

City of Middletown, Connecticut Purchasing Department



PURCHASING MANUAL JULY 1, 2011

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Table of Contents

INTRODUCTION

The following manual is being issued to implement the provisions of the **City of Middletown Charter, Chapter VI, Section 1**, as well as the **City of Middletown Ordinance, Chapter 78, Purchasing, and Chapter 26, Contracts**.

The intent of this purchasing manual is to provide departments with an understanding of the City's procurement procedures and policies, as well as to provide guidance on how to proceed with all purchases. To use this system effectively, we must have the cooperation of all City departments and individuals. This shall include strict adherence by them to certain basic rules and regulations involving the purchasing procedure. However, regardless of how well a system is established in terms of rules, regulations and procedures, the key ingredient to a successful operation is the cooperation of the people involved. With this understanding, an efficient and effective purchasing function can result in substantial savings to the City and its taxpayers.

This manual is intended as a guide. Most of the basic rules are not subject to change; however, varying conditions and circumstances do present different problems and solutions, all of which could not possibly be covered here. Should anything arise that is not covered by this manual, do not hesitate to contact the Supervisor of Purchases.

GENERAL INFORMATION

This manual will cover general statements on policies intended to govern the Purchasing Department and other City departments in their business relations with each other, and with vendors wishing to do business with the City. The manual shall also state in detail the exact process to be followed in purchasing from the point the purchase is initiated by a City department down to the final step of paying the invoice covering the actual transaction.

Purchasing Goals and Objectives

The Purchasing Department strives to provide services in recognition of the following objectives:

1. To obtain the most cost-effective pricing through competitive buying, while ensuring consistent quality in all products and services.
2. To consolidate all Purchasing requirements, allowing the City to obtain lower pricing through quantity buying, and standardizing where warranted.
3. To reduce pricing on smaller POs & Emergency POs through more efficient operations, such as the P-Card.
4. To implement uniform purchasing procedures, forms, and policies throughout the City.
5. To ensure compliance with City, State and Federal guidelines.
6. To provide beneficial assistance and guidance to City departments and Department heads.
7. To provide beneficial assistance and guidance to the general community as a "Central office" for vendors to contact with questions and inquiries.

Roles of the Purchasing Function

The Purchasing Department

In addition to the formal responsibilities set forth in the City of Middletown Purchasing Ordinance, the following represents our current operating guidelines and our role in the purchasing function:

1. Work closely with each department in order to better understand departmental operations and demands placed on them by the community.
2. Provide guidance in procurement matters to all City departments and Directors as requested.
3. Endeavor to insure fair and open competition among all providers of goods and services to the City.
4. Be up-to-date on market trends, and economic forecasts so that we may advise the various departments on forward buying, economic order quantities, hedging policy, shortages, price escalation, and lead times.
5. Keep abreast of technological change in new products or services through market research.
6. Control financial commitments through the pre-award approval process, for large construction projects procurement procedures and involvement in all contract negotiations.

7. Prescribe and maintain the purchasing forms necessary for efficient operations, as well as coordinating the signing of and distribution of all contracts.
8. Ensure that all departments adhere to the rules and regulations as prescribed by the City of Middletown Codes and Ordinance as well as this Purchasing manual.
9. Establish and implement procurement policies and procedures as necessary, including the development and maintenance of a Purchasing Manual.
10. Establish and maintain good public relations with user agencies, vendors, the general public and the media.
11. Report annual cost savings and other performance data resulting from an efficient procurement system.
12. Control and administer real property matters including sales and purchases.
13. Dispose of surplus material.

End User Departments

User departments serve the following roles in the purchasing function:

1. Conscientiously plan the acquisition of goods and services to avoid unnecessarily urgent requests.
2. Endeavor to use appropriate internal resources for needed services, where appropriate.
3. Provide assistance in the development of suggested technical specifications, where such specifications relate to functional requirements.
4. Submit requisitions in a timely manner that allows for normal approvals, development of specifications, competitive bidding, evaluation, award and delivery.
5. Submit requisitions that are properly coded and approved by an individual responsible for administration of the department and its budget.

Ethics

It is important to understand that due to its nature, public procurement is subject to public scrutiny. The importance of public purchasing can not be understated because the taxpayers must be confident that public funds are spent wisely on their behalf. It is of extreme importance that dealings of a compromising nature or even the appearance of such must be avoided. The City of Middletown will strictly adhere to City, State and Federal guidelines in order to conduct business fairly and ethically.

