



## Doing Business with the City of Hardeeville

The City has both **formal** and **informal** procurement procedures. Informal procedures are used when the City makes purchases less than \$25,000 and formal procedures are used when purchases exceed \$25,000.

### Formal Procedures

There are two types of formal procedures: **Competitive Bidding** and **Competitive Selection**.

**Competitive Bidding** is used to procure labor, materials and supplies in excess of \$25,000. The major features of Competitive Bidding include:

- Use of Specifications which include standard "boilerplate" & technical requirements
- Contract award is based on lowest RESPONSIVE & RESPONSIBLE Bidder
- Bid Security usually in the amount of 5% of the bid price is required
- 5% Local Hardeeville (City Limits) preference for Material & Supply purchases
- No negotiation of contract terms is permitted
- City Council approval is required if the contract is greater than \$25,000
- Contractor may be required to provide Performance and/or Payment Bonds
- General liability and workers' compensation insurance is required

**Competitive Selection** is used for professional or unique service in excess of \$25,000. The major features of Competitive Selection include:

- Use of Request for Proposals/Request for Qualifications
- Contract award is based on a variety of factors e.g. experience of firm, experience of project team, references, price
- 5% Local Hardeeville (City Limits) preference
- Negotiation of contract terms is permitted
- City Council approval is required if the contract is greater than \$25,000
- Professional Errors & Omissions Insurance as well as general liability and workers' compensation insurance is required.

### Informal Procedures

Informal procedures are used whenever the City contracts for labor, materials, supplies or services less than \$25,000.

- *Informal quotations obtained via fax or e-mail or. Three quotes are required for purchases over \$500.*
- *Selection may be based on criteria other than price*
- *5% Local Hardeeville (City Limits) preference*
- *General liability and workers' compensation insurance may be required*

The city makes purchases through the issuance of a purchase order.

Purchase orders are approved and issued by the Finance Department. Each purchase order indicates what is being purchased, the price and terms and conditions. For purchase orders, the standard payment terms are net 30.



## **Purchase Order Terms & Conditions**

### **1. Acknowledgements And Acceptance**

If any of Seller's terms of sale are not in agreement with the terms of this purchase order, the terms hereon shall govern unless the City of Hardeeville (City) accepts Seller's terms in writing. No oral agreement or other understanding shall in any way modify this order or the terms or conditions hereon. Seller's action in (a) accepting this order, (b) delivering materials or, (c) performing services called for hereunder shall constitute an unqualified acceptance of the terms and conditions hereon.

### **2. Price Warranty**

Seller will give City the benefit of any price reduction before actual time of shipment except that should City permit shipment to be made prior to specified shipping date that City shall have advantage of any price reduction before specified shipping date.

### **3. Indemnity**

Seller agrees to indemnify and save City harmless from any loss, damage, or expense whatsoever resulting to City from any and all claims and demands on account of infringement or alleged infringement of any patent in connection with the manufacture or use of any products included in this purchase order and upon written request, Seller will defend at its own cost and expense any legal action or suit against City involving such alleged patent infringement and will pay and satisfy any and all judgments or decrees rendered in any such legal actions or suits. Seller will indemnify City against all claims for damages to persons or property resulting from defects from materials or workmanship.

### **4. Packing**

No extra charges shall be made for packing or packaging material unless authority is expressly incorporated in this order. Seller shall be responsible for safe packing, which must conform to requirements of carrier's tariffs. All shipments must carry the correct quantity, product identification and purchase order number plainly marked on the packages. Cars or trucks must be loaded to minimum weight requirements to assure lowest rates unless otherwise specified or shipper will be charged with excess freight Buyer is required to pay.

### **5. Deliveries**

Time is of the essence in placing this order. City reserves the right to cancel and reject goods upon default by Seller in time, rate or manner of delivery.

### **6. Quantity**

The quantity of goods ordered must not be exceeded or reduced without the City's permission in writing except in conformity with acknowledged industry tolerances.

### **7. Inspection**

All articles are subject to inspection and test at place of manufacture, the destination, or at both places by Buyer's representative. Material failing to meet the requirements of this order will be



held at Seller's risk and may be returned to Seller with cost of transportation, unpacking, inspection, repacking, reshipping, or other like expenses to be the responsibility of the Seller.

**8. Specification Changes**

City shall have the right by a written order to make changes from time to time in the work to be performed or the materials to be furnished by the Seller hereunder. If such changes cause an increase or decrease in the amount due under this order or in the time required for its performance, an adjustment acceptable to both parties shall be made and the order shall be modified in writing accordingly. Any agreement for adjustment must be asserted in writing within 10 days from when the change is ordered. Nothing in this clause shall relieve Seller from proceeding without delay in the performance of this order as changed.

**9. Liens**

Upon request of the City, the Seller shall deliver to the City, a formal release of all liens.

**10. Invoices And Shipments**

Invoices must contain purchase order numbers and should be mailed at the time of each shipment unless otherwise specified. If invoice is subject to cash discount, the discount period will be calculated from the date of receipt of claim or material, whichever is later. The City is not responsible for payment of finance service charges for payments processed within 30 days of invoice due date.

**11. F.O.B.**

Unless otherwise agreed to in writing, all delivered terms are to be prepaid. All other freight charges are to be prepaid and charged on the invoice. If cash discount is not permitted on freight charges, then specific notation of this must be shown on the invoice.

**12. Federal Excise Tax**

The City is exempt from payment of Federal Excise Tax. It must not be included on invoices.



## **How to Introduce Your Product or Service**

The first place to start is with the Finance Department. Staff is available to explain the City's purchasing procedures as well as to assist in getting you on the qualified vendor list. Often times, you will be provided names and telephone numbers of people in the various city departments who utilize your specific goods or services.



## **How to Find Out About Bid Opportunities**

The first place to start is with the Finance Department. Staff is available to explain the City's purchasing procedures as well as to assist in getting you on the qualified vendor list. Often times, you will be provided names and telephone numbers of people in the various city departments who utilize your specific goods or services.

The Finance Department website lists upcoming and current bids for contracts in excess of \$25,000. The city makes many purchases less than \$25,000 that the best way to find out about these purchases is to remain in contact with the Finance Department office and the various user departments.