

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

November 30, 2005

Ms. Cynthia L. Croom
Metro Action Commission
1624 5th Avenue North
Nashville, TN 37208

FOR: Cynthia L. Croom, Director, Metro Action Commission

FROM: Jeff L. Gossage, Purchasing Agent

REGARDING: Delegation of Authority to Issue Purchase Orders as Releases against Existing Metro Contracts and Delegation of Small Purchase Authority

Subject to the authority vested in the Purchasing Agent by Section 2-204 of The 1992 Procurement Ordinance (Section 4.08.060, Metropolitan Code of Laws), I hereby delegate to you, in your official capacity of Director of the Metro Action Commission, the following authority:

1. The authority to issue purchase orders as releases against existing Metro and State of Tennessee Department of General Services contracts, as authorized by state law and Metro Code.
2. The authority to make small purchases, as provided for in the Metro Code, including the authority, when the appropriate conditions exist, to approve requirements which qualify as small purchases for emergency or sole source procurement.

This delegation of authority is subject to audit and may be withdrawn for failure to comply with applicable laws, policies, regulations, and procedures and the additional conditions set forth below:

The following additional conditions govern this delegation of authority:

1. To the extent feasible, items required shall be purchased through current Metro or State contracts.

In making such purchases through current Metro or state contracts, the Department shall issue directly to the vendor a Limited Purchase Order which references the current contract number and the appropriate item numbers on the contract. Unit prices on line item purchase orders shall be the same as indicated on the current contract. Variances in unit pricing must be approved in advance by the Division of Purchasing and Contract Management.

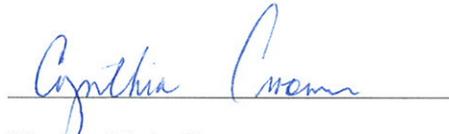
2. If an item is available on both a Metro contract and a state contract, the item shall be purchased through the Metro contract unless the Department can justify that it is in Metro's best interest for the department to use the state contract. Such a justification shall be signed by the Department head and included in the procurement file with the purchase order.

3. The Department also may use Limited Purchase Orders (LPO) to order products or services which qualify as small purchases but are not available under a current contract. (Purchases which are not made through a contract are referred to as "open market" purchases.) When open market, small purchases are necessary and the requirement is not one which necessitates emergency or sole source procurement, the Department must use the following methods of procurement to identify the source of supply:
 - a) P-Card -- if the item has a dollar value of \$75 or less.
 - b) Verbal or Written Quotes -- if the item has a dollar value of greater than \$75 but less than \$1,000.
4. The Department shall provide a copy of each purchase order it issues under this delegation to the Division of Accounts.
5. P-Card purchases must be made in strict accordance with procedures established in the Metro Standards and Procedures Manual and updates from the Department of Finance. Purchases of \$75 or less in value from local vendors shall be made with P-Card; not by purchase order.
6. The number of written quotes required when soliciting verbal or written quotes depends on the anticipated dollar value of the purchase:
 - a) If the dollar value is estimated to be between \$75 and \$399.99, only one quote is required.
 - b) If the dollar value is estimated to be between \$400 and \$1,000, three quotes are required.
7. The "QUOTE RECORD AND ANALYSIS SHEET FOR SMALL PROCUREMENTS" must be used to document quotes received in accordance with this delegation. Cash discount terms and F.O.B. point must be documented on the completed quote sheet.
8. No requirements may be "split" in order to keep their value under \$400 or \$1,000.
9. The Department will document and keep on file for a period of three (3) years or until audited all verbal and written quotes received from vendors. Such quotes shall be documented on the "QUOTE RECORD AND ANALYSIS SHEET FOR SMALL PROCUREMENTS." Letters, faxes, and other correspondence containing written quotes received from vendors shall be filed with the corresponding form.
10. Except in the case of an emergency purchase, no order for the purchase of a product or service shall be issued until and unless the Division of Accounts shall first certify that funds for the designated purchase are available.
11. The Division of Purchasing and Contract Management shall have audits conducted no less than annually for compliance with this delegation. The Director of the Department shall be notified by memorandum of the audit findings. If negative findings are encountered, the Director shall initiate corrective actions and shall notify the Purchasing Agent by memorandum of actions taken and methods initiated to prevent recurrence.
12. The Purchasing Agent or his designee shall audit all Limited Purchase Orders for items purchased under contract for purposes of verifying the correctness of the contract number, the validity of the contract, and whether the item purchased was provided for in the contract. The Purchasing Agent or his designee also shall check to determine whether a state contract was used when a Metro contract should have been used. Moreover, the Purchasing Agent or his designee also shall review all open market LPOs for the following:

- a) Quantity of LPOs issued by the individual buyer and department.
 - b) Individual amounts of each LPO. (If the monetary limit is exceeded, the Purchasing Agent or designee will check records in order to determine whether prior written approval was obtained.)
 - c) Vendors' names for repetitive orders, in conjunction with dates, in order to identify repetitive purchases on the same dates or near dates.
 - d) With the above under consideration, a determination will be made as to whether there has been any attempt to circumvent law, policy, regulations, or procedures.
13. With prior written approval of the Purchasing Agent, and in accordance with instructions developed by the Purchasing Agent, the Director may further delegate within his department the small purchase authority delegated to him through this memorandum. Such further delegation(s) of authority shall also be subject to audit. All departmental officials who will be involved in the small purchase process must complete training by the Division of Purchasing and Contract Management in advance of that involvement.
14. This delegation is valid until December 31, 2006 or until revoked by the Purchasing Agent.



Jeff L. Gossage C.P.M.
Purchasing Agent



Ms. Cynthia L. Croom.
Director, Metro Action Commission

DATE: December 1, 2005