Civil Rights Compliance

The Supervisor of Purchases shall notify all vendors from whom the City purchases materials, supplies, equipment and services of the City's Affirmative Action plan which requires that all vendors comply with the provisions of the Civil Rights Act of 1964, the Equal Opportunity Act of 1972, and where applicable, the Connecticut Fair Employment Practices Law, as may be amended.

Equal Opportunity

The City of Middletown is an equal opportunity employer, and requires an affirmative action policy for all of its contractors and vendors as a condition of doing business with the City, as per Federal Order 11246. All vendors and contractors must agree to this condition of doing business with the City and should the City choose to audit their compliance, the vendor agrees to cooperate fully.

Cooperative Purchasing

The Supervisor of Purchases may make arrangements for purchasing in conjunction with other units of government, cooperatives or the Board of Education, if it proves to be in the best interest of the City of Middletown.

Public Access to Procurement Information

All documents are subject to public inspection, subject to the provisions of Section 1-210 of the Connecticut General Statutes (Freedom of Information). Official copies of information resulting from any bid opening are generally not available until a contract has been formally awarded, however an unofficial tabulation of all bids received shall be posted on the City of Middletown website for public inspection within a week of the bid opening date.

THE VENDOR LIST

An automated vendor database is maintained and updated by the Purchasing Department. The vendor database contains the mailing address to be used on purchase orders and the remittance address to be used for payment, if different than the mailing address. In addition, telephone and facsimile numbers, email addresses, and contact names of authorized personnel are also listed.

Vendor Applications

Vendors can download a vendor application to be put on our vendor list directly from the City's website. When the Purchasing Department receives a vendor application, we send the vendor a list of commodity codes with instructions to circle those that apply to their company. When Purchasing receives the completed list back, the codes are then entered into the AUC system and the vendor is given a vendor number. If the Purchasing Department is going out to bid for a certain commodity, all vendors coded to that commodity will receive notification of the bid.

Department Request for New Vendor

Requests for new vendors by a City Department should be sent **VIA EMAIL** to the Purchasing Department. All vendors must have a number in the AUC system for a purchase order or voucher to be issued to them. End Users are requested to furnish vendor information to Purchasing for all new vendors. Please make sure to include the following in the request for a new vendor:

Business Name

Mailing Address

Remittance Address (If different than mailing address)

Contact Name

Phone Number

Email Address (optional but preferred)

FEIN OR Social Security Number if there is no FEIN*

What item or service is the vendor providing?

***NOTE:** Grant recipients, Refunds, Workers Compensation payments, and Jones Fund payments do not require a FEIN or SSN.

Changes to Vendor Information

Changes or corrections to any vendor information can be requested **VIA EMAIL** to Purchasing at any time. Please make sure to include the vendor number as well as the change or correction to be made in the request email.

AN OVERVIEW OF THE PROCUREMENT PROCESS

The procurement process is a series of events leading to the acquisition of goods and services. It should be broken down into three stages consisting of planning and scheduling, source selection, and standard purchase order procedure and contract administration. Within each stage, various activities occur which are discussed throughout this manual.

Planning and Scheduling

It is essential that the end-user departments, along with the Purchasing department, plan and schedule the acquisition of goods and services in order to avoid last minute emergencies and unnecessary shortages. Failure to plan properly places unjustified burdens on the end-user department as well as the Purchasing Department. It may be the cause of operational difficulties for the end-user and, in most cases, will result in additional costs to the City.

The Purchasing Department will assist all departments in the scheduling of their respective purchases by maintaining a calendar of annual term bids for a wide variety of items. This listing is available on the H: Drive in the “Purchasing”, then “Contract Awards” folder labeled **BID SCHEDULE**. This type of scheduling allows the City greater operational efficiencies and economies of scale which usually generate lower pricing.

Source Selection

The City’s procurement process has a major impact on how City government is perceived by its’ taxpaying citizens. It is important for the public to have confidence that public funds are being spent prudently, as mentioned above in the “Ethics” section. Procurement of goods and services needs to be performed efficiently and at the lowest possible cost. This is accomplished by competitive source selection, the process by which vendors and contractors are chosen to provide goods and services for the City. Inviting as many qualified bidders as possible to compete for the City’s business will result in high quality and lower price of purchase.

