

City of Gastonia
Housing and Community Engagement Department
Request for Proposals-Appraisal Services

The City of Gastonia is seeking proposals from qualified and licensed real estate appraisal professionals to provide appraisal services for seventeen (17) parcels located in the Highland community, situated in the north corridor of Gastonia, North Carolina. These parcels are currently under review for potential housing development, and the City requires current fair market value (FMV) assessments to support planning and decision-making. A map of the parcels is attached for reference.

Scope of Work

The selected appraiser will be responsible for:

- Conducting site inspections of each parcel
- Performing market research and analysis
- Preparing individual USPAP-compliant appraisal reports for each parcel
- Delivering final reports in digital (PDF) format

Proposal Requirements

Interested parties are asked to submit a written quote/proposal that includes the following:

1. **Cost Estimate per Appraisal** – Include any volume discounts or bundled pricing and outline all related costs to deliver requested service(s)
2. **Estimated Time Frame** – Provide a timeline for completing all 17 appraisals
3. **Sample Report** – **Optional**

Additional Project Data

Full details are available at <https://gastonianc.gov/doing-business/bids-rfps.html>

Purchasing Policy

Bid selection and all procurement processes will be in accordance with the City of Gastonia Purchasing Policy – see the attached document.

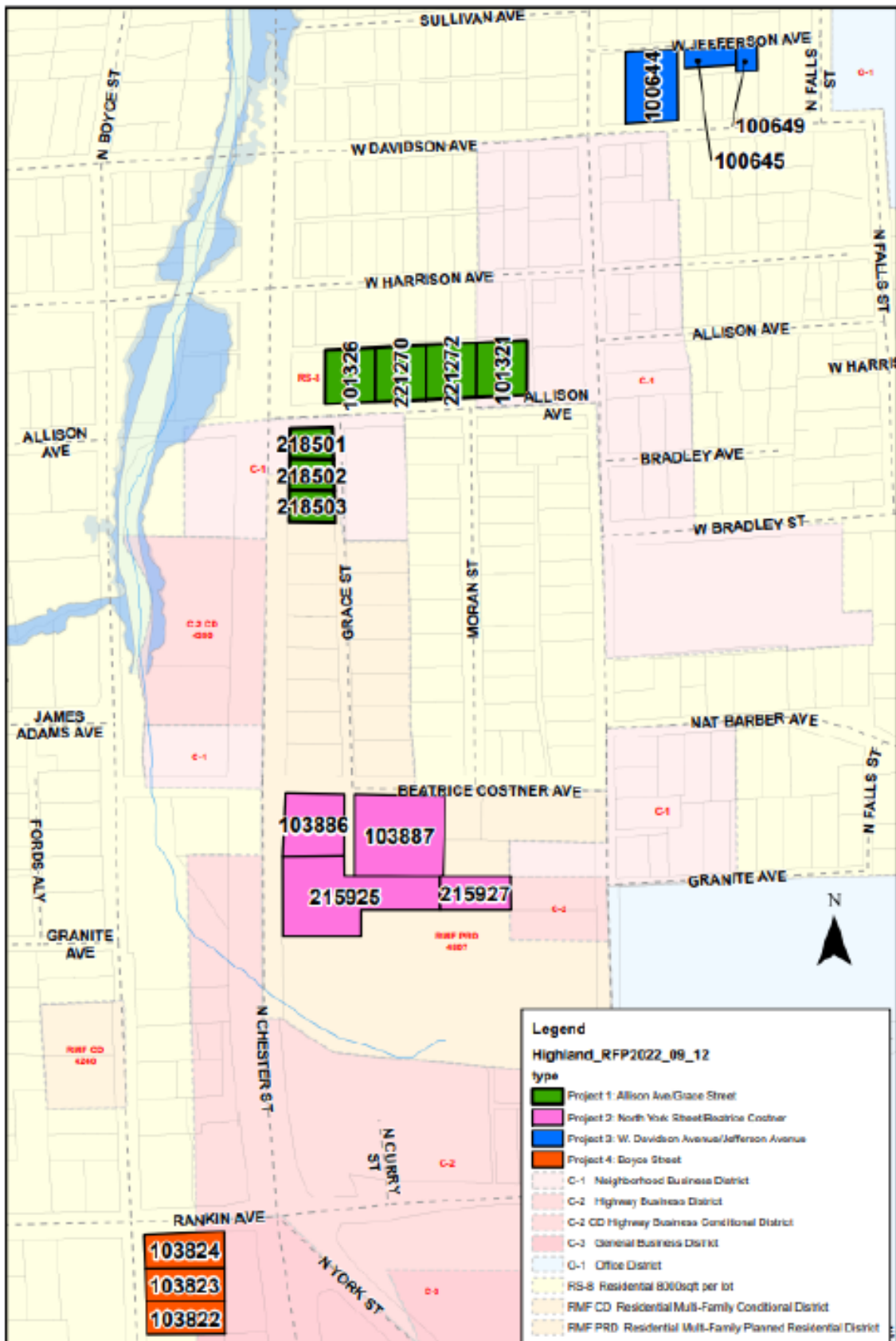
Submission Details

Proposals should be submitted by the deadline of **Thursday, September 18, 2025 by 3 pm.**

Proposals received after the submission deadline will not be considered. Submissions will be accepted via email to danette.dye@gastonianc.gov, hand delivery or by USPS mail to the address listed below. Submissions received after the deadline will not be considered.

The City of Gastonia reserves the right to reject any and all proposals.

City of Gastonia
PO Box 1748
150 S York Street
Gastonia, NC 28053-1748
1-C September 4, 2025



CITY OF GASTONIA

PURCHASING POLICY



City of Gastonia, North Carolina
Purchasing Policy

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GLOSSARY

Bid: A multi-step process required of the City by North Carolina General Statutes. Quotes from three separate vendors are generally required whenever possible.

Informal Bid: A bid on items over \$3,000.00 and up to the policy threshold for formal bidding. Requests for quotes are not required to be advertised to the public. Purchases in this category do not need to be approved by City Council.

Formal Bid: A bid on items or services over \$90,000.00 or on construction & repair over \$300,000.00. Public advertisement of the request for quote and bid process must be made and bids must be opened in public.

Quote: A price provided by a vendor on a provided good or service.

Requisition: Input into the financial system by a department to request the generation of a purchase order by the Finance Department prior to a purchase.

Purchase Order (PO): Authorization for the purchase of goods sent by the Finance Department to a vendor prior to the purchase.

Blanket Purchase Order: A Blanket Purchase Order is an agreement arranged between the City and a supplier to deliver goods or services at a predetermined price on a recurring basis for a specified time period.

Request for Written Quotation (RFQ): A request sent to a vendor for a written quote on a certain good or service.

Encumbering: To commit a given amount of money to the payment of an order.

Professional Services: Services such as architects, engineers, doctors, lawyers, etc. where the provider is required to have obtained a license from a licensing board, before qualifying to provide such service.

Request for Qualifications (RFQ): A step sometimes used in the process of procuring a product or service. An RFQ is typically used as a screening step to establish a pool of vendors that are qualified, and thus eligible to submit responses to a request for proposals (RFP).

Request for Proposal (RFP): A document that solicits proposals from qualified vendors of a product or service when the City is seeking services or commodities that require technical expertise, specialized capabilities, or where the product or service being requested does not yet exist.

Purchasing/ Procurement: Interchangeable; how the City obtains needed goods and services.

Standard Services: General services provided by a vendor or an individual that are not specialized or generally considered a professional skill. Examples of standard services are landscaping, janitorial, or maintenance services.

“Piggyback” Exception: Refers to statutory exception that allows for the competitive bid process to be waived in certain circumstances. This exception is only applicable to Apparatus, Supply, Material, & Equipment purchases in the Formal Bid range and must have been competitively bid within the previous 12 months.

Department Head: The individual authorized to make purchasing decisions on behalf of his/ her department.

Vendor: Provider of a good or service.

1. FORWARD

This Purchasing Policy Manual is intended for use as a guide to the City of Gastonia's purchasing methods and practices. When used properly, the policies and procedures established herein will enable the City to obtain needed materials, equipment, supplies and services efficiently and economically.

The understanding and cooperation of all employees is essential if the City is to obtain the maximum value for each tax and utility dollar spent. While this manual does not answer all questions related to purchasing, it does provide the foundation for a sound purchasing system.

The basic goals of the City's purchasing program are:

1. To comply with the legal requirements of public purchasing and procurement.
2. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the City.
3. To receive maximum value for each dollar spent by awarding purchase orders to the lowest responsible responsive bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors.
4. To provide City departments the required goods, equipment, and services at the time and place needed and in the proper quantity and quality.
5. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers.
6. To promote good and effective vendor relations, cultivated by informed and fair procurement practices and strict maintenance of ethical standards.

If the procedures and guidelines established in this manual are followed, each department can efficiently manage, control and plan its available resources to meet present and future departmental needs and help the City to meet these goals. Should you have any questions about this manual or its procedures, contact the Purchasing Division.

North Carolina General Statute 133-32 Gifts and Favors Regulated, is applicable to the City of Gastonia's procurement and contracting process.

[Link to N.C.G.S. 133-32](#)

Clerical or minor revisions to this policy for clarity, statutory threshold updates, procedural adjustments, etc., shall be approved by the City Manager. Any other revisions require approval by City Council.

2. PROCUREMENT WHEN UTILIZING FEDERAL OR STATE FUNDS

When procuring commodities and services involving the expenditure of Federal or state grant funds, procurement shall be conducted in accordance with Federal and State requirements including, but not limited to, the procurement requirements outlined in the U.S. Office of Management and Budget's (OMB) Uniform Guidance. Before proceeding with the procurement process of obtaining goods or services related to Federal or State grant programs, make sure you comply with ALL procurement requirements outlined in the link below to the procurement section of the OMB Uniform Guidance publication.

[OMB Uniform Guidance Procurement Requirements](#)

Departments should be aware OMB Uniform Guidance requirements must be stringently adhered to for the procurement of goods, services, or any combination thereof, whenever Federal or State funding is being utilized. See Appendix B for additional guidance. Should you have any questions, please contact Purchasing for discussion.

3. CONTRACT REQUIREMENTS AND EXECUTION AUTHORITY

- Only the City Manager or Mayor has execution authority to obligate City funds, services, etc., via contract and review by the City Attorney is required of all contracts before they may be executed. Departments should be aware this applies to **all** agreements, including Memorandums of Understanding, Municipal Inter-Local Agreements, Revenue Agreements, etc., even when no City funds are being utilized. In order to ensure appropriate review and execution procedures are followed, departments should always submit agreements to the City Attorney's Office and then through the Eden Contract Management module, **before** submitting to management for signature and execution.
- In many instances a Purchase Order in lieu of a contract is a more appropriate and efficient manner for expenditure agreements, and departments are encouraged to utilize this process whenever possible. Purchase Orders are addressed in section 7 below. If you have questions about the most efficient or appropriate manner in which to submit a contract, please contact Purchasing.
- Department Heads have been delegated the authority to pre-audit and approve purchases of goods and services made under \$500. This \$500 limit applies to the aggregate cost of the purchase and not to the individual cost of each item. Procurement of goods and services under \$500 should always be handled through approved methods such as a Requisition for a Purchase Order, City Procurement Card, NOPO Check Request, or Petty Cash.

NOTE – Any department utilizing Federal, state, or other funds for the procurement of goods or services must adhere to the additional stipulations and requirements related to those funds. See section 2 for guidance regarding federal and state grants.

- Manager Authority for all contracts for services or other matters that do not concern either construction or repair shall not exceed the monetary amount at which formal bidding procedures would be required under G.S. 143-129 for apparatus, supplies, materials or equipment contracts (Currently \$90,000).
- Manager Authority for Construction & Repair contracts shall not exceed monetary amount of formal bidding requirements of G.S. 143-129 (Currently \$500,000).

