Head
\$2,001 - \$19,999	Department Head and Mayor
\$20,000 & Above	City Council

Approval for purchases shall occur before the purchase is made. At the discretion of the Department Director, approval levels for Supervisors may be increased to an amount not to exceed the Department Director's authority. In addition, the mayor can delegate approval authority to a Department Director at their discretion in the event they are unavailable to approve purchases.

## B. Joint Purchasing

### State of Arkansas

City employees are authorized to obtain goods and services using the State of Arkansas Purchasing program. When available through the State program, it may not be necessary for City employees to obtain quotes or to competitively bid the goods or services which are sought. Employees should direct questions about when to obtain quotes or competitive bids should to a Department Head or the City Attorney. Employees shall be responsible, however, for ensuring that the goods or services are of a quality sufficient to meet the City's needs and that pricing is competitive.

### Other Units of Government

Employees are permitted to purchase items jointly with other units of government when the price of the goods or services sought is competitive and the quality meets the City's standards. Prior to initiating the transaction, employees shall seek the approval of the Department Head or Director of Finance.

Questions regarding joint purchasing opportunities should be directed to the Director of Finance.

## C. Sole Source Purchases

Contracts for parts, supplies or equipment that are available only from a single source are referred to as sole source purchases. Sole source procurements may arise from the following circumstances:

1. Equipment for which there is no comparable competitive product or is available only from one supplier
2. Public utility services from natural or regulated monopolies
3. A component or replacement part for which there is no commercially available substitute, and which can be obtained only from the manufacturer
4. An item where compatibility is the overriding consideration, such as computer software
5. A used item, for example, a television transmitter tower, that becomes immediately available and is subject to prior sale

These items shall not be subject to requirements for seeking competitive quotes or bids. However, purchases in excess of the statutory bidding limit shall be presented to the City Council prior to acquisition with a request to waive bids, approve the purchase and enter into a formal contract.

## CHAPTER 4: COMPETITIVE BIDDING & REQUESTS FOR PROFESSIONAL SERVICES

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### A. When a Formal Bid Is Required

All purchases of goods, equipment or services exceeding the Arkansas statutory bidding limit, except as noted in Chapter 3, Section E, shall be subject to the competitive bidding process, including a Notice of Municipal Letting for Council approval, and shall be let, by free and open competitive bidding after advertisement, to the lowest responsible bidder or any other bidder whom the City Council deems to be in the best interest of the City.

Except for bids for capital projects, all bids shall be issued using the City's standard bid document.

### B. Preparing the Bid Document

1. It is the responsibility of the respective departments to prepare the bid document. When preparing the bid document, each department shall be responsible for obtaining a bid document number from the Executive Assistant and for ensuring that the most recent version of the bid document has been used.
2. All bid documents must contain the following information:
  - Cover memo (includes signature line for City Manager approval)
  - Table of Contents
  - Notice to Bidders
  - General Terms, Conditions and Instructions
  - Specifications of the item/service
  - Bid Proposal Form
  - An appropriate sample contract (required if the bid is for goods, services, construction services, or goods and installation services)
  - All contractor certification forms (e.g. sexual harassment, tax compliance, contract execution) (Execution of these documents would be at the signing of the contract phase)
3. After the bid document has been prepared, it must be reviewed and approved by the applicable Department Director and Mayor. Then a "Notice of Municipal Letting" memo explaining the project and asking to go out for bids, including bids specs if possible, must be approved the City Council.



coverage and limits that shall be always maintained by the Contractor and his sub-Contractors while providing, performing, or completing the Work are as follows:

a. Worker's Compensation: The Contractor is required to carry, with a company authorized under the laws of the State of Arkansas, a policy for protection against liability under the Worker's Compensation and the Occupational Disease Statutes of the State of Arkansas with limits of not less than \$500,000 per claim.

b. General Liability: The Contractor shall carry a comprehensive general umbrella liability

policy for all operations with limits of not less than \$1,000,000.00 each accident for bodily injury liability and not less than \$1,000,000.00 each accident for property damage liability.

c. Professional Liability Insurance: The Contractor shall carry minimum of \$500,000.00

All such insurance must include an endorsement whereby the insurer agrees to notify the Owner at least 30 days prior to non-renewal, reduction, or cancellation. The Contractor shall cease operations if the insurance is canceled or reduced below the required amount of coverage. All costs for insurance as specified herein will not be paid for separately but shall be considered as incidental to the Contract.