Standard Purchase Order Procedure and Contract Administration

Purchase Orders and contracts may be administered once quotes are received, or bids are awarded. It is generally a three to four step process to put a general PO in place:

1. The Department Head will designate part of his staff to prepare a purchase order in the AUC system. All purchase orders must be approved by the Department Head and transferred electronically to the Finance Dept.
2. The Finance Department will review the PO and approve the line item. Purchase Orders will NOT be approved unless appropriated funds are available and the appropriate line item is being used to fund the purchase. After reviewed by Finance, the PO will then be electronically transferred to Purchasing via the AUC system.
3. The Purchasing Department will review the Purchase Order and will give final approval. The PO will then be printed and mailed to the vendor, unless otherwise specified in the “Internal Notes” section on the PO.
4. If the Purchase Order is referencing a new contract, the contract administration procedure explained later in the manual will be followed.

With the above goals and procedures in mind, the City’s procurement process is described below, broken down according to specific dollar thresholds.

PURCHASES \$7,499 AND UNDER **(OPEN MARKET PROCESS)**

According to the City of Middletown Ordinance, Chapter 78-9: All **purchases** of supplies and contractual services, as well as all **sales** of personal property which have become obsolete and unusable, that is **less than** the estimated value of **\$7,500** shall be made in the open market, without newspaper advertisements and without observing a bid procedure.

Please be aware: A group of related items from one vendor is considered as **one purchase**. Separate purchase orders to the same vendor for like items in order to stay below the bid / quote threshold **will be recognized and disapproved**.

Small Purchases Under \$2,000 Using a P-CARD

A City-issued **purchasing card** or a **purchase order** may be used to obtain supplies or general services under \$2,000. Procedures adopted for the use of purchasing cards must be followed. Consideration should be given to vendors with existing contracts, state contracts, and cooperative agreements when making such purchases. Capital nonrecurring (CNR) items may be obtained with a purchasing card **only with** the prior approval of the Director of Finance.

Designated employees have the authority to make small purchases directly through the **Purchasing Card Program**. This will allow departments the flexibility to purchase small routine materials and supplies. Certain controls have been developed for the Purchasing Card that do not exist in a traditional credit cards. These controls ensure that the card is

used only for specific purchases, within specific dollar and transaction limits. For complete information please refer to the separate document entitled [CARDHOLDER MANUAL](#). This document can be found available on the H: Drive (PC Common drive), in the Purchasing” folder, under “P-Card”.

Although departments are given the flexibility to purchase items under \$2,000 without obtaining quotes, due diligence should still be shown. The department is responsible for ensuring the purchases represent an efficient and effective use of City funds. Please keep in mind that the Purchasing Department reserves the right to review an individuals purchasing card transactions and assign lower limits to those who do not use due diligence in making purchases.

Small Purchases Under \$2,000 Using a Purchase Order

Purchases under \$2,000 can be made by standard purchase order procedure as described above. Purchase orders shall be submitted to the Purchasing Department electronically. It is incumbent upon the End User to check vendor pricing regardless of the prescribed dollar limits. **Departments are REQUIRED to use existing bids, contracts, or state contracts whenever available to them.** If you are not sure whether an item is available on an existing contract, please contact the Purchasing Department for assistance.

No purchase orders will be processed for less than \$30 except for publications, subscriptions and professional dues. Petty cash or procurement cards can be utilized for other activities having a cost of less than \$30.

Blanket Purchase Orders (\$2,000 and Under)

Please keep in mind that **blanket purchase orders cannot exceed \$2000** unless approved by the Supervisor of Purchases or Director of Finance.

When a department makes frequent small purchases of supply items from one supplier it would be costly and time consuming to issue separate purchase orders for each purchase. Instead, blanket purchase orders can be issued to cover all small purchases from a single vendor during the current fiscal year. Individual orders can then be placed as needed against the blanket PO.

Blanket orders may not exceed \$2,000 unless they refer to a specific bid or contract, or are for professional services. For supply items or commodities for which the prices have been established by competitive state bid such as office supplies, automotive parts, bituminous concrete and stone, there is no dollar limit to the purchase order. Liquidations and change orders can be made to blanket orders at any time.

Purchases between \$2,001 and \$7,499

Three price quotations in writing are required for each small non-contract purchases over \$2,001 and under \$7,500. Verbal quotes will not be accepted. Written quotes give proof of the quoted price in case of a discrepancy between the quote, purchase order and invoice, and will make it easier to settle any resulting disputes. Authorized individuals making such purchases may contact the Purchasing Department for a list of appropriate vendors to provide quotations. When calling for quotes, departments shall instruct vendors to include freight, handling fees, deposits and any other charges that might apply to the purchase and affect the total cost. Each quotation must include the same information so that it may be compared equally. There is a form for your convenience on the common drive in the Purchasing folder under “Forms for Department Use” called “[Quotation Form](#)”. Generally, vendors will be allowed ten (10) business days in which to respond to the written quotes.