- Agreements obligating City funds may be awarded for a maximum period of three (3) years with two one-year extensions (for a total of five years). No expenditure agreement may exceed a five (5) year period.
- Bid Process and Execution Authority thresholds are applicable to the aggregate / overall costs of each contract or agreement. Overall costs of the materials and/or services required for a specific project or acquisition should determine the method of Bid Process and Execution Authority. Intentionally “splitting” or manipulating the scope of an order or contract, in an attempt to circumvent the Bid Process or Execution Authority levels, is prohibited.

Bid Process and Execution Authority by Contract Type

Apparatus, Supplies, Materials & Equipment		
Amount	Bid Process	Authority
\$3,000 - \$89,999	Informal	City Manager
\$90,000 & Above	Formal	Council
Standard Services*		
Amount	Bid Process	Authority
\$3,000 - \$89,999	Informal	City Manager
\$90,000 & Above	Formal	Council
Professional Services		
Amount	Bid Process	Authority
\$3,000 - \$89,999	QBS	City Manager
\$90,000 & Above	QBS	Council
Construction & Repair		
Amount	Bid Process	Authority
\$3,000 - \$299,999**	Informal	City Manager
\$300,000 - \$500,000	Formal	City Manager
> \$500,000	Formal	Council

*City Manager may waive Bid Process & Execution Authority in some cases (See Section 8.2a).

**Contract required for Construction & Repair >\$100,000.

4. GENERAL GUIDELINES FOR PURCHASING SUPPLIES AND MATERIALS

4.1 Local Buying:

It is the desire of the City to purchase from vendors located within Gastonia and Gaston County whenever possible. This can be accomplished by insuring that local vendors who have goods or services available which are needed by the City are included in the competitive purchasing process. However, the City has a legal responsibility to its residents to insure that maximum value is obtained for each public dollar spent. **The City cannot and will not make purchasing decisions solely on the basis of vendor residence or place of business.** Rather, the City will endeavor to encourage local vendors and suppliers to compete for all City business.

4.2 Competitive Bidding:

Competitive bidding is required under certain circumstances set forth in the General Statutes. It is further the policy of the City that some bidding is required in addition to the statutory requirements for the purposes of:

- Procurement of goods and services as efficiently and cost effectively as possible.
- Seeking competitive offers from qualified and responsible sources of supply even where not required by state law.
- Provision of an open and fair environment for competition.

Reservation of rights:

- The City reserves the right to reject all bids.
- The City reserves the right to waive any minor irregularities in any bid.

4.3 Department Responsibilities:

Quality and service are as important as price. It is the duty of the requisitioning department to secure the best and most economical quality that will meet but not exceed the requirements for which the goods or services are intended. In some instances, the lowest price does not necessarily mean the lowest cost.

As a service department for the City, it is the desire of the Purchasing Division to establish and maintain a close working relationship with each department. An attitude of mutual cooperation and understanding is essential. The following guidelines will promote mutual assistance:

- Monitor supply levels of inventory and reorder points for future needs.
- Forecast any future purchasing requirements.
- Requisition well in advance of needs whenever possible.
- Eliminate all unnecessary emergencies or rush purchasing.
- Examine items received for quality, quantity, etc.
- Submit by written memorandum complaints against vendors.
- Convey to Purchasing Division the exact needs to be met when equipment or special orders requiring written specifications are involved.

Any unauthorized purchases shall be classified as a personal expense and will be paid for by the employee.

4.4 Conflict of Interest:

No employee shall participate in selection or award of a contract if a conflict of interest, real or apparent, is involved. Such a conflict would arise when an employee, employee's immediate family member, employee's partner or an organization which employs, or is about to employ any of the above, has a financial or other interest in the firm about to be selected for award. Any violation of this policy will subject the officer, employee, or agent to disciplinary action up to and including dismissal from employment and may also subject the offender to criminal prosecution and/or civil penalties under North Carolina State Law and Federal law.

BIDDING PROCESS GUIDELINES

INFORMAL BID

- ✓ Step 1 - Obtain Quote(s) (written, email, or fax)
- ✓ Step 2 - Submit Quote(s) with Purchase Requisition
- ✓ Step 3 - Purchase Order and/or Contract Issued

ITEMS	AMOUNTS	QUOTES	CONTRACT
Standard Services, Apparatus, Supplies, Materials, Equipment & Construction or Repair Work	Less Than \$3,000	Not Necessary	Not Required
Services - Non-Professional	\$3,000 - \$89,999*	Required -Three When Possible	Not Required
Apparatus, Supplies, Materials & Equipment	\$3,000 - \$89,999	Required -Three When Possible	Not Required
Construction or Repair Work	\$3,000-\$299,999	Required -Three When Possible	Not Required < \$100,000 Required > \$100,000

* For Professional Services see section 8.2b – Qualifications Based Selection

FORMAL BID

- ✓ Step 1 – Advertisement
- ✓ Step 2 - Pre-Bid Meetings (If Necessary)
- ✓ Step 3 - Public Opening Sealed Bids
- ✓ Step 4 - Bid Deposit / Bid Bond
- ✓ Step 5 - Bids Recorded in Minutes
- ✓ Step 6 - Contract in Writing
- ✓ Step 7 - Award & Execution by Appropriate Authorized Official

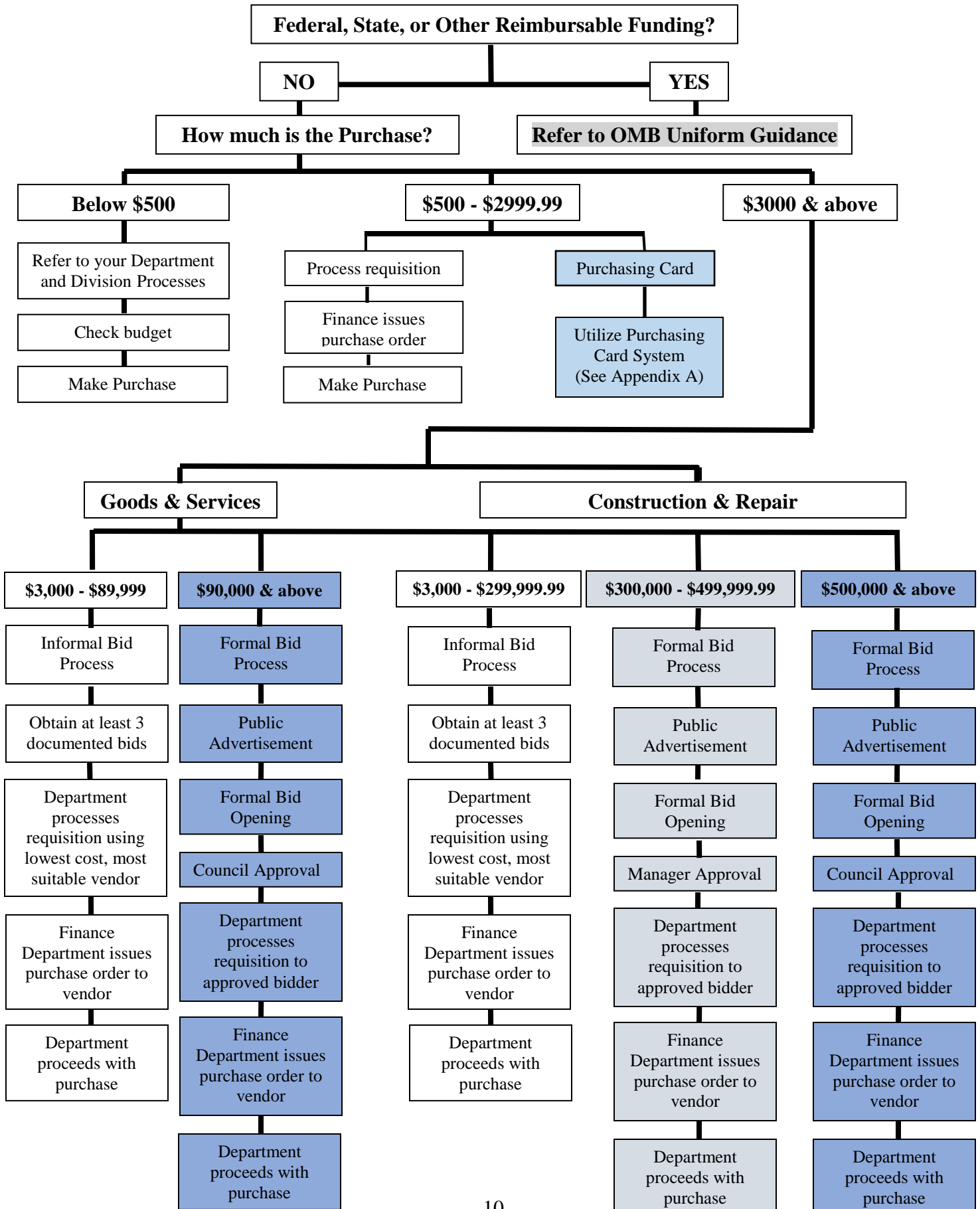
ITEMS	AMOUNTS	QUOTES	CONTRACT
Standard Services, Apparatus, Supplies, Materials & Equipment	Greater Than \$90,000	Required	Required
Professional Services	Greater Than \$90,000	QBS*	Required
Construction or Repair Work	Greater Than \$300,000	Three Required	Required

* See section 6.2b – Qualifications Based Selection

Purchases cannot be divided to avoid formal bidding requirements.

North Carolina General Statute 133-32 Gifts and Favors Regulated, is applicable to the City of Gastonia's procurement and contracting process.

PURCHASING FLOW CHART



5. PROCEDURES FOR REQUISITIONS AND NO PO PURCHASES

This section outlines the City's purchasing procedure. The procedure outlined is designed to take full advantage of a de-centralized purchasing system.

5.1 Requisition:

The Requisition initiates the procurement cycle. The receipt of the requisition with the required information and appropriate approvals gives the Purchasing Division the authority to issue a purchase order to the most suitable vendor. The Department Head or their designee must approve all requisitions within the department.

5.2 Completing the Requisition:

Once submitted through approval queues to the Purchasing Division level, Purchasing will review to ensure all applicable policy and procedures have been followed, as well as other relative information; including appropriate accounting information, documentation of quotations, etc. If Purchasing has questions concerning the requisition, it may be returned to the Department Head or their designee for a brief explanation. Each section of the requisition must be completed. Once the requisition has been approved and the related purchase order has been issued, department can proceed with purchase.

5.3 Authorization for No PO Purchases

Department Heads have been delegated the authority to approve purchases made under \$500 without going through the requisition system. Department Heads should only authorize purchases for necessary goods when proper documentation is provided and funds are available to make the purchase. This authorization verifies that the budgeted funds are available, the goods and or services have been received and the invoice has been coded to the proper account number.

6. VENDOR SELECTION

6.1 Selection Policy:

Vendors will be selected on a competitive basis. Formal bids and informal bids will be solicited by the requesting department. Bid awards, purchase orders and/ or contracts will be issued to the lowest, responsive, responsible bidder. The City of Gastonia will not use vendors who have been debarred by Federal, State, or Local governments.

6.2 Selection Procedures:

For the procurement of supplies, materials and/or equipment and for construction or repair, the Purchasing Division will observe the following procedures:

- a) North Carolina General Statute §143-129, Invitation for Formal Bids, will be used for purchases of \$90,000 and greater (\$300,000 and greater for construction and repairs). This will include advertising in the local newspaper and/or other advertising media as deemed appropriate and receiving sealed bids.

- b) North Carolina General Statute §143-131, Requisition for Written Quotation (RFQ), may be used for purchases of \$3,000 to \$89,999 with or without advertising. City policy requires obtaining documented quotes for purchases of more than \$3,000. All quotes should be attached to the Requisition before the purchase order is issued.

6.3 Deposits:

Deposits for the purchase of goods or services should be avoided unless the vendor is at risk of economic loss due to the product being custom-made. In these cases, a formal contract will need to be entered into by both parties. If a vendor insists on a deposit for non-custom-made products, then the bid should be awarded to the next lowest, responsible bidder. This policy should be provided to each potential bidder at the time of the RFQ. Vendors will be paid at the time of delivery for project materials, if requested by the vendor.

