

# **PURCHASING POLICY**

## **Revised September 28, 2010**

### ***Policy Purpose***

This revised Policy is intended to replace the existing purchasing regulations, currently referenced as § A176-11 in the Tolland Code Book.

To establish procedures for the purchase of goods and services for the Town of Tolland, except the Board of Education, the Town Manager's Office has developed a more formal policy to help personnel make the proper type of purchasing decisions.

Specifically, this document is intended to alleviate confusion among Town employees as to how and when certain services should be competitively bid. The Policy is intended to promote fairness among the competitive bid process while maintaining a flexible system of service procurement without burdensome bureaucratic formalities.

To ensure against datedness, this Policy will embrace an inflationary indexing system with the base year being Year 2000.

### ***Responsibility***

All employees, including supervisors and department heads and any others authorized to make purchases for the Town, will be responsible for following the provisions outlined in this Policy when making purchases with Town funds. It shall be the Town Manager's responsibility to sign-off on all purchase orders and subsequent payments against purchase orders. It shall be the responsibility of the Finance Officer and designated staff to review all purchase order requests to ensure availability of funds.

### ***Procedures***

#### ***Purchase Order Requirements***

The Town of Tolland's purchasing process begins at the departmental level. Each department identifies its need and initiates an on-line purchasing requisition. If funds are available the requisition will be approved first by the Finance Officer and then by the Town Manager for final approval. After all approvals are acquired, the Finance Office will convert the requisition into a purchase order and funds will be available for spending.

Department approvals will still be required on all invoices prior to being processed by the Finance Office. Purchase orders will be required for all items or services greater than \$350 for all departments. The purchase order will be reviewed and processed by the Finance Officer and then forwarded to the Town Manager's Office for formal approval prior to being processed by the Finance Office.

Review and Control of Purchase Orders:

Department heads shall review all open purchase orders on a regular basis to determine the receipt/completion of goods/services or whether the purchase order should be cancelled. The Finance Officer will review purchase orders on a quarterly or bi-annual basis to determine the status of all open encumbrances.

Blanket Purchase Orders:

Under limited circumstances, blanket purchase orders will be issued, with prior approval from the Town Manager, to certain vendors from which goods and services are purchased on a frequent basis. Selected examples include library books and miscellaneous repairs from the Highway and Parks & Facilities Departments.

*Requirements for Competitive Bidding*

Competitive and Sealed Bids:

Purchase orders and signed contractual bid documents along with all required bond documents will be required for all purchases or services exceeding the threshold for competitive and sealed bids. This threshold shall be one-tenth (1/10) of 1% of the Town's