Please keep in mind: The Purchasing Department may choose to seek additional quotes for the requested items or services. Also, under certain circumstances, such as sole source, proprietary items, or emergency situations, it may be necessary to proceed with a purchase without obtaining more than one quote. This will only occur when the Purchasing Department determines that it is in the best interest of the City to do so. Sole Source vs. Proprietary purchases shall be explained later in this manual.

The items or services may be received from the lowest responsible vendor in accordance with the standards set forth in City Ordinance, 78-8H which is also outlined above in the “Procurement Process” section under “Lowest Responsible Bidder”. **It is the responsibility of the department** to electronically attach the quotes obtained to the purchase order so that the Purchasing Department may verify the pricing is correct and that the department is billed the quoted price. After review, the Supervisor of Purchasing shall approve the purchase order if it is appropriate to do so. All purchase orders and quotations are open and subject to public inspection.

In cases where the low bidder is not being recommended for award, the end user department shall clearly document in a memo to the Supervisor of Purchases the reasons for selecting another vendor, eg: delivery time insufficient, poor quality, past vendor experience with the City. The Supervisor of Purchases may at their own discretion require the approval of the Mayor in addition to this memo.

As stated above, under “Open Market Process”, a purchase of similar items or services from the same vendor shall be counted as one purchase. Separate purchase orders to the same vendor for like items in order to stay below the bid / quote threshold **shall be disapproved**. However, if **unlike** items from the same vendor are grouped together on one purchase order, price quotations should only be required for each individual item that has exceeded the threshold of \$2,000. The determination of like and unlike items is based on commodity codes assigned by the National Institute of Governmental Purchasing (NIGP).

Sole Source Vs. Proprietary Purchases

When entering Purchase Orders, you are required to obtain three quotes for all purchases between \$2000 and \$7499 as explained above. However, there will be **specific instances** where you will not be able to obtain three quotes. This could be due to a **unique item** being purchased, or a **single vendor** being the only available distributor of this item. It may also be due to existing equipment needing a specific part that only the manufacturer of the existing equipment can provide. In these instances, the purchase will fall under a “**PROPRIETARY**” or “**SOLE SOURCE**” purchase.

A **PROPRIETARY PURCHASE** is defined as an item that is produced and marketed by a person, or persons, having the *exclusive* right to manufacture and sell it. All proprietary purchases may not be sole source purchases.

Example: You need to purchase a John Deere part for a John Deere machine. You can purchase this item from a few different vendors; however the item **must** be a John Deere item, no substitutes or equivalents. That makes the item proprietary. It does not make the vendor a sole source vendor because there are a few different vendors you can purchase this item from. **In this situation, when the item is proprietary with multiple sources of procurement, you must obtain three quotes or bid the item.**

A **SOLE SOURCE** purchase is defined as a purchase that can only be procured by one vendor, who possesses the unique capability to meet the requirements requested. These requirements could be that they are the only vendor that provides the particular “proprietary” item in the Connecticut area, the Northeast, or in general. **All sole source purchases are proprietary purchases.**

Example: Firematic Supply Company is the **only** dealer in the states of CT, MA, RI, VT, NH, ME, and all of the counties on Long Island, NY for the Hurst Jaws of Life. Because of this, the Hurst Jaws of Life equipment is **PROPRIETARY**, and purchasing it from the one authorized vendor, Firematic Supply Company, makes it a **SOLE SOURCE** purchase.

When making a sole source / proprietary purchase order, please put a line for the Mayor’s signature in the “DELIVERY NOTES” section on the purchase order. This should be the only thing written in the delivery notes (it will not print on the PO correctly if there is anything else written). THE DELIVERY NOTES SHOULD LOOK AS FOLLOWS:

SOLE SOURCE PURCHASE:

OR

PROPRIETARY PURCHASE:

Mayor's Signature

Mayor's Signature

ATTACHMENTS: Please attach the quote from the company, as well as a memo explaining what quality makes the purchase a "proprietary, sole source purchase". This memo must be signed by your department head.

State Contracts and Cooperative Purchases such as CRCOG

As stated above, end users are **REQUIRED** to use existing bids, contracts, or state contracts whenever available to them. An efficient way to utilize the contracts are by issuance of a blanket purchase order which will encumber funds and make the vendor aware of the contract number which references prices, terms, and conditions.

Yearly contracts have been established by competitive bids through the State of Connecticut and through the Capitol Region Purchasing Council, which is a cooperative purchasing group for municipalities. On these contracts, commodities and contract services are awarded to specific vendors who successfully meet all bid requirements. The City is allowed to participate in many of these contracts. Participation saves the Purchasing Department the time of bidding out for the same items, and allows the City to take advantage of the discounts offered to the State and the Capitol Region due to their large buying power.