4. Additional Documents Required At the Signing of the Contract Phase-The following forms must also be attached in order to be an acceptable: Hold Harmless and Indemnity Agreement, Certificate of Compliance with the Substance Abuse Prevention Program Certification, Certificate that the Contractor is not barred from Contracting with Unit of Local Government Because of Conviction of an Offense Related to Bidding, and a Certificate on Non-Delinquency of Tax.

5. Bid Submittal - All companies or individuals who wish to bid on a good or service must submit their bids in a sealed envelope before the deadline of the bid. Upon receipt of a sealed bid, the City employee will initially stamp the date and time of receipt on the outside of the envelope. The sealed bid will be forwarded to the Finance Department.

If bid documents are to be distributed at the City Hall, the front desk personnel must be supplied with at least 3 copies (or more depending on the number of bidders expected) of the bid document.

6. Pre-Bid Conference - If a pre-bid conference is conducted, departments should specify in the Notice to Bidders whether attendance is a mandatory condition of bidding. At the pre-bid conference, the responsible department should ensure that all attendees sign a "sign-in" sheet to ensure compliance with this requirement of bidding. Failure to attend a mandatory pre-bid conference shall disqualify a bidder from being awarded the contract unless, at the department's discretion, bidders are allowed to not attend by signing a waiver.

- The previous and existing compliance by the bidder with laws and ordinance relating to the contract or service
- The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service
- The quality, availability, and adaptability of the supplies or contractual service to the particular use required
- The ability of the bidder to provide future maintenance and service for the use of the subject of the contract
- The number and scope of conditions attached to the bid
- Responsiveness to the exact requirements of the invitation to bid
- Ability to work cooperatively with the city and its administration

1) Past records of the bidder's transactions with the City or with other entities as evidence of the bidder's responsibility, character, integrity, reputation, judgment, experience, efficiency and cooperativeness.

Once approved by the Department Director, their memo recommending award of bid should be given to the Executive Assistant in the Mayor by the Thursday of the week preceding the week of the City Council meeting to be placed on the City Council's agenda.

Apart from contracts let through an engineering contract, all bid files shall be maintained by the Department requesting the bid. After the issuing department has prepared the City Council agenda item, the bid file shall be sent to the Executive Assistant along with the bid packages, original bid tabulation sheet, and all other documentation. After Council approval, the bids will be stored in the Office of the Executive Assistant where they can be accessed when necessary (State law requires bid files to be maintained for ten (10) years following the bid opening). The signed contract will be forwarded to the Executive Assistant for safekeeping after it is received.

Signed contracts, certificates of insurance and performance bonds must be obtained from the contractor before work begins. It is the responsibility of the applicable department to ensure that the City's contract has been signed, and certificate of insurance and performance bond obtained before work begins.

The Department Director associated with the bid shall be responsible for handling bid deposits. If a bid deposit was required, it must be returned to all except the three (3) lowest responsive and responsible bidders on each contract within fourteen (14) calendar days after the opening of the bid and within 24 hours of when the award letter is mailed. The bid deposit of the accepted bidder is to be returned only after acceptance by the City of satisfactory performance bond where such bond is required or completion of contract where no performance bond is required. The remaining bid deposits of each contractor should be returned within fourteen (14) days after the City Council has awarded the contract.



The City may conduct discussions with and require public presentations by firms deemed to be the most qualified regarding their qualifications, approach to the project and ability to furnish the required services.