Note – See Appendix C (Page ??) for liability insurance requirements for vendors & contractors.

7. PURCHASE ORDERS

To be valid, a City Purchase Order must have been submitted and approved within appropriate Requisition approval queues and include electronic signature of the Purchasing Manager and the Director of Finance or their designee.

7.1 The Purchase Order Process:

A purchase order is a contract between the City and a vendor. The placement of orders by unauthorized City employees or officials will not be recognized by the City and payment of these obligations will not be approved. Obtaining supplies, materials, equipment or services without a purchase order, when required by policy, is an unauthorized purchase. (Except in emergency situations as outlined in Section 8.3 or when utilizing a City purchasing card as outlined in Appendix A). **Unauthorized purchases are classified as a personal expense and will be paid for by the employee.**

In order to properly process the vendor's invoice(s) for payment, the packing slips must indicate the purchase order number and be signed. An electronic Receiving Document shall be completed with appropriate documentation attached, and Accounts Payable should be notified that invoices for receipt of goods and/or services are approved for payment. This must be done immediately after the item(s) have been received, inspected and accepted by the user department.

7.2 Change Orders:

In order to change, modify, or cancel an existing purchase order, the user department must initiate a Change Order with the Department Head's or their designee's approval. All pertinent information needed to make changes should be completed. The Change Order is to also be submitted electronically through appropriate approval queues to the Purchasing Division for review and approval. If Purchasing has questions concerning the requisition, it may be returned to the Department Head or their designee for a brief explanation. Purchasing will be responsible for the distribution of paperwork to the vendor and requisitioning department.

Change Orders will not be allowed:

1. That would alter the procurement procedures that were used in the original process. (i.e., from informal to formal).

2. After the scope of services have been rendered or materials have been received.

8. SPECIAL PROCUREMENT PROCEDURES

8.1 Blanket Purchase Orders:

Purchasing will issue blanket purchase orders to selected vendors for the procurement of large volume, low cost items. Blanket purchase orders can also be utilized for ongoing, reoccurring charges that City departments incur throughout the year. An appropriate Receiving Document shall be processed before submitting department approved invoices to Accounts Payable. Any orders with an aggregate cost of \$3000 or more, require three (3) documented quotes before the order may be submitted.

Requisitions for blanket purchase orders must, in addition to the required information, indicate the following: items covered by the blanket purchase order, a Not to Exceed (NTE) amount in the appropriate column. It is the responsibility of the individual authorized to purchase under a blanket purchase order to insure that an unspent balance remains to cover the purchase to be made.

Any purchases made by personnel that are not authorized by the blanket purchase order requisition will be classified as a personal expense and will be paid by the employee.

8.2 Service Contracts:

a. Standard Service Contracts

All service contracts, for which the contractor will perform work while on City property, must be accompanied by a standard contract form. The contract must follow all signature procedures and contain all necessary insurance and payment options. The completed and signed contract must be reviewed by the City Attorney, signed by the City Manager or Mayor, pre-audited by the Finance Director, and be filed in the office of the Purchasing Manager. The executed contract should be referenced by an executed contract number in the department requisition that is forwarded to the Finance Department.

All Service Contracts, not professional service oriented, shall be subject to the same bidding requirements as Apparatus, Supplies, Materials, & Equipment.

In certain cases, it may be determined that it is in the City's best interest to waive the competitive bidding process and/or execution authority and negotiate for services with a specific vendor. This determination will be at the sole discretion of the City Manager on a case-by-case basis. Approval to waive these policy requirements must be documented by City Manager and shall be included with contract documentation.

b. Professional Service Contracts

Normal competitive procedures cannot be utilized in securing professional services such as attorneys, auditing services, planners, and other professional people who, in keeping with the standards of their discipline, will not enter into a competitive bidding process. The link below shows a definition and some examples of recognized professional service fields.

[Professional Services Definition - N.C.G.S. 55B-2\(6\)](#)

As per [N.C.G.S. § 143-64.31](#) Qualifications-Based Selection (QBS) is required for procuring services meeting these criteria. The City must use this process when selecting an architect, engineer, surveyor, construction manager at risk, design-builder, or ¹³private developer for a public-private partnership

development contract. When it has been determined that the City requires services of this nature, Requests for Qualifications (RFQ) shall be distributed to the identified professional service providers in the respected field of services sought. An announcement stating all requirements for the project shall be made. The requesting Department should identify and define the evaluation criteria required for the project and then utilize this criteria, in order to evaluate all responses and recognize the provider that is found to show the most demonstrated competence and qualification(s) for the type of professional services rendered.

c. Professional Service Contract Exemption

The City may choose to exempt itself from utilizing the QBS process, as allowed by [N.C.G.S. § 143-64.32](#) provided the estimated professional fee is in an amount less than fifty thousand dollars (\$50,000). This exemption may only be applied to any one specific project. This exemption shall be at the discretion of the City Manager and shall be submitted in the form of a memorandum to council stating the specific project to be exempted and the estimated fee.

Should you have any questions regarding contracts, please contact Purchasing for discussion.

8.3 Emergency Purchases and Confirming Purchase Orders:

a. Emergency Purchases

In cases of emergencies, the Department Head or their designee may purchase directly from any vendor; supplies or services whose immediate procurement is essential to prevent delays in work which may affect the life, health, or safety of City of Gastonia employees or citizens.

The user department shall exercise good judgment and use established vendors when making emergency purchases. Always obtain the best possible price and limit purchases to those items emergency related. Not anticipating needs does not constitute an emergency situation. First, determine if a true emergency does exist. Second, anticipate needs and avoid emergency situations whenever possible. Emergency orders are always costly. Vendors usually charge premium prices if supplies or services must be obtained on an emergency basis.

During working hours, the following procedure should be used for emergency purchases:

Contact the Purchasing Division and give all pertinent information to obtain a purchase order. The information needed will include vendor name, item(s) to be purchased with quantities, expenditure account to which the item(s) will be charged and the reason for the emergency purchase. After verifying available funds, a purchase order number will be issued for the expenditure and a confirming purchase order will be mailed to the vendor. Should the purchase over-encumber the account balance, a Budget Adjustment or Budget Amendment will need to be completed as soon as possible.

After working hours, the following procedure should be used for emergency purchases:

The packing slip or invoice received should be coded with the account(s) to be charged and signed. Please attach a brief explanation of the nature of the emergency, verify funds available and forward immediately to the Purchasing Division. Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures should be limited and will be monitored for abuse.

b. Confirming Purchase Orders

Confirming purchase orders will be used for emergency situations and unforeseen purchases that arise unexpectedly, for which time does not allow for routine processing. They are not designed to be used for convenience.

8.4 Sole Source of Supply:

In the event there is only one vendor capable of providing a particular good or service, the competitive pricing procedures outlined in this manual may be waived. "Sole Source" exceptions must be approved by Council as per G.S. 143-129. As this exception allows for no distinction between formal and informal procurement procedures, every effort should therefore be made to solicit bids from multiple sources and/or find another provider for these goods or services. Whenever a Department Head determines to purchase goods or services from a "sole source", a Sole Source Justification Form (Exhibit E) shall be filled out documenting why only one company or individual is capable of providing the goods or services required, and submitted for Council Approval. Once approved, Purchasing Division shall attach this form with the Vendor Record. This will allow the "sole source" exception to be utilized for all future orders, until such time as another provider is identified, company merger / vendor buy-out, etc. Sole source exceptions shall be reviewed every three (3) years to determine whether other potential suppliers for these goods and / or services are available.

Conditions to be met for "Sole Source" purchases:

- Performance or price competition for a product not available.
- A needed product is available from only one source of supply; or
- Standardization or compatibility is the overriding consideration.

8.5 Other Governmental Contracts & Group Purchasing Agreements:

a. State of North Carolina, GSA & Other Federal Purchase Contracts

The Purchasing Division may utilize the State of North Carolina Department of Administration Purchase and Contract Division, General Services Administration, and other Federal purchase contracts whenever possible for procurement of capital and non-capital items. These sources expedite the purchase of goods, offer pricing compatible with quotes received from formal and informal bids, and satisfy North Carolina General Statutes. Examples of goods on these contracts are: law enforcement vehicles, office furniture, copiers, janitorial supplies, copier paper, and light bulbs. When utilizing this process, the normal contract approval requirements apply. Contact the Purchasing Division with questions about which goods are on State, GSA and other Federal contracts.

b. Group Purchasing Agreements

As allowed by N.C.G.S § 143-129(e)(3) the City may use a competitive bidding group purchasing program, which is a formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies. This group purchasing exception shall only be considered when the organization can provide verifiable evidence of an open competitive bidding process, and includes an official bid tabulation clearly indicating the proposed provider was the lowest, responsible bidder. It is generally recommended City departments utilize some other competitive bidding processes, however this exception may be utilized for larger, more specialized goods or materials when other methods are not readily available.

Contact Purchasing Division should you have questions regarding any group purchasing programs and agreements.

8.6 Previously Bid Contracts Exception (Piggyback)

As allowed by N.C.G.S § 143-129(g), the City may waive the formal, competitive bidding requirements for purchases of apparatus, supplies, materials, or equipment. This exception is commonly referred to as the “piggyback” exception. Specific criteria regarding the structure of the contract, advertising, and Council approval, are only a few of the requirements that must be met in order for the City to utilize this exception. In the event that a Department believes the City would benefit by utilizing this exception, they should consult with Purchasing to ensure all criteria are met to allow for this exception, as well as formulating a schedule and checklist to meet all additional requirements and obligations.

8.7 Vehicle and Equipment Repair - Outsourcing of Service:

Procedures for outsourcing vehicle and equipment repairs, such as body repair, engine rebuilding, or any other service shall be handled by Equipment Services. Written estimates showing separate labor, material(s), and towing costs shall be submitted to the Purchasing Division with the completed requisition and appropriate signatures for purchase order processing. To provide the necessary cost and repair history of a vehicle for budgeting use, this should be handled and recorded on the vehicle’s fleet maintenance record.

8.8 Purchases of Information Technology Goods and Services

Given the complex and innovative nature of Information Technology goods and services, the City may utilize the procedures as allowed per [N.C.G.S § 143-129.8](#) for contracts that include combinations of purchase of goods, design, installation, training, operation, maintenance, and related services. The City may choose to utilize this process in addition to or instead of any other procedure available under North Carolina law. When utilizing this process, the normal contract approval requirements and authorities shall apply.

9. COMPETITIVE BIDS

9.1 Informal Bids-Supplies and Materials (\$3,000 - \$89,999):

The ordering department shall utilize the informal bidding process for purchases of \$3,000 to \$89,999. The informal bidding process for items above \$3,000 requires that competitive pricing be obtained in a written manner using a Request for Quotation (RFQ). These RFQ’s are sent to several sources who can supply the product(s) desired. Once received, and the quote deemed in the best interest of the City is determined, the department will submit a requisition to the Purchasing Division, and a purchase order shall be generated and sent to the successful bidder(s). Quotes must be in document form and may be submitted via U.S. Mail, email, fax, etc.

Every effort to obtain 3 quotes should be exercised.

9.2 Formal Bids-Supplies and Materials (\$90,000 and Greater):

When purchasing supplies, apparatus, materials and equipment with an expenditure of \$90,000 or more, the Department Head or their designee, in conjunction with the Purchasing Division, shall develop and prepare specifications for bidding. The Purchasing Division shall be responsible for ensuring that all North Carolina General Statutes are satisfied, including, but not limited to, newspaper advertisement and receipt of sealed bids.

After receipt of a bid, the Purchasing Division, with the Department Head or their designee, shall review all bid responses to determine the bid deemed in the best interest of the City. The Department Head or their designee shall make a formal recommendation of award, with supporting documentation to the City Manager, and the City Council. Upon City Council approval of the recommendation, the Purchasing Division shall initiate the purchase order and contract to the successful bidder(s).

