PURCHASING PROCEDURE

Effective immediately, the following procedure for all materials and/or labor, both maintenance and capital, shall be observed.

Purchasing is not obligated to purchase from recommended vendor(s) shown on a purchase requisition, but reserves the right to inquiry additional potential vendors for price, deliver, f.o.b. point, discounts, styles, quantities, etc. All orders SHALL be in writing prior to P.O. NO EXCEPTION.

PURCHASE REQUISITION

Less than $500.00. A purchase requisition is not required for ANY purchase less than $500.00. The small, 3 part purchase order book may be used, however, the TOTAL price of an individual purchase shall not exceed the $500.00 maximum.

$501 to $5,000: A purchase requisition is required for ANY purchase from $501 to $5,000 shall require a written quote from a minimum of three (3) possible vendors or, at the discretion of FEDC, the publication one time for two (2) consecutive weeks in the Facts prior to the issuance of a purchase order. The purchase requisition shall require the signature of any two (2) members of the FEDC Board, the City Manager and/or the Mayor.

$5,001 - up: A purchase requisition is required for ANY purchase from $5,001-up shall require publication one time for two (2) consecutive weeks in the Facts, prior to the issuance of a purchase order. No Exception.

Upon receipt of quotation(s) on the date specified, the quotations shall be opened, publicly read and referred for comparison and recommendation.

Two (2) members of FEDC, the City Manager, Purchasing Agent, and the Project Manager shall meet as a Project Review or Contract Committee and make recommendation for purchasing to process a purchase order to successful bidder

A purchasing requisition shall be prepared by the Project Manager based on the recommendation(s) of the Project Review/Contract Review Committee and shall require the signature of the President of FEDC or his designee, and/or any two (2) members of the FEDC Board, the City Manager, and/or the Mayor prior to the issue of a purchase order.

PURCHASE ORDER

Upon receipt of approved purchase requisition, a purchase order shall be issued with copies distributed as follows:

Vendor - white
Requisitioner - canary
Purchasing - pink
Receiving - goldenrod
No contract or material(s) shall be ordered or requested to be delivered PRIOR to the issuance and delivery of a purchase order to vendor(s) from $501 to $25,000.

Payments for materials or services rendered shall be made ONLY to a prime contractor. Payments WILL NOT be made to sub-contractors of a prime contractor.

Receipt of Materials or Labor Performed: It shall be the responsibility of the requisitioner to verify the receipt of Labor performed and/or Materials received prior to payment of invoice.

Invoice(s): Each and every invoice shall plainly show the purchase order number, or change order number along with the f.o.b. point and terms of payment. Any invoice that fails this information shall be returned to vendor for correction. Invoices will be processed and paid based on terms of payment specified on the invoice. Invoices with discount payment terms will be given priority in processing. Invoices shall cover one (1) invoice only. NO EXCEPTION.

Change Orders: Any change in specification(s) on a base purchase order, either an addition, deletion or modification shall require a purchase requisition. An addendum purchase order will be prepared with the base purchase order number followed by a suffix, i.e., -A, -B, -C etc. noting the change, deletion or modification in detail, along with the price increase, decrease and f.o.b. point.

Distribution of the Change Order shall be the same as for the base purchase order. It shall be the responsibility of the requisitioner to determine that the changes, labor and/or material(s) are those received and/or performed and are those being billed prior to any payment of such change.

RECEIVING

ALL SHIPMENTS shall be delivered to the address or location specified on the purchase order unless otherwise specified.

All materials are received at the stated address or location SUBJECT to inspection and verification the materials are those specified on the purchase order and/or quotation. NO EXCEPTION. Any damage shall be noted on the receiving copy of the purchase order along with any deviation from specification(s), i.e., make, model, size, color, quantity, etc., and be signed and dated by the person receiving the material(s) or checking services performed.

The Receiving Report shall be forwarded to Accounts Payable for comparison with the items or services rendered and specified on the vendors invoice. The Receiving Report shall be the basis for payment of an invoice.
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<tr>
<th>Account No.</th>
<th>Item No.</th>
<th>Quantity</th>
<th>Description</th>
<th>Unit</th>
<th>Total</th>
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Requisitioner: __________________________
Department Head: ________________________
Mayor: ____________________________
City Manager: _______________________
FEDC Approval: _______________________

Budget: ____________________________
Reason for Purchase: _______________________
Balance Remaining: _______________________

TOTAL: $ ____________________________
To:

Ship to

Bill to

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<th>Item</th>
<th>Quantity</th>
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<th>Description</th>
<th>Unit Price</th>
<th>Total</th>
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TERMS AND CONDITIONS
A separate invoice must be supplied for each shipment. No invoice shall cover materials supplied on more than one purchase order. Purchase Order Number MUST appear on ALL shipments, bills of lading, invoices and documents pertaining to this purchase order.

Requisitioner

Authorized Signature

White - Vendor    Canary - Requisitioner    Pink - Accounts Payable    Goldenrod - City