The Purchasing Department will notify end user departments of the availability of cooperative contracts that might be of interest to them. State Contracts can be found online at the State of Connecticut Department of Administrative Services website (https://www.biznet.ct.gov/SCP_Search/). Examples of cooperative contract purchases are office supplies, office furniture, tires, light bulbs, software, road salt, sand, snow plow blades, gasoline, natural gas, motor oil, heating fuel oil, flu vaccines, gravel and stone, bituminous concrete, and bituminous materials. A more complete list can be found on the website or by contacting Purchasing.

Emergency Purchase Orders

Emergency situations shall be defined as those in which the operation of a department would be seriously hampered; or in which life, limb or property may be endangered; or in which the health or welfare of the general public is seriously threatened.

Purchasing procedures must be flexible enough to deal with true emergency situations. An emergency purchase is defined as any purchase necessitated by uncontrollable circumstances during a time when the normal purchasing cycle is impractical or when the failure to make the purchase is potentially hazardous to the life, health or convenience of the City's citizens or employees. Due to the unusual nature of equipment repairs and the necessity to prevent delays and maintain operations, unforeseen repairs or equipment breakdowns will be considered emergencies.

Where possible, competitive pricing should be obtained for purchases made. Failure to properly plan for routine purchases, routine maintenance or running out of stock items is not considered a basis for emergency purchases. Emergency purchases under \$2,000 may be handled directly by the department as outlined under the section "Small Purchases Under \$2000".

In case of a true emergency purchase between \$2,000 and \$7,499, **during working hours**, the Director of Finance or Mayor shall be empowered to authorize the Supervisor of Purchases to secure, by open-market procedure as herein set forth, at the lowest obtainable price, any supplies or contractual services regardless of the amount of the expenditure. A full recorded explanation of the circumstances of an emergency purchase shall be filed by the Supervisor of Purchases with the Director of Finance and Mayor for forwarding to the Council to be entered in the Council minutes and shall be open to public inspection.

In case of actual emergency, **after working hours**, the department head may purchase directly any supplies or contractual services whose immediate procurement is essential to prevent delays in the work of the using agency which may vitally affect the life, health or convenience of citizens. The user department may make the purchase without a purchase order number.

The end user department director shall send to the Supervisor of Purchases a requisition and a copy of the delivery record, together with a full recorded explanation of the circumstances of the emergency. The report shall be filed with the Director of Finance, Mayor and Council. The Supervisor of Purchases shall prescribe by rules and regulations the procedure under which emergency purchases by heads of using agencies may be made. Emergency purchase orders are to be prepared and released to the Purchasing Department **within 48 hours of their issuance.**

Creating Change Orders

Liquidating Purchase Orders

Purchase orders can be liquidated for a variety of reasons, the most common being that all invoices have been paid in full and remaining funds are no longer needed. Please use the following steps when closing a purchase order:

1. At the top of your AUC Dashboard, click on the “Purchase Orders” tab.
2. Click on “Queries” and “View all Purchase Orders”.
3. Type in the Purchase Order number you want to close.
4. Click “Select” next to the Purchase Order number.
5. Click “Request Cancellation”.
6. Type in a specific reason as to why you no longer need this PO in place. A bad description would be “No longer needed”. A good description would be: “All invoices for this fiscal year have been paid”

PURCHASES OF \$7,500 AND ABOVE **(SEALED BID PROCESS)**

Purchases of \$7,500 and Above Using Formal Sealed Bids

Purchases, leases or services costing \$7,500 or over require sealed bids per the City Ordinance. Sealed bids shall be administered by the Supervisor of Purchases. Sealed bids may be requested at any dollar amount if deemed to be in the City’s best interest to do so. Any subsequent purchase orders shall indicate the “bid number” by utilizing the AUC Bid Retrieval system.

Specifications

The bid document will be assembled by the Purchasing Department. The front end shall contain the rules and regulations for competitive bidding per the City ordinance. It will also include general conditions if necessary as well as any other requirements that may apply. However, technical specifications should be prepared by the end user department. Prior to the solicitation of bids, a specification must be developed for the items or service to be purchased. The length and detail of a specification is directly related to the dollar amount or complexity of the item or service being purchased. Specifications are important because they serve as the basis to determine whether the item received or service performed meets with your requirements.

Formal bids are assigned a time and date for bid opening by the Purchasing Department. Bids received after the time and date specified are not accepted.