Exception to the formal bid process made under the exception clauses of G.S.143-129(e), shall be awarded under the same authority levels as indicated within Purchasing Policy. City Manager authority for Construction & Repair contracts shall not exceed monetary amount of formal bidding requirements of G.S. 143-129. City Manager authority for all Contracts for services or other matters that do not concern either construction or repair, shall not exceed the monetary amount at which formal bidding procedures would be required under G.S. 143-129 for apparatus, supplies, materials or equipment contracts.

9.3 Informal Construction or Repair Contracts (Less than \$300,000):

Construction, renovation or repair work of less than \$300,000 shall be the responsibility of the Department Head, the contracted engineer, and other City officials as deemed necessary. The bid award will be made to the lowest responsive responsible bidder deemed in the best interest of the City. Upon approval by the City Manager and execution of the contract, the Department Head or their designee shall initiate a Requisition so that a purchase order can be generated to encumber the expenditure accounts and contact the successful bidder(s).

Every effort to obtain 3 quotes should be exercised.

9.4 Formal Construction or Repair Contracts (\$300,000 to \$499,999):

Construction contracts within this range shall be the responsibility of the Department Head and the Engineer and other City officials as deemed necessary. These officials are responsible for specification development. Projects and contracts within this range shall utilize the formal bidding process. After the formal bidding process is completed, the Department Head or their designee shall recommend to the City Manager the lowest responsive responsible bidder deemed in the best interest of the City. Upon award by the City Manager and execution of the contract, the Department Head shall initiate a Requisition form so that a purchase order can be generated to encumber the expenditure account.

9.5 Formal Construction or Repair Contracts (\$500,000 and greater):

Construction contracts within this range shall be the responsibility of the Department Head and the Engineer and other City officials as deemed necessary. These officials are responsible for specification development. After the formal bidding process is completed, the Department Head or their designee shall recommend to the City Council the lowest responsive responsible bidder deemed in the best interest of the City. Upon award by the City Council and execution of the contract, the Department Head shall initiate a Requisition form so that a purchase order can be generated to encumber the expenditure account.

10. SPECIFICATIONS

When goods or services are procured under the formal or informal bidding process, specifications must be prepared. All specifications, should do at least four things:

- a. Identify minimum requirements
- b. Encourage competitive bids

- c. Be capable of objective review
- d. Provide for an equitable award at the lowest possible cost.

Specifications shall be as simple as possible while maintaining the degree of exactness required to prevent bidders from avoiding supplying the goods or services required or otherwise taking advantage of their competitors.

All specifications utilizing a name brand must include the term "or approved equal" to avoid being restrictive and eliminating fair competition from the bidding process.

Different methods of structuring specifications include:

- a. Qualified products on acceptable vendor list
- b. Specification by blueprint or dimension sheet
- c. Specification by chemical analysis or physical properties
- d. Specification by performance, purpose or use
- e. Specification by identification with industry standards
- f. Specification by samples

11. DELIVERY AND PERFORMANCE

A completed and accepted purchase order by the parties concerned must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies or equipment.

The importance of the delivery schedule will be emphasized to the vendor. Delivery requirements will be clearly written and fully understood by all vendors. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is necessary to clearly indicate the delivery location on the Requisition form.

11.1 Partial Deliveries:

Some purchase orders may list several items. It is possible the vendor may complete timely delivery on some items, which are referred to as "partial deliveries". Upon receipt of a partial delivery, attach a copy of the signed delivery receipt, with respective invoice and forward to the Accounting Division.

11.2 Non-performance:

If a vendor fails to meet any requirement(s) of the specifications or terms and conditions of the contract or purchase order, the vendor can be cited for non-performance. The seriousness of non-performance will be evaluated based upon the circumstances of each violation.

12. INSPECTION AND TESTING

Life and safety as well as successful operation of expensive equipment and supplies may depend upon how well a purchased item meets the design and performance specifications.

Goods and materials should be checked at the time of receipt for damage or defects. The inspection shall include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) shall be rejected as outlined below.

12.1 Rejection:

In order to protect the City's rights in the event of rejection, for whatever reason, the vendor shall be informed immediately. Reasons for the rejection must be documented in memo form, attached to a copy of the purchase order and forwarded to the Purchasing Division in a timely manner. Purchasing will notify the vendor of the reason for the rejection.

12.2 Damaged Goods:

One of the major reasons for immediately inspecting the goods or materials upon receipt is to detect any visible damage. When it is apparent that the extent of the damage causes the goods to be worthless, they will not be accepted. It is necessary that all damage including evidence of concealed damage shall be documented by memo, attached to a copy of the purchase order and forwarded to the Purchasing Division so that Purchasing can inform the vendor of the damaged goods.

12.3 Latent Defects:

Latent defects may be the result of damage in transit or failure of the manufacturer to conform to specifications. Consequently, it is often difficult to fix responsibility for the defective material. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the City may file a claim against all parties. A memo attached to a photocopy of the purchase order must be forwarded to the Purchasing Division so all parties involved can be properly informed.

13. VENDOR RELATIONS

Good vendor relations are valuable business assets established through mutual confidence and satisfactory business relationships between buyer and seller. An important contribution toward promoting and preserving these relations is a clear understanding of the method of contract between buyer and seller.

The Purchasing Division maintains a vendor file for recording the performance of vendors the City engages in business. Should a department experience difficulty with or have a complaint with a particular vendor, document your concerns on a Vendor Performance Evaluation form provided in Exhibit (C). A memo to the Purchasing Division with your concerns will also suffice. Be as specific as possible, detailing the circumstances, dates, personnel involved (including titles) and phone numbers. This information will be helpful in determining if the vendor shall remain on the vendor list.

If it is determined that a certain vendor should be commended for its efforts, document the circumstances on the Vendor Evaluation Form and forward to the Purchasing Division.

Departments do not have the authorization to commit in writing, or verbally, future City business to vendors. If a department wishes to add a specific vendor or contractor to the bid list, the Purchasing Division shall be contacted.

14. AFTER THE ORDER

The procurement function is not accomplished by simply placing an order with a supplier. Satisfactory delivery must also be made. To ensure delivery will be made when required, follow-up is necessary.

Follow-up or expediting delivery of an order is part of the purchasing process and can be more efficiently handled by the purchasing party. For example:

Purchases initiated by the Ordering Department – the Ordering Department would expedite follow-up.

Purchases initiated by the Procurement Card process - follow-up will be by the purchaser.

15. WAREHOUSING

A warehouse is maintained by the Purchasing Division at the Operations Center at 1380 North Broad Street. An effort is made to keep in stock those items most commonly used by all departments. Computer printouts listing those commodities are available upon request and can be obtained by contacting the Purchasing Division at extension 6936. Should a department require these items, a representative from the department must pick up the items and complete a stock withdrawal requisition.

If a department has a recurring demand (need for particular items that exceed three times in a six-month period) for a particular item that is not stocked in the warehouse, the department may requisition that the warehouse stock this item. The procedure for requisitioning the stocking of additional items is through the completion of Exhibit D, Requisition to Stock Form.

Specific instructions for completing a Requisition to Stock form are as follows:

1. Description - A thorough description of the item requisitioned. When possible, please provide catalog data, drawings or pictures.
2. Recommended Initial Order Quantity - This is the quantity expected to be consumed in a 90-day period.
3. Recommended Minimum Stocking Quantity - This is the critical minimum quantity (i.e., a point that if stock were lower than this quantity, your performance would be compromised).
4. Adjusted Min/Max Numbers for Current Item - If the item requisitioned will be used in addition to a current item, advise with the new stocking quantities of the current item.

Upon completion of Exhibit D, the requisitioning department shall forward it to the Warehouse Supervisor for review. This review shall basically consist of determining the type of item being requisitioned. If the item being requisitioned replaces a current item, the Warehouse Supervisor shall determine the value of existing stock being replaced.

The same review process shall be taken with eliminated stock items, except there will be no new recommended min/max levels. These items shall be declared surplus/obsolete and processed in accordance with North Carolina General Statutes.

After the review, the Warehouse Supervisor shall assign a stock number to the item and initiate the proper purchasing procedures to generate a purchase order to encumber the expenditure accounts. Upon completion of this, the Warehouse Supervisor shall return a copy of the Requisition to Stock to the requisitioner indicating the new stock number and when the item was placed on order.

16. SURPLUS PROPERTY

The Purchasing Manager is authorized to dispose of any surplus personal property owned by the City whenever he or she determines, in his or her discretion that:

- The item or group of items has a fair market value of less than \$30,000;
- The property is no longer necessary for the conduct of public business; and,
- Sound property management principles and financial considerations indicate that the interests of the City would best be served by disposing of the property.

The Purchasing Manager may seek bids for an item that it is valued to be less than \$30,000, or the original price was less than \$30,000 and the department has declared it surplus.

The City Manager can approve selling the item to the highest bidder without the City Council's approval. (G.S. 160A-266(c)). This will be done through a resolution signed by City Manager.

The City Manager may dispose of any such surplus personal property by any means which he or she judges reasonable to yield highest attainable sale price in money or other consideration. Sales may be public or private and with or without notice and minimum waiting period.

Any item valued at more than \$30,000 can only be declared surplus by the City Council. This is done through a resolution passed by the Council. No surplus property may be donated to any individual or organization except by resolution of Council.

All City of Gastonia official(s) or employee(s) who is/(are) involved in the decision-making process to determine whether or not an item or items should be declared surplus is(are) barred from bidding on that item or item(s).

When disposing of property that is logged into the fixed asset system, you must write a memo to the Financial Analyst stating the:

- ◆ fixed asset number (if possible please attach the fixed asset tag)
- ◆ serial number
- ◆ description of item
- ◆ where item is located
- ◆ weight and dimensions of item
- ◆ if item is to be transferred to another department

When disposing of property that is not logged into the fixed asset system you must write a memo to the Purchasing Division stating the:

- ◆ serial number
- ◆ description of item
- ◆ where item is located
- ◆ weight and dimensions of item

Items that have been declared surplus are disposed of by a licensed North Carolina Auctioneer as required by the North Carolina Auction Law Chapter 85B of the General Statues.

Online Auctions shall also be utilized.

This policy approved by City Council and is effective the _____ day of _____, 20____.

Mayor

Attest:

(CORPORATE SEAL)

City Clerk

17. EXHIBITS

Exhibit A. Vendor Performance Evaluation Form

Exhibit B. Requisition to Stock Form

Exhibit C. Sole Source Justification Form

EXHIBIT A



Please take a moment to complete this vendor performance evaluation and return to the purchasing Division
Your prompt response is appreciated

Vendor: _____ Purchase Order No. _____

Date Promised: ____/____/____ Actual Delivery Date: ____/____/____

Date Ordered: ____/____/____

Department Responding: _____

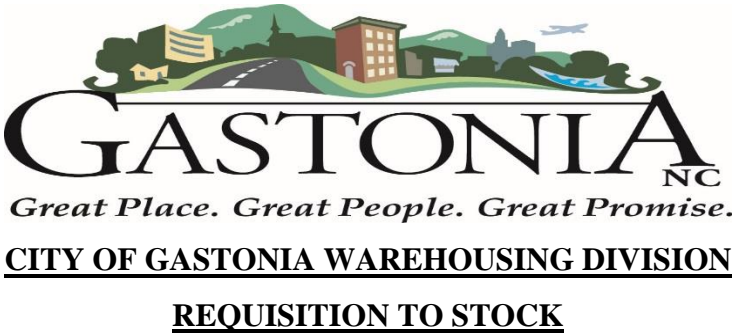
Details or Remarks:

- Continually suggests cost-savings possibilities
 - Has competitive prices
 - Holds backorders to a minimum
 - Anticipates our needs
 - Supplies current catalogs
 - Is prompt and accurate on technical assistance
 - Advises of any potential trouble
 - Promptly replaces rejected items
 - Is courteous and helpful
 - Has a sincere desire to serve
 - Delivers without constant follow-up
 - Expedites and handles all orders courteously
 - Has knowledge of products and industry
 - Keeps abreast of new product developments
 - Provides specified quality products
 - Handles complaints promptly
 - Delivers on or before agreed upon time
 - Produces adequate packaging
 - Identifies or marks packages correctly
 - Makes courteous deliveries
 - Provides proper and accurate delivery receipts
 - Accurately packs shipment lists with containers
 - Purchase order quantities are over or short
- Overall rating: rate this vendor for this purchase on a scale of 1-10 with (1) indicating unacceptable performance.

