



RESOLUTION NO. 24-031

ADOPTING A POLICY REQUIRING A PURCHASE ORDER FOR ANYTHING OVER \$500, EXCLUDING TRAVEL & TRAINING

WHEREAS, the City of Owens Cross Roads, Alabama (“the City”) seeks to establish guidelines for the procurement of goods and services to ensure efficiency, transparency, and compliance with applicable laws and regulations; and

WHEREAS, the City Council believes that implementing a policy requiring purchase orders for all purchases over \$500, excluding travel and training expenses, will promote accountability, better budget tracking, and prevent unauthorized expenditures; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Owens Cross Roads that the attached purchase order policy is hereby adopted:

Adopted and approved this 8th day of October, 2024.



Tony Craig, Mayor

Attest:



Christie D. Eason, City Clerk/Treasurer





Policy: Purchase Requisition and Purchase Order Requirements

Purpose:

To establish guidelines for the procurement of goods and services by the City of Owens Cross Roads, Alabama. This policy ensures that all purchases are made efficiently, transparently, and in accordance with applicable laws and regulations.

Scope:

This policy applies to all City departments and employees.

Requirements:

1. Purchase Requisitions:

- **Mandatory for Purchases over \$500:** A purchase requisition must be completed and approved for any purchase over \$500, excluding travel and training expenses.
- **Detailed Information:** The requisition must include:
 - A clear and concise description of the item or service
 - Justification for the purchase
 - Quantity and unit price
 - Line item for which purchase should be expensed
 - Estimated date item needed
 - Vendor information (if known)
 - Approvals: The requisition must be approved by the appropriate department head or designee, and in some cases, by the Mayor.

2. Purchase Orders:

- **Issuance:** Once a purchase requisition is approved, a purchase order must be issued to the vendor.
- **Contractual Terms:** The purchase order should clearly outline the terms and conditions of the purchase, including:
 - Item description
 - Quantity and unit price
 - Delivery date
 - Payment terms
 - Warranty information
 - Any special terms or conditions

3. Vendor Selection:

- **Competitive Bidding:** For purchases over a specified threshold (\$5,000) multiple quotes should be gathered to ensure the best value for the City. Alabama Law states purchases exceeding \$30K **must** go through a bidding process. Public works projects bidding requirement is \$100K.

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- **Exceptions:** There may be exceptions to competitive bidding, such as sole-source procurements or emergency purchases. However, these exceptions must be justified and documented.

4. **Recordkeeping:**

- **Documentation:** All purchase requisitions, purchase orders, and related documentation should be retained for a specified period in accordance with City and State records retention policies.

Violations:

Failure to comply with this policy may result in disciplinary action, including but not limited to, corrective action, suspension, or termination of employment.

Review and Updates:

This policy will be reviewed annually to ensure its continued effectiveness and compliance with applicable laws and regulations.

**CITY OF OWENS CROSS ROADS
PURCHASE REQUISITION FORM
Vendor Information**

Name:		Date:	
Address:		Req #	
City:		PO #	
State & Zip:		Req By	
Email:			
Website:			
Phone:			

Account to Expense:

Quantity	Unit of Measure	Item #	Description	Unit Price	Total

APPROVED BY: TOTAL