Advertisement and Bidders

A concerted effort is made to obtain as many qualified bid proposals as possible. The Purchasing Department maintains vendor lists for different categories of commodities and services, and bid documents are mailed to qualified vendors or contractors on the appropriate list, however, the End User Departments are encouraged to suggest vendors for bid solicitation as well. The Invitation to Bid is advertised in the Hartford Courant (Statewide) at least ten (10) days before the bid opening for term bids, and at least thirty (30) days for Construction bids. Construction bids are also sent to several bid clearinghouses, such as the "Dodge Report" for notification to contractors. All bids are listed on the City's website where interested vendors are invited to visit and download the bid document. Those bid documents not available for download can be picked up in the Purchasing Office for a small fee that is refundable if the document is returned within two weeks after the bid opening date. The City does not maintain a formal Bidders list for projects that do not require a bid deposit.

Formal Bid Process

At the specified date and time, bids are publicly opened and read aloud. Bid results are tabulated for distribution to the end user department, to all bidders and other interested parties. The Purchasing Supervisor or Purchasing Assistant will evaluate bids to determine the successful low bidder and send the recommendation form along with bid information to the end user department director for review. The bids should be reviewed in detail by the end user department director as well as the Supervisor of Purchases to insure that the lowest responsible qualified bidder meets the bid specifications and is responsible in terms of their record of prior dealings with the City.

The City reserves the right to accept or reject any or all proposals per City Ordinance. Bidders may be disqualified from bidding by the Purchasing Supervisor for the following reasons:

1. Any proposal which omits a bid on any one or more items on the price sheet may be rejected.
2. Any proposal containing modifications or changes to the price sheet may be rejected.
3. Any proposal in which unit prices are omitted or obviously unbalanced may be rejected.
4. Conditional or qualified bids shall not be acceptable.
5. Failure to submit a bid for the proper commodity, item or service offered
6. Failure to act responsibly in dealings with the City.
7. Failure to provide the commodity, item or service rendered in sufficient time or quality.
8. Previous breach of contract.

Any communication or meetings with end users and bidders after bids are opened but prior to an award, are to be arranged by the Purchasing Department and held with a representative from the Purchasing Department present. Criteria used in the evaluation process includes price, compliance to the specifications, ability of vendor or contractor to provide goods or perform service, prior performance and ability to deliver or complete the contract in a timely manner. After review, the end user department will sign the recommendation for award and forward back to the Purchasing Department within seven (7) days of receipt. Upon receiving the recommendation from the requesting department, and with agreement by the Supervisor of Purchases, the bid will be awarded to the lowest responsible vendor. The Purchasing Supervisor may approve or reject the recommendation of the user department.

In cases where the low bidder is not being recommended for award, the end user shall clearly document in a memo to the Purchasing Supervisor the reasons for selecting another vendor, eg: delivery, quality, bad experience with the low vendor, etc. The Purchasing Supervisor may require the approval of the City Attorney, Director of Finance, and/or the Mayor's Office as well.

After approval of the recommendation, appropriate funds shall be encumbered by purchase order by the end user, and award will be made by signed contract.

Tie Bids

In the instance where bids are received for the same net total amount or unit price, quality as well as service being equal, and no evidence of collusion exists, there are a few options for an award.

1. **Local vendors.** If all bids received are for the same total amount or unit price, quality and service being equal, the contract shall be awarded to the local bidder.

2. If a local vendor preference is not in effect, the Supervisor of Purchasing shall award the contract to one of the tie bidders by drawing lots in public, after giving due notice by mail to the tied bidders.

Notification to Lowest Responsible Bidder

A formal letter will be sent notifying all bidders of the award and the name of the vendor the bid was awarded to, by the Purchasing Department. Bid results shall be posted to the City's website, where applicable. The completed bid files will be retained by the Purchasing Department in the active file for at least seven (7) years after completion for construction of projects and at least three (3) years for term bids (service or supply items). The City reserves the right to waive formalities or reject any part of, or the entire bid, when said action is deemed to be in the best interest of the City.

Bid Waivers

The Board of Directors may waive the requirement for competitive bidding when the circumstances of a particular case do not permit sufficient time to fulfill the rules and regulations concerning competitive bids or when a competitive bid is inappropriate or impractical.