<u>Unacceptable</u>	<u>satisfied</u>	<u>extremely satisfied</u>
1	5	10

Quality of item
Service
Delivery
Comments:

EXHIBIT B



DEPARTMENT/DIVISION: _____ DATE: ____/____/____

DESCRIPTION: _____

ESTIMATED ANNUAL USAGE: _____

RECOMMENDED INITIAL ORDER QUANTITY: _____

RECOMMENDED MINIMUM STOCKING QUANTITY: _____

APPLICATION: _____

REASON FOR STOCKING: _____

REPLACES CURRENT STOCK ITEM NO. _____ YES ____ NO ____

ELIMINATE CURRENT STOCK ITEM NO. _____ YES ____ NO ____

ADJUSTED MIN/MAX NUMBERS FOR CURRENT ITEM: _____ MIN ____ MAX

SUGGESTED VENDOR(S): _____ CONTACT PERSON(S): _____

REQUISITIONED BY: _____

APPROVED BY: _____

DEPARTMENT HEAD OR DESIGNEE

PLEASE DO NOT WRITE BELOW THIS LINE

ACTION TAKEN: _____

BY: _____ DATE: ____/____/____

APPROVED: _____ DISAPPROVED _____

NEW STOCK NUMBER: _____

EXHIBIT C**Sole Source Justification Form**

Statutory Reference N.C.G.S. 143-129(e)(6)

Council Meeting Date: _____ Agenda Item: _____

Vendor Name _____

City Vendor Number _____

Item(s)

--

Estimated expenditure for item(s) listed above: _____

Please select all entries below that apply to the proposed purchase of item(s):
(A memo containing justification may be attached)

- ☐ Performance or price competition for a product are not available.
- ☐ A needed product is available from only one source of supply.
- ☐ Standardization or compatibility is the overriding consideration.

Justification

--

The undersigned requests that competitive procurement be waived and that the vendor identified as the supplier of the material or service described in this sole source justification be authorized as a sole source for the material or service.

Signed: _____ Date: _____

Approved by council the _____ day of _____, 20____

APPENDIX A**Purchasing Card Policy****Purpose/Introduction**

The purpose of a Purchasing Card Program is to provide an efficient, cost-effective method for purchasing and paying for goods and services costing less than \$3,000. Purchases over \$3,000 must be made with an approved Purchase Order, prior to initiating the purchase.

By using a purchasing card (Purchasing card), the traditional requisition-to-check process and associated costs are greatly reduced. Employees who have been issued Purchasing cards may initiate a transaction in-person, by telephone or via the Internet, within the limits of this policy.

Benefits of the Purchasing Card Program

- ◆ Transactions are completed quickly and conveniently
- ◆ Lower processing costs
- ◆ Increased control of expenditures through complete and timely reporting
- ◆ Allows card holder to purchase by phone and Internet
- ◆ Reduces delivery time
- ◆ One monthly payment to one merchant (Purchasing card provider)
- ◆ Improved cash flow management

Applicability

This policy is applicable Citywide to all personnel who are assigned a Purchasing card or review Purchasing card transactions. City Management and Department Heads may enact additional requirements dependent upon budget or resources available. Emergencies may preclude the applicability of this policy in certain circumstances.

Roles & Responsibilities**Card Issuer**

The bank or financial institution issuing Purchasing Cards to City of Gastonia employees and billing the City of Gastonia for purchases made.

Cardholder

An employee who is approved to use the Purchasing Card to execute purchases on behalf of the City of Gastonia.

Allocation Approver

Each Department Head may designate one or more Allocation Approvers for their department. The Allocation Approver will be responsible for reconciliation of transactions for other cardholders within their department. This designation will be at the Department Head's discretion and must be noted on the Purchasing Card Enrollment Form (Exhibit A). The Allocation Approver will follow all previously cited Cardholder responsibilities as well as obtaining and maintaining all receipts, records and documentation of the Cardholders assigned to them.

Reviewer

Personnel designated by the Department Head, and noted on the Purchasing Card Enrollment Form responsible for reviewing purchases of assigned cardholders to ensure that complete documentation is attached, allocation is correct and funds are available in the appropriate budget code.

Department Head

The City of Gastonia official who is ultimately responsible for card activity in his/her department. The Department Head has the authority to authorize the issuance of a card and may terminate the use of a card, as well as invoke disciplinary action, up to and including termination, when appropriate. The Department Head or their designee acts as Reviewer and Allocation Approver for all department Purchasing card transactions, excluding their own.

Purchasing Card Program Administrator

The central Administrator located in the City of Gastonia's Financial Services Department who coordinates the Purchasing Card Program for the City and acts as the intermediary with the bank/financial institution through which Purchasing cards are issued.

Cardholder Eligibility

Criteria to receive a Purchasing Card are as follows:

- ◆ Applicant must be a full-time, or permanent part-time (not seasonal) employee of the City of Gastonia, authorized to make purchases on behalf of the City.
- ◆ Purchasing Card Enrollment Form (Exhibit A) must be completed and signed by the Department Head and Director of Financial Services or their designee.
- ◆ Applicant must complete required training on purchasing and purchasing card policies and procedures.
- ◆ Applicant may be assigned another approved allocator to reconcile their transactions within the City's credit card software system.
- ◆ Each applicant must sign a Purchasing Card Cardholder Agreement (Exhibit B) indicating that they understand the intent of the program, and will comply with all guidelines and procedures of the policy as well as all other policies and NC General Statutes as they relate to the expenditure of City funds.

- ◆ The purchasing card shall be issued in the employee's name as the only authorized user. Sharing of cards is not allowed and will result in revocation of the card and possible disciplinary and/or legal action.

Key Cardholder Responsibilities

The Purchasing card may be used for expenses as determined by City policy. It is the Cardholder's responsibility to ensure the card is used within stated guidelines of this policy. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and disciplinary and/or legal action in accordance with City Policies and Procedures.

The Cardholder must:

- ◆ Ensure the Purchasing card is used for legitimate City business purposes only.
- ◆ Maintain the Purchasing card in a secure location at all times and should be carefully guarded.
- ◆ Ensure that budgeted funds are available, in the appropriate account, prior to making the purchase.
- ◆ Ensure that if the purchase is funded under a grant, that the purchase is allowable under the terms of the grant agreement and that the purchase is pre-approved pursuant to this policy.
- ◆ Obtain a copy of charge slip, itemized sales receipt and/or packing slips for all purchase transactions
- ◆ Retain all charge slips, itemized sales receipts, and packing slips and submit to their respective allocator for reconciliation through the Purchasing Card Issuer's software system.
- ◆ Attempt to resolve disputes or billing errors directly with the vendor and notify the Purchasing Card Administrator if the dispute or billing error is not satisfactorily resolved.,
- ◆ Immediately report a **LOST OR STOLEN** card to the Purchasing Card Issuer and the Purchasing Card Administrator.
- ◆ Report rejected transactions and emergency transaction needs to the Purchasing Card Administrator.
- ◆ Notify Program Administrator where there are changes to an employee's position, responsibilities or department/division that may affect limits or the need for a Purchasing Card by completing and submitting a Purchasing Card Change Form (Exhibit C).

- ◆ Return the Purchasing Card to the Purchasing Card Administrator upon terminating employment with the City or change in position that no longer requires purchasing card.

General Provisions

Transaction Limits

Transaction limits are established in Tiers, with lower tiers having a lower transaction limit. A transaction limit tier should be specified on the Purchasing Card Enrollment Form and based on the employee role as follows:

Tier	Employee Role	Daily Limit	Monthly Limit
1	Infrequent usage of purchasing card; items purchased are not of a critical nature to operations; other procurement methods can be utilized to meet needs if limit is reached.	Up to \$1,000	Up to \$10,000
2	More frequent use of purchasing card; items typically purchased may be of a higher value.	\$3,000	\$10,000
3	Frequently makes purchases for entire cost center, program, or multiple employees;	\$10,000	\$20,000
4	Acts as primary purchaser for large cost center(s). Also applies to cards that are used as an electronic payment method for suppliers in instances where purchasing card is the most reasonable option.	\$10,000 or Greater	\$20,000

Monthly limits beyond Tier 3 must be requested in writing by a Department Head to the Program Administrator and authorized by the Director of Financial Services and the City Manager

Spending Limit Adjustments:

- a. Temporary - Temporary adjustments to, Daily, or Monthly credit limits to a Purchasing Card must be submitted by the Department Head to the Purchasing Card Administrator and may be subject to review by the Director of Financial Services.
- b. Permanent – Permanent adjustments to Purchase, Daily or Overall credit limits to a Purchasing Card must be submitted by the Department Head, with proper justification, to the Purchasing Card Administrator and require the approval of the Director of Financial Services.

The Financial Services Department shall maintain records of all purchasing card requests, limits, cardholder transfers and lost/stolen/destroyed card information.

Card Security, Maintenance & Closure

All contact with the Purchasing Card Issuer for card set up, maintenance and closure (except for reporting lost or stolen cards) will be handled by the Purchasing Card Administrator.

It is the responsibility of cardholders to safeguard their Purchasing cards and account numbers to the same degree they would protect their personal credit information, and will be required to make contact directly with the Purchasing Card Issuer for forgotten PIN numbers. Cardholders shall not allow anyone else to use their card, including supervisors and co-workers. A violation of this trust may result in cardholders having their card revoked and possible disciplinary and/or legal action.

Lost or Stolen Card

Loss or theft of a card should be reported immediately to the Program Administrator, the cardholder's immediate supervisor and the purchasing card vendor. Cardholders should keep the customer service phone number for the provider in a safe place separate from the card for quick reference in the case of a lost card.

Online Purchasing Card Purchases

When making purchases via the Internet using a Purchasing card, it is not recommended that card information be "saved" for future purchases and transactions.

Cardholder Account Closure

The Purchasing Card Administrator is required to close an account if a Cardholder: (a) transfers to a different department or position where a Purchasing Card is no longer needed or required, (b) terminates employment, or (c) for any violations to the Purchasing card policy or other related City policies.

Name Change

Changes to a cardholder's name should be reported to the Program Administrator in writing by the cardholder's Department Head so a new card can be requested.

Inactive Cards

Periodically, purchasing cards shall be reviewed for inactivity. Cards that show no activity within a twelve (12) month period may either be deactivated or have their transaction limit reduced.

Purchasing Guidelines

The Purchasing card is designed to be an enhancement to the City's purchasing policy and payment process. It does not replace requirements to comply with existing State laws, City ordinances, policies or procedures regarding purchasing and/or travel.

Transaction Limits

Daily and Monthly limits are defined by the Transaction Limit Tiers. Any purchase over \$2,999.99 is still required to have 3 quotes and a Purchase Order in accordance with City of Gastonia Purchasing Policies. A lower Daily or Monthly transaction limit may be assigned to your Purchasing card based on available budgets or as directed by your Department Head.

During the month of June, purchases may be restricted to facilitate Fiscal Year End closing. It is imperative that careful planning is done to ensure that appropriate levels of supplies are on hand to last until the beginning of the new Fiscal Year.

Authorized Purchasing Card Use

Purchasing cards may be used with any vendor/merchant that accepts credit cards. The total value of the transaction shall not exceed a cardholder's single purchase limit. Examples of appropriate uses include purchases of:

- ◆ Materials
- ◆ Equipment
- ◆ Supplies
- ◆ Accommodations
- ◆ Airfare
- ◆ Training/Conference Registrations

Unauthorized Purchasing Card Use

Cardholders must comply with the City's Purchasing policies and procedures when using the Purchasing card.