3. On the basis of evaluations, discussions and presentations, the City shall select no fewer than three (3) firms, when possible, which determine themselves to be the most qualified to provide services for the project and rank them in order of qualifications to provide services regarding the specific project. The City shall then contact the firm ranked most preferred and attempt to negotiate a contract at a fair and reasonable compensation, taking into account the estimated value, scope, complexity, and professional nature of the services to be rendered. If fewer than three (3) firms submit letters of interest and the City determines that one or both of those firms are so qualified, the City may proceed to negotiate a contract.
4. Contract Negotiation. The City shall prepare a written description of the scope of the proposed services to be used as a basis for negotiations and shall negotiate a contract with the highest qualified firm at compensation the City determines in writing to be fair and reasonable. In making this decision, the City shall consider the estimated value, scope, complexity and professional nature of the services to be rendered.
5. If the City is unable to negotiate a contract with the preferred firm, negotiations with that firm shall be terminated. The City shall then begin negotiations with the firm which is next preferred. If the City is unable to negotiate a contract with that firm, negotiations with that firm shall be terminated. The City shall then begin negotiations with the firm which is next preferred.
6. If the City is unable to negotiate a satisfactory contract with any of the selected firms, it shall reevaluate the architectural, engineering or land surveying services requested, including the estimated value, scope, and complexity and fee requirements. The City shall then compile a second list of not less than three qualified firms and proceed in accordance with these procedures.

If a contract is used other than the City's standard contract, the following items should be included: indemnification, insurance, and venue. This language can be obtained from the Director of Finance or the City Attorney.

If, after reviewing these procedures, employees have questions regarding which services are exempt, they should contact the City Attorney for clarification.

Exceptions:

1. Approval by the Director of Finance or Mayor.

E. Manual Checks

Manual checks are interim checks issued to vendors as payments for goods delivered or services performed. The checks are issued between normal accounts payable cycles when an emergency or other extenuating circumstance as determined by the Finance Department makes it impractical or unreasonable to process the payment following normal payment methods.

F. Accounts Payable (purchases made without purchase orders)

Purchase orders are the preferred method of payment for most City transactions. However, in the following instances, payments will be made without purchase orders, after approval from the Department Director or Supervisor:

1. Recurring monthly bills (i.e. phone bills, utility bills, etc)
2. Credit Card Payments
3. Reimbursements to City employees for expenses incurred

The city will make every effort to pay invoices in a timely manner in order to receive any discounts available.

G. Local Vendors

Any items purchased from a local vendor may be charged to the City account with the vendor giving the employee a copy of the ticket for the item purchased (some places do not give tickets). The employee will need to put an account number on the ticket, sign it clearly, and submit it to the Supervisor. The Supervisor shall signify approval with initials, indicate account number, and submit it to the appropriate departmental payable processing staff or Finance Department. Accounts Payable processing staff will match the tickets with the statement and set them up for payment. A listing of local vendors utilized can be obtained from the Finance Department.

### C. Disposal of City Property

City property of value may not be sold or traded without prior approval of the City Council.

If the item has value, notify the Finance Department to determine if the item needs to be removed from the City's records. Include information identifying the equipment to be disposed, the name of the manufacturer, model number, serial number, and an estimate of salvage value if applicable. The Finance Department is authorized to transfer usable surplus materials to another department requesting such materials, or to approve disposal of the property where appropriate. The Department Director shall consult with the City Attorney, and when necessary shall have an ordinance prepared for the City Council agenda recommending disposal of the property.

In instances where City property no longer has value, departments may dispose of the property without in accordance with law. However, the Finance Department need to be notified to determine if the item needs to be removed from the City's records. Include information identifying the equipment to be disposed, the name of the manufacturer, model number, serial number.

### D. Purchases Near the End of the Fiscal Year

When purchases are made near the end of the fiscal year (i.e. December 31), departments shall be responsible for ensuring that they are expended (i.e. charged) against the fiscal year in which they were received. The date goods are received, or services are performed determines which fiscal year they are expensed against. Consequently, goods and services will be expended in the current fiscal year only if they are received or performed by December 31<sup>st</sup>. This is true regardless of when the purchase requisition is processed, or the purchase order is issued. Items not received by December 31 will be expended in the next fiscal year.

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☐ ☐ Approved

☐ ☐ Disapproved

Department Director signature \_\_\_\_\_

Mayor signature \_\_\_\_\_

☐ ☐ Attach written quotes if request is \$5,000 - \$20,000. \$20,000 and above requires competitive bids. (See purchasing policy)