The Board of Directors carefully reviews all bid waiver requests to ensure that they meet the requirements of the Town Charter. Before the General Manager will recommend to the Board that a bid waiver be accepted, the following procedure is required:

1. The bid waiver will be submitted to a bid waiver committee consisting of the Director of Finance, the Director of General Services and the Assistant Town Attorney. That committee will meet with the department or division head requesting the bid waiver and determine whether the request meets the requirements of the Town Charter Section 5-22.
2. Should the committee approve the bid waiver request, the Director of General Services and the Assistant Town Attorney will sign the bid waiver in the appropriate place.
3. The bid waiver request will then be forwarded to the General Manager for final review and a decision will be made as to whether it shall be forwarded to the Board of Directors for approval.
4. Should the bid waiver be placed on the Agenda, the division or department head requesting the bid waiver will be required to attend the Board meeting and provide the Board of Directors with the justification for the bid waiver. All bid waivers approved by the Board of Directors are filed as a permanent record with the Town Clerk.
5. In the event of a compelling emergency that cannot wait until the next Board of Directors' meeting, a department head may hand carry the waiver to the Board members to obtain necessary signatures with approval of the General Manager. When bid waivers are circulated to the Board of Directors in an emergency or an expedited manner other than at Board of Directors' meetings, the department head shall include the bid waiver as a correspondence to the Board of Directors with the next agenda.

Based on this procedure, it is imperative that bid waivers be requested through the administrative structure in advance of Board meetings, so that the proper review can be made. Any deviation from this policy will have to be cleared by the General Manager in advance. Once the Board of Directors approves the Bid Waiver, a purchase requisition should be prepared to begin the purchasing process.

Professional Services

Davis Bacon Act

Procedure for Pos with Contracts

Request for Proposals (RFPs)

Requests for Proposals are solicited for purchases where a desired outcome is sought, but the method to achieve that outcome is not defined in a detailed specification. It is frequently used for professional services, technology purchases, and for procurements where the desired outcome may be achieved in a variety of methods which may have various advantages and costs. This process allows bidders to bring their experience and expertise to the process and allows the private sector to bring the latest industry practices to the task. The Town then evaluates the proposals on various factors including project approach, experience, price, and other criteria defined in the Request for Proposal and an award is made which is based upon weighting all the criteria listed in the RFP, and not solely on price.

Contract Administration

Once an item or service has been ordered by the Town, a key part of the purchasing process then takes place. The Town must ensure that the item or service is received or performed exactly according to the required specifications. The primary responsibility for this task falls on the requesting department.

The department must approve the item or services as to compliance with the specification. Upon compliance approval and receipt of the invoice, payment can be processed. If changes to the requirements or specifications are necessary, change orders will be negotiated and the department will contact General Services to issue the appropriate contractual change orders. Upon completion of a purchase or contract it must be closed out, and outstanding issues such as retainage punch lists and any other remaining contractual requirements need to be addressed by the ordering department.

Prompt, fair, and courteous treatment should be given to vendors at all times. Business relations should be maintained only on a basis of honesty and impartiality. Vendor disputes are inevitable, but should be settled promptly, fairly and only on the basis of facts. If a department is dissatisfied with a particular purchase, General Services should be notified so that corrective action can be taken.

4.0 SPECIFICATIONS

1. Development- Development of specifications is the responsibility of the central Purchasing staff in conjunction with using agencies and private sector design professionals. Departments may submit their suggested specifications for review and evaluation on any items. The purchasing office will work closely with the respective department to insure: a) competitive non-restrictive specifications; b) that specifications call for items or services that will reliably perform their intended functions at the lowest cost; c) maximize the number of bids received from qualified vendors; d) ensure that standardized and legally acceptable terminology is used.

Development

The first step in developing specifications is a cooperative effort between General Services and the ordering department. Specifications can be design or performance based. The ordering department is responsible for formulating technical specifications and preparing them for bid. When properly put together, a specification should:

- 1) Be clear and concise;
- 2) Be competitive and non-restrictive and still meet the Town's needs;
- 3) Insure product or service will perform its designed function at the lowest cost;
- 4) Maximize the number of bids received from qualified bidders.

Poorly written specifications decrease competition, cause bidder protests, delays and can lead to legal action.

General Services is available to directly assist any department with specification development and will review all specifications to try and meet the above criteria. General Services maintains bid files of previously used specifications and has access to a number of professional associations who maintain specification libraries for a wide range of items.

It is a common misconception that limiting purchases to only one brand is standardization. This will only result in restricted sources of supply and competition and is not true standardization. When an item lends itself to standardization, General Services will work with the user department(s) to review standards and develop specifications for that item. Standardization of particular items used by one or more departments benefits the town by consolidating orders, reducing inventory levels and allowing for volume discounts

Insurance

Depending on the type of purchase or contract involved, the Town may require the successful contractor to submit a certificate of insurance. This certificate of insurance must name the Town as additional insured and provide coverage for any legal liability which may arise during the contractor's execution of his contract. Insurance certificates are generally requested for construction and service related projects. General Services maintains a file of insurance certificates for contractors doing work for the Town.