Examples of unauthorized use include, but are not limited to the following:

- ◆ Personal purchases of any kind.
- ◆ Cash refunds or advances, money orders, gift cards/certificates or wire transfers.
- ◆ Purchases over the cardholder's transaction limits.
- ◆ Splitting of transactions into two or more transactions, with or without another employee, to avoid or circumvent the single purchase limit or competitive bidding/purchase order requirements.
- ◆ Entertainment or meals while traveling.
- ◆ Purchase of alcoholic beverages, controlled substances or prescription drugs.
- ◆ Fuel for City of Gastonia vehicles, except in an emergency, or while out of town on City business and the employee does not have a City issued fuel card.
- ◆ No cardholder shall be the sole approver for their own transactions.
- ◆ Use of the card by anyone other than the cardholder.

- ◆ Purchases that violate City policy.
- ◆ Purchases of \$3,000 or greater, without 3 quotes and a Purchase Order.

Cardholders shall be **personally responsible** for any expenditures on their card and shall provide, when requested, information about any specific purchase. This does not include transactions determined to be fraudulent charges.

If the Purchasing card is accidentally used by the cardholder for a personal purchase, the cardholder shall immediately notify the Program Administrator in writing and provide proof of re-payment through Customer Service with appropriate GL account codes.

Merchant Category Codes (MCC)

Each merchant that accepts credit cards has a standard code assigned to it that defines the category of goods or services. The City of Gastonia has restricted certain types of codes to comply with established purchasing policies and procedures. If a cardholder feels that their transaction is inappropriately denied due to the MCC, please notify the Purchasing Card Administrator.

Rejected Transactions

There may be certain situations when a vendor receives a decline message (rejected transaction) when processing your Purchasing Card transaction. If you do not know the reason for the decline, contact the Purchasing Card Administrator for an explanation. If purchase is being made outside of normal business hours, the employee must find an alternate payment method, or terminate the purchase, and contact the Purchasing Card Administrator during normal hours. The City may require that certain types of vendors be blocked from Purchasing Card use and transactions will be blocked at the point-of-sale level.

Receipts & Transaction Reconciliation

For the Purchasing Card process to operate efficiently and effectively, a timely response to all elements and procedures is required from all in order to ensure General Ledger inquiries are as accurate as possible.

Required Backup and Documentation

When purchases are made, the cardholder shall retain an itemized receipt. For cardholders who do not allocate their own transactions, all receipts must be turned in immediately to their Reviewer for reconciling purposes. Required receipt information is as follows:

- ◆ Merchant name and address
- ◆ Date of transaction
- ◆ Card number charged (partially encrypted)
- ◆ Quantity and description of item(s) purchased to include the departmental purpose serviced by the purchase if the business purpose is unclear (description must be decipherable by anyone reading the receipt)

- ◆ Project string (code) if related to Capital Project or Grant
- ◆ Amount charged to card
- ◆ Account codes for allocating charges

Grant Required Documentation

Prior to initiating any grant related expenditure, for which a purchasing card will be used, completion of the Grant Prior Authorization form (Exhibit D) is required. The cardholder must complete all required information, obtain all appropriate signatures, and submit to the Grants Manager. Approved copies should be retained at the departmental level for their records.

Retention of Receipts/Invoices

Copies of transaction receipts should be retained at the Department level for both the current Fiscal Year and one prior. The Purchasing Division will retain copies of statements, transaction receipts and related documentation for five (5) years to cover requirements as established by the NC Department of Archives Retention Schedule.

For grant reimbursed expenses, copies of statements, transaction receipts, and all related documents will be retained for the duration required under the grant agreement, which will typically begin after the date of the last reimbursement payment made to the City. All documentation shall be kept within the grant audit file at the departmental level and also in the Budget/Grants Division.

After the required retention time for receipts has been met, as outlined above, receipts and any accompanying documentation should be properly destroyed or shredded so as to protect any sensitive financial and customer information.

Allocation of Charges

It is imperative that all allocation lines are applied to appropriate account codes, are allocated at the correct amounts, and all policy requirements have been met for each transaction. Allocators and Approvers should be reviewing each line item thoroughly before signing off on any receipt, ensuring transaction lines are correct, and minimizing the need for corrective G/L journal entries.

In order to keep the G/L updated and accurate, transactions are to be allocated and signed off on daily basis. Employee absences should be anticipated and contingency plans put in place so that the process flow will not be delayed. Repeated failure to comply with these guidelines in a timely manner may result in cancellation of the Purchasing Card.

Statements

Purchasing Card Statements, including all cardholder transactions, will be submitted to departments for review and must be signed and approved by the cardholder's Department Head. These statements shall include a receipt for every transaction and returned to the Purchasing Card Administrator as soon as possible. Department Heads may sign their own statements. Signed statements should be submitted to Purchasing no later than 4 weeks from the date they were issued.

Returns, Credits & Disputed Transactions and Billing Errors

Returns and Exchanges

The cardholder is responsible for contacting the merchant when goods, equipment or supplies purchased with a Purchasing Card are not acceptable (incorrect, damaged, defective, etc) and for arranging a return for credit or exchange. If items are returned for credit, the cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with supporting documentation. **Under no circumstances should you accept cash or store credit (including gift cards) in lieu of a credit to the Purchasing Card account.**

If items need to be exchanged, the cardholder is responsible for returning the items to the merchant and obtaining a replacement as soon as possible.

Disputes and Billing Errors

Each cardholder or reviewer should always attempt to resolve any disputes or billing errors directly with the supplier. In most cases, the supplier will issue a credit to the Purchasing Card account. Nearly all issues can be resolved in this matter but, if an agreement cannot be reached with the vendor, you should contact the Purchasing Card Administrator. Receipts and the retention of such, and all supporting documentation, are the same as those for the original transaction.

Sales and Use Tax

Purchases from Vendors Located in North Carolina – The City of Gastonia is NOT exempt from paying North Carolina sales tax, therefore, as you place an order with the vendor, you should emphasize that the purchase must include sales tax on all taxable items. It is the Cardholder's responsibility to make sure that sales tax is included on all taxable transactions.

Purchases from Vendors Located Outside North Carolina – Some vendors located outside North Carolina collect sales tax and remit this tax directly to the State. The individual receipt provided should indicate whether any out-of-state sales tax has been collected at the point of sale. Some out of state vendors do not charge North Carolina sales tax. It is the City of Gastonia's responsibility to file a return and remit the tax due directly to the NC Department of Revenue. The cardholder should review all invoices carefully to verify that the sales tax has been included. If sales tax has not been included, the Cardholder and/or reviewer should note this on their reconciliation.

Items that are not related to Sales Tax:

- ◆ Occupancy Tax (hotel and motel stays)
- ◆ Electricity and Telecommunications Services
- ◆ Airline Fares & Charges

Audits

All Purchasing Card activity is subject to routine monitoring and audits by the assigned Department Head, Purchasing Card Administrator, Financial Services staff or external auditors. The overall objective of these audits is to ensure compliance with the policy and make certain that proper management controls are maintained over the authorization and use of the Purchasing Card, and identify potentially fraudulent, improper or abusive purchases.

Unsatisfactory results of audit or deviations from policy and procedure guidelines shall be provided to the Purchasing Card Administrator and Director of Financial Services for appropriate action, up to and including disciplinary action or legal proceedings.

Identifying and Reporting Fraudulent, Improper or Abusive Activity

With the common goal to provide the citizens of the City of Gastonia with an honest, effective and efficient City government, it is the cardholder's duty to report all suspected instances of fraud and abuse to the Purchasing Card Administrator or appropriate management.

Fraudulent Purchases

Use of a Purchasing Card to acquire goods or services that are unauthorized and intended for personal use or gain constitutes fraud against the City.

Improper Purchases

Purchasing Card transactions that are intended for City use but are not permitted by law, regulations or City policy generally are considered improper. Purchasing Card purchases must be delivered directly to a place where official City business is conducted.

Abusive Activity

Purchases of authorized items at terms (e.g. price, quantity) that are excessive, are for a questionable government need, or both are considered abusive. Costs and quantities should be reasonable and comparable for similar goods and services.

Questions & Contact Information

Questions regarding issues not addressed in the Purchasing Card Policy should be addressed to the Purchasing Card Administrator.



**Financial Services Department
Purchasing Card – Cardholder Enrollment Form**

I. EMPLOYEE/CARDHOLDER INFORMATION

Name _____

Position/Title _____ Employee ID _____

Department: _____ Division/Budget Code _____

Will this Cardholder replace another employee previously in this role? ☐ Y ☐ N
If so, please indicate: _____

*****Purchasing Card Training will be required before Cardholder is issued a Purchasing Card*****

II. STANDARD CARD LIMITS (Select one)

	<u>Daily</u>	<u>Transaction</u>	<u>Monthly</u>
<input type="checkbox"/> I.	\$1,000	\$1,000	\$10,000
<input type="checkbox"/> II.	\$3,000	\$3,000	\$10,000
<input type="checkbox"/> III.	\$10,000	\$10,000	\$20,000
<input type="checkbox"/> IV.	>\$10,000	\$10,000	\$20,000

III. TRANSACTION RECONCILIATION (Select one)

☐ Cardholder will be responsible for reconciling transactions in Purchasing Card System.

☐ Cardholder will have an Allocation Approver responsible for reconciling his / her transactions.

➤ Please indicate name of Allocation Approver: _____

IV. COMMENTS:

V. APPROVALS:

Dept. Head: _____ Date: _____

Finance: _____ Date: _____

SUBMIT TO: PURCHASING MANAGER

Exhibit B

**Purchasing Card – New Cardholder Agreement**

- I will be expected to use the City of Gastonia Purchasing Card issued to me as directed by my supervisor under the provisions of the Cardholder Manual.
- I will not permit another person to use the City of Gastonia Purchasing Card issued to me. Any such purchases made with my card will be considered to have been made by me and will be my responsibility.
- I will be responsible for the safe keeping of the City of Gastonia Purchasing Card issued to me. If the card becomes lost or stolen, I will report its loss immediately to Bank of America at 1-800-300-3084. I will also report it to my Department Liaison and the Purchasing Card Administrator during normal office hours.
- I understand that my personal credit will not be affected by any use of the City of Gastonia Purchasing Card.
- **The use of a City of Gastonia Purchasing Card to procure goods and services for other than the official use of the City of Gastonia is fraudulent use. An employee guilty of fraudulent use will be subject to disciplinary action up to and including termination and will be subject to legal action.**

I have read, understand and agree to the conditions above:

Sign: _____

Date: _____

CARD RECEIPT:

Card Account Number: _____

Date Issued to Cardholder: _____

Single Purchase Limit: _____

Monthly Purchase Limit: _____



Exhibit C

Financial Services Department Purchasing Card Change Form

Current Cardholder Information

Employee Name	Employee Number	Purchasing card – Last 4 digits
Department/Division	Budget Code	Supervisor's Name

Changes Requested

Please mark the changes requested City of Gastonia Procurement Card and/or the cardholder as follows:

(PLEASE MARK ALL THAT APPLY)

- | | |
|---|---|
| <input type="checkbox"/> Name Change
<input type="checkbox"/> Card/Transaction Limit Change
<input type="checkbox"/> Effective Date of Change(s) _____
<input type="checkbox"/> Other: _____ | <input type="checkbox"/> Position/Title Change
<input type="checkbox"/> New Department/Division
<input type="checkbox"/> Change of Allocator/Approver |
|---|---|

DO NOT USE THIS FORM FOR LOST, STOLEN OR MISPLACED CARDS. Those should be reported immediately to the Purchasing Card Program Administrator, the cardholder's supervisor and the purchasing card vendor.