Bonds

Bid, performance and payment bonds are generally required on any contract for which a lack of performance would result in financial loss to the Town. The need for bonding, its form and required amounts vary and are determined as circumstances warrant. Contracts which most frequently require bonds are construction and service contracts.

Receipt of Goods

Supplies, materials and equipment, upon delivery, shall be examined by the ordering department to ensure that they are as ordered. Deliveries will be checked by the receiving departments for damage, shortages and conformity to specifications. If any are found, they will be noted and reported to the vendor and if necessary to General Services so that corrective action can be taken.

Payment of Goods

When a department is assured that materials received are in good order, and the invoice for those materials accurately matches the purchase order or quotation, the payment process begins. Any discrepancies between the invoice and the purchase order must be addressed and corrected in order for payment to be processed. Currently, an internal form called Voucher Receiving Report (VRR) is completed by the department, approved by the department head and forwarded to the Accounting Department along with a copy of the invoice. Payment is then processed electronically by the Accounting Department. At a future date, the VRR form will be eliminated from this process, and departments will be able to receive goods on-line, using the Financial Management Software System. This will streamline the payment process and reduce the flow of paperwork from all departments to the Accounting Department. Departments are encouraged to process invoices as quickly as possible in order to take advantage of early payment discounts that vendors might offer to the Town.

The following types of items or services, due to their nature, are exceptions to the normal purchasing cycle and should be paid for directly by preparing a VRR. Where the purchase order number would normally be entered, the word ADIRECT≅ can be entered. Items to be paid in this manner include utility bills, dues, subscriptions, travel and training expenses, petty cash, legal fees, payments to other departments and governments, professional memberships, most maintenance contracts, etc.

Commodities for which yearly contracts have been established by competitive bid, such as gasoline, diesel fuel and fuel oil, do not require a purchase order. Orders may be placed directly by departments and invoices paid directly. General Services will advise departments of this procedure when it is appropriate.

6.0 SALE OF SURPLUS PROPERTY

Surplus Property

Sale of all surplus property, regardless of value, requires competitive quotations or bids. When a department has surplus property to dispose of, General Services needs to be notified. It may be possible to transfer this property to another department where there is a need for it. No disposition of property is allowed without first contacting General Services. If the property cannot be used by another department, General Services will make arrangements to dispose of the property at its next sale. Depending on the type of item(s) involved, General Services uses the following methods to dispose of surplus property:

1. Trading in used equipment toward the purchase of new.
2. Request for Quote or Advertised Sealed Bid.
3. Advertised Auction or Tag Sale, eBay on line auction.
4. Disposal in landfill (only occurs if property is completely unusable or other methods of disposal have failed).

Each method has particular advantages depending on the type, size, condition, and quantity of surplus property to be sold. General Services will determine which method is best suited for the item(s) to be sold.

Town Owned Real Property

The Town may offer all real property for sale by auction, sealed bid, open real estate listing or in any other manner deemed beneficial to the Town. Whichever method is chosen to sell the property, the Town and the successful bidder shall enter into a purchase agreement. The transfer of title shall take place within ninety (90) days of the execution of such agreement, subject to necessary approval by ordinance.

7.0 OTHER GENERAL SERVICES FUNCTIONS

General Services is also responsible for the Print Shop, Mailroom and telephone services.

Mail Room

The central mailroom, located in the basement of Town Hall, handles all incoming and outgoing mail. A courier picks up the mail daily at the Post Office and distributes it among departmental mail slots in the mailroom. Offices located in the Town Hall are required to pick up and drop off their mail from the mailroom. All other town offices have mail delivered and picked up by the courier. Some offices have this service twice per day, others only once. All outgoing mail picked up by the courier or dropped off in the mail room is stamped and brought to the Post Office by 4:00 pm each day.

United Parcel Service (UPS)

UPS will pick up outgoing packages from the mailroom once per day. You may bring your package to the mailroom properly wrapped and addressed. Attach a post-it note to your package indicating the account number to be charged for the shipping cost. The courier will keep track of this information and forward it to General Services. Each department will be billed monthly by General Services for their UPS charges. The courier will also pick up packages to be sent out by UPS from the departments on her mail delivery route.

Telephone Services

All telephone services for the Town, with the exception of the Police Department, are managed by General Services. This includes cell phones and pagers. All system changes, new installations and repair calls must be coordinated through the General Services Department.