Detailed Description of Changes Requested and Justification:**Signatures/Approvals**

Employee Signature	Date	Department Head Signature	Date
--------------------	------	---------------------------	------

Exhibit D



**Financial Services Department
Purchasing Card – Grant Prior Authorization Form**

I. EMPLOYEE/CARDHOLDER INFORMATION

Name _____

Position/Title _____ Employee ID _____

Department: _____ Division/Budget Code _____

II. GRANT INFORMATION

Name of Grant _____

Grant Cost Center Code (if any) _____

Grant Manager: _____

III. TRANSACTION INFORMATION

Vendor _____

Item _____

Amount: _____

Purpose: _____

Both items must be accurate to proceed:

☐ Cost is allowable under the Grant Terms and Conditions

☐ Cost is budgeted and approved under Grants Terms and Conditions

V. APPROVALS:

Requestor: _____ Date: _____

Supervisor: _____ Date: _____

SUBMIT TO GRANTS MANAGER UPON COMPLETION

Appendix B

Procurement Guidelines for OMB Uniform Guidance

Below is a summary of the required methods of procurement as of the date of this document; however, it does not include all the procurement requirements surrounding Federal and state grant programs. Please make sure you familiarize yourself with the entire Uniform Guidance requirements as detailed at the link below.

[OMB Uniform Guidance Procurement Requirements](#)

Departments should be aware that the OMB thresholds included below are subject to changes and adjustments, based on inflation rates. Additionally, whenever there is a variance in OMB requirements and local policy, the more restrictive requirements should be followed in order to be compliant. Refer to the charts below for aid in how to proceed. While the charts below will be amended with current thresholds and steps as timely as possible, departments should always be sure to review and confirm that the most current processes are being utilized.

The Office of Management & Budget (OMB) Uniform Guidance requires the grantee to use one of the following methods of procurement:

- **Micro-purchase:** Purchases where the aggregate dollar amount does not exceed \$10,000 (or \$2,000 if the procurement is construction and subject to Davis-Bacon). When practical, the entity should distribute micro-purchases equitably among qualified suppliers. No competitive quotes are required if management determines that the price is reasonable.
- **Small purchase:** Includes purchases up to the Simplified Acquisition threshold, which is currently \$250,000. Informal purchasing procedures are acceptable, but price or rate quotes must be obtained from an adequate number of sources.
- **Sealed bids:** Used for purchases over the Simplified Acquisition Threshold, which is currently \$250,000. Under this purchase method, formal solicitation is required, and the fixed price (lump sum or unit price) is awarded to the responsible bidder who conformed to all material terms and is the lowest in price. This method is the most common procurement method for construction contracts.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

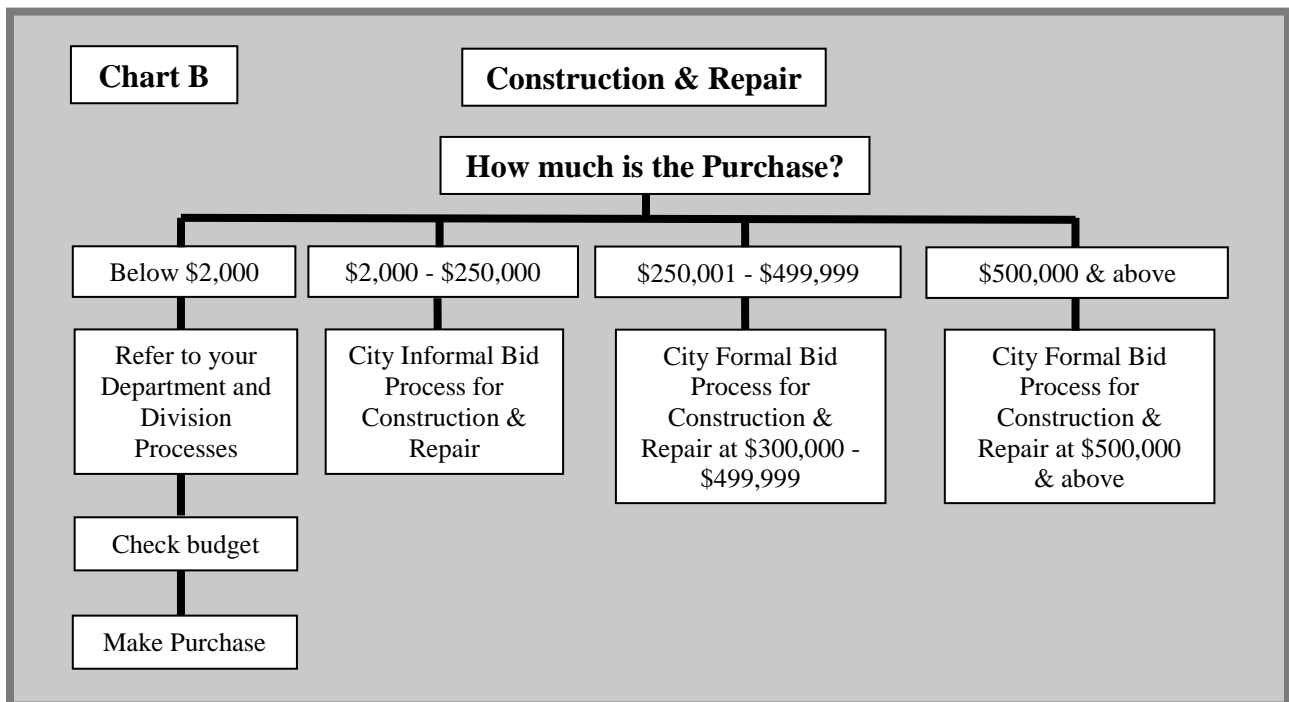
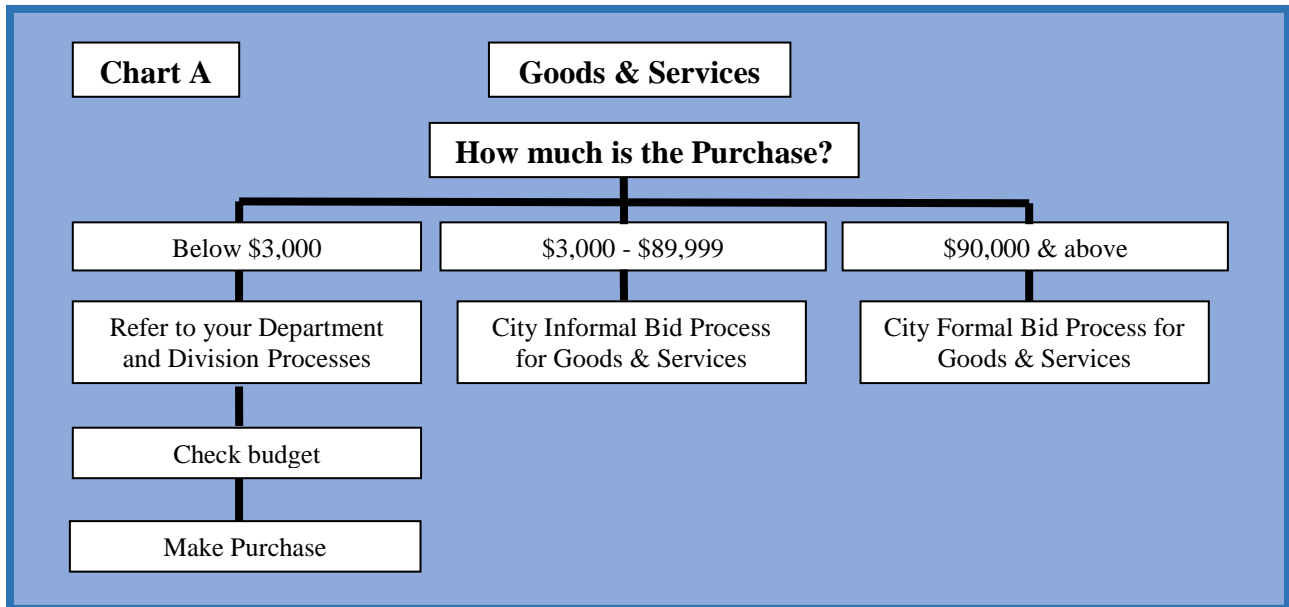
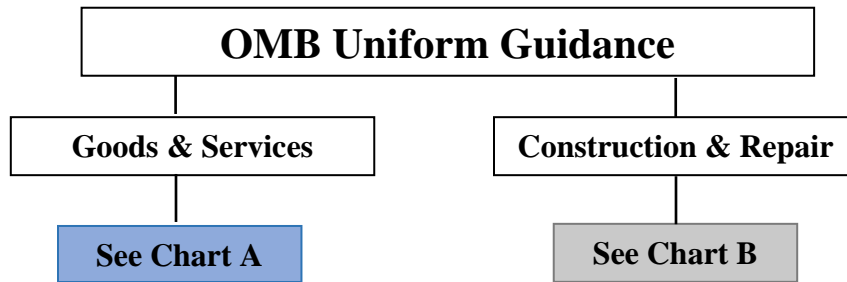
- (i) A complete, adequate, and realistic specification or description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
- (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

- (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, and the invitation for bids must be publically advertised;
- (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- (iii) All bids will be opened at the time and place prescribed in the invitation for bids, and the bids must be opened publicly;
- (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

- (v) Any or all bids may be rejected if there is a sound documented reason.
- Competitive proposals: Used for purchases over the Simplified Acquisition Threshold, which is currently \$250,000. This procurement method requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors.
 - (i) Competitive proposals: Used for purchases over the Simplified Acquisition Threshold, which is currently \$250,000. This procurement method requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors.
 - (ii) Proposals must be solicited from an adequate number of qualified sources;
 - (iii) There must be a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - (iv) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the grant program, with price and other factors considered; and
 - (v) Competitive proposal procedures may be used for qualified-based procurement of architectural / engineering professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in the procurement of architectural / engineering professional services. It cannot be used to purchase other types of services through architectural / engineering firms as a potential source to perform the proposed effort.
- Non-competitive proposals: Also known as sole-source procurement, this may be appropriate only when specific criteria are met. Examples include when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, when the Federal awarding agency authorizes, or after a number of attempts at a competitive process, the competition is deemed inadequate.

OMB Uniform Guidance FLOW CHART



Note – Differences in the thresholds of these charts from the defined thresholds cited in the Procurement Methods paragraphs above, are due to OMB requirements that the most restrictive guidelines are to be utilized in order to be deemed compliant.

APPENDIX C

CITY OF GASTONIA
SUMMARY OF LIABILITY INSURANCE REQUIREMENTS FOR
VENDORS, CONTRACTORS, AND ORGANIZATIONS SPONSORING SPECIAL EVENTS

EFFECTIVE 07/01/02 (REVISED 4/17/12, 4/15/14)

I) VENDORS

- A) SIDEWALK VENDORS / RESIDENTIAL CURB-CUT VENDORS - The insurance certificate must include:
- i. Commercial general liability insurance covering bodily injury and property damage with limits of not less than \$300,000 per occurrence.
 - ii. The City must be named as additionally insured on the insurance certificate.
 - iii. In addition, the vendor must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any work performed for the City or on City property.
- B) SKILLED TRADES AND SMALL BUSINESSES WORKING FOR THE CITY OR CONDUCTING THEIR BUSINESS ON CITY PROPERTY - Skilled trades include such professions as electricians, plumbers, carpenters, roofers, heating/air conditioning technicians, carpet installers, fence installers, concrete and masonry contractors, and mowing contractors. Small businesses, other than sidewalk vendors and residential curb cut vendors, performing work on behalf of the City or on City property are also included in this group. The insurance certificate for this group must include:
- i. Commercial general liability insurance covering bodily injury and property damage with limits of not less than \$1,000,000 per occurrence, and at least \$1,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
 - ii. If the skilled trade or business has (3) or more employees, including the owner, the certificate must also include employers liability insurance (workers compensation) in accordance with statutory requirements with limits of not less than \$100,000 for each accident.
 - iii. In addition, projects requiring employees of the skilled trade or small business to drive onto City property, or transport City employees or clients, or to use its vehicles on City property will require auto liability insurance, which must cover bodily injury and property damage liability on all owned, non-owned, and hired vehicles for a limit of at least \$1,000,000 per occurrence, or the equivalent utilizing excess or umbrella coverage.
 - iv. The City must be named as additionally insured on the insurance certificate for all coverage, except professional liability.
 - v. In addition, the skilled trade or small business must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any work performed for the City or on City property.

II) CONTRACTORS

A) PROJECTS UP TO \$1,000,000- Contractors with projects up to \$1,000,000 are included in this category. The insurance certificate for this group must include:

- i. Projects requiring the contractor to provide consulting services from architects, engineers, or other technical areas of expertise will require professional liability insurance of at least \$1,000,000 for each claim.
- ii. The certificate must also include commercial general liability insurance covering bodily injury and property damage with limits of not less than \$1,000,000 per occurrence, and at least \$1,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
- iii. If the contractor has (3) or more employees, including the owner, the certificate must also include employers liability insurance (workers compensation) in accordance with statutory requirements with limits of not less than \$100,000 for each accident.
- iv. In addition, projects requiring the contractor to drive onto City property, or transport City employees or clients, or to use the contractor's vehicles on City property will require auto liability insurance, which must cover bodily injury and property damage liability on all owned, non-owned, and hired vehicles for a limit of at least \$1,000,000 per occurrence, or the equivalent utilizing excess or umbrella coverage.
- v. Also the contractor must furnish a performance bond and builder's risk policy in an amount at least equal to the contract price as security for the faithful performance and payment of all contractors' obligations under the contract.
- vi. When the contractor and/or his employees have access to monies or properties of the City, the contractor will provide a fidelity bond at a limit of not less than \$50,000 (depending on where the contractor will be working).
- vii. The City must be named as additionally insured on the insurance certificate for all coverage, except professional liability.
- viii. In addition, the contractor must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any work performed for the City or on City property.

B) TRADES WITH SPECIAL RISKS / PROJECTS GREATER THAN \$1,000,000 BUT LESS THAN \$2,000,000 - *Trades with special risks include technicians who repair and maintain rolling stock vehicles, construction equipment, elevators, cranes, airplanes, or individuals who spread chemicals, demolish buildings, supervise and conduct blasting, remove asbestos, or conduct carnival rides. Contractors involved in projects greater than \$1,000,000 but less than \$2,000,000 are also included in this category. The insurance certificate for this group must include:*

- i. Projects requiring the contractor to provide consulting services from architects, engineers or other technical areas of expertise will require professional liability insurance of at least \$1,000,000 for each claim.

- ii. The certificate must also include commercial general liability insurance covering bodily injury and property damage with limits of not less than \$2,000,000 per occurrence, and at least \$2,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
- iii. In addition, the certificate must include employers liability insurance (workers compensation) in accordance with statutory requirements with limits of not less than \$100,000 for each accident.
- iv. Further, projects requiring the contractor to drive onto City property, or transport City employees or clients, or to use the contractor's vehicles on City property will require auto liability insurance, which must cover bodily injury and property damage liability on all owned, non-owned, and hired vehicles for a limit of not less than \$2,000,000 per occurrence, or the equivalent utilizing excess or umbrella coverage.
- v. Also building and construction contractors must furnish a performance bond and builder's risk policy in an amount at least equal to the contract price as security for the faithful performance and payment of all contractors' obligations under the contract.
- vi. When the contractor and/or his employees have access to monies or properties of the City, the contractor will provide a fidelity bond at a limit of not less than \$50,000 (depending on where the contractor will be working).
- vii. The City must be named as additionally insured on the insurance certificate for all coverage, except professional liability.
- viii. In addition, the contractor must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any work performed for the City or on City property.

C) PROJECTS GREATER THAN \$2,000,000 BUT LESS THAN \$3,000,000 AND ORGANIZATIONS RELOCATING BUILDINGS IN CITY LIMITS - *Contractors involved with projects greater than \$2,000,000 but less than \$3,000,000 AND organizations that are relocating buildings within the City limits are included in this category. The insurance certificate for this group must include:*

- i. Projects requiring the contractor to provide consulting services from architects, engineers or other technical areas of expertise will require professional liability insurance of at least \$1,000,000 for each claim.
- ii. The certificate must also include commercial general liability insurance covering bodily injury and property damage with limits of not less than \$3,000,000 per occurrence, and at least \$3,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
- iii. In addition, the certificate must include employers liability insurance (workers compensation) in accordance with statutory requirements with limits of not less than \$100,000 for each accident.
- iv. Further, projects requiring the contractor to drive onto City property, or transport City employees or clients, or to use the contractor's vehicles on City property will require auto liability insurance, which must cover bodily injury and property damage liability on all owned, non-owned, and hired vehicles for a limit of not less than \$3,000,000 per occurrence, or the equivalent utilizing excess or umbrella coverage.

- v. Also the contractor must furnish a performance bond and builder's risk policy in an amount at least equal to the contract price as security for the faithful performance and payment of all of the contractor's obligations under the contract.
- vi. When the contractor and/or his employees have access to monies or properties of the City, the contractor will provide a fidelity bond at a limit of not less than \$50,000 (depending on where the contractor will be working).
- vii. The City must be named as additionally insured on the insurance certificate for all coverage, except professional liability.
- viii. In addition, the contractor must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any work performed for the City or on City property.

D) *PROJECTS GREATER THAN \$3,000,000 - Department personnel must consult with the City's Risk Management staff in Human Resources prior to bidding such projects to determine the type and amount of coverage needed.*

III) SPECIAL EVENTS SPONSORED BY ORGANIZATIONS

A) *FOR-PROFIT ORGANIZATIONS SPONSORING SPECIAL EVENTS ON CITY PROPERTY INVOLVING UP TO 1,000 INDIVIDUALS - The insurance certificate must include:*

- i. Commercial general liability insurance covering bodily injury and property damage with limits of not less than \$1,000,000 per occurrence, and at least \$1,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
- ii. Events requiring volunteers or agents of the organization to drive onto City property, or transport City employees or clients, or to use the volunteer's or agent's vehicles on City property will require auto liability insurance, which must cover bodily injury and property damage liability on all owned, non-owned, and hired vehicles for a limit of not less than \$1,000,000 per occurrence, or the equivalent utilizing excess or umbrella coverage.
- iii. If an organization will be serving alcoholic beverages for the City or will be serving alcoholic beverages in conjunction with its conducting business on City property, the insurance certificate must include liquor liability coverage in an amount not less than \$1,000,000 per occurrence.
- iv. The City must be named as additionally insured on the insurance certificate for all coverage.
- v. In addition, the organization must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any activity performed for the City or on City property.

B) FOR-PROFIT ORGANIZATIONS SPONSORING SPECIAL EVENTS ON CITY PROPERTY INVOLVING MORE THAN 1,000 INDIVIDUALS - *The insurance certificate must include:*

- i. Commercial general liability insurance covering bodily injury and property damage with limits of not less than \$2,000,000 per occurrence, at least \$2,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
- ii. Events requiring volunteers or agents of the organization to drive onto City property, or transport City employees or clients, or to use the volunteer's or agent's vehicles on City property will require auto liability insurance, which must cover bodily injury and property damage liability on all owned, non-owned, and hired vehicles for a limit of not less than \$1,000,000 per occurrence, or the equivalent utilizing excess or umbrella coverage.
- iii. If an organization will be serving alcoholic beverages for the City or will be serving alcoholic beverages in conjunction with its conducting business on City property, the insurance certificate must include liquor liability coverage in an amount not less than \$1,000,000 per occurrence.
- iv. The City must be named as additionally insured on the insurance certificate for all coverage.
- v. In addition, the organization must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any activity performed for the City or on City property.

C) FOR-PROFIT ORGANIZATIONS SPONSORING SPECIAL EVENTS ON CITY PROPERTY INVOLVING HAZARDOUS ACTIVITIES - *This category includes events with fireworks, air show activities, or major construction events utilizing volunteers. The insurance certificate for this group must include:*

- i. Commercial general liability insurance covering bodily injury and property damage with limits of not less than \$5,000,000 per occurrence, at least \$5,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
- ii. Events requiring volunteers or agents of the organization to drive onto City property, or transport City employees or clients, or to use the volunteer's or agent's vehicles on City property will require auto liability insurance, which must cover bodily injury and property damage liability on all owned, non-owned, and hired vehicles for a limit of not less than \$1,000,000 per occurrence, or the equivalent utilizing excess or umbrella coverage.
- iii. If an organization will be serving alcoholic beverages for the City or will be serving alcoholic beverages in conjunction with its conducting business on City property, the insurance certificate must include liquor liability coverage in an amount not less than \$1,000,000 per occurrence.
- iv. The City must be named as additionally insured on the insurance certificate for all coverage.

- v. In addition, the organization must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any activity performed for the City or on City property.

IV) SPECIAL EVENTS SPONSORED BY NON-PROFIT ORGANIZATIONS AND INDIVIDUALS

A) NON-PROFIT ORGANIZATIONS AND INDIVIDUALS SPONSORING SPECIAL EVENTS ON CITY PROPERTY INVOLVING UP TO 1,000 INDIVIDUALS AND NO ALCOHOL BEING SERVED -

- i. Insurance is not required
- ii. The organization must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any activity performed for the City or on City property.

B) NON-PROFIT ORGANIZATIONS AND INDIVIDUALS SPONSORING SPECIAL EVENTS ON CITY PROPERTY INVOLVING UP TO 1,000 INDIVIDUALS AND SERVING ALCOHOL The insurance certificate for this group must include:

- i. Commercial general liability insurance covering bodily injury and property damage with limits of not less than \$1,000,000 per occurrence, at least \$1,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
- ii. If an organization will be serving alcoholic beverages for the City or will be serving alcoholic beverages in conjunction with its conducting business on City property, the insurance certificate must include liquor liability coverage in an amount not less than \$1,000,000 per occurrence.
- iii. The City must be named as additionally insured on the insurance certificate for all coverage.
- iv. In addition, the organization must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any activity performed for the City or on City property.

C) NON-PROFIT ORGANIZATIONS AND INDIVIDUALS SPONSORING SPECIAL EVENTS ON CITY PROPERTY INVOLVING MORE THAN 1,000 INDIVIDUALS

- i. Commercial general liability insurance covering bodily injury and property damage with limits of not less than \$2,000,000 per occurrence, at least \$2,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
- ii. Events requiring volunteers or agents of the organization to drive onto City property, or transport City employees or clients, or to use the volunteer's or agent's vehicles on City

property will require auto liability insurance, which must cover bodily injury and property damage liability on all owned, non-owned, and hired vehicles for a limit of not less than \$1,000,000 per occurrence, or the equivalent utilizing excess or umbrella coverage.

- iii. If an organization will be serving alcoholic beverages for the City or will be serving alcoholic beverages in conjunction with its conducting business on City property, the insurance certificate must include liquor liability coverage in an amount not less than \$1,000,000 per occurrence.
- iv. The City must be named as additionally insured on the insurance certificate for all coverage.
- v. In addition, the organization must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any activity performed for the City or on City property.

D) NON-PROFIT ORGANIZATIONS AND INDIVIDUALS SPONSORING SPECIAL EVENTS ON CITY PROPERTY INVOLVING HAZARDOUS ACTIVITIES - This category includes events with fireworks, air show activities, or major construction events utilizing volunteers. The insurance certificate for this group must include:

- i. Commercial general liability insurance covering bodily injury and property damage with limits of not less than \$5,000,000 per occurrence, at least \$5,000,000 aggregate; or the equivalents utilizing excess or umbrella coverage.
- ii. Events requiring volunteers or agents of the organization to drive onto City property, or transport City employees or clients, or to use the volunteer's or agent's vehicles on City property will require auto liability insurance, which must cover bodily injury and property damage liability on all owned, non-owned, and hired vehicles for a limit of not less than \$1,000,000 per occurrence, or the equivalent utilizing excess or umbrella coverage.
- iii. If an organization will be serving alcoholic beverages for the City or will be serving alcoholic beverages in conjunction with its conducting business on City property, the insurance certificate must include liquor liability coverage in an amount not less than \$1,000,000 per occurrence.
- iv. The City must be named as additionally insured on the insurance certificate for all coverage.
- v. In addition, the organization must indemnify and save harmless the City of Gastonia, its officers, agents, and employees from any claims arising out of any activity performed for the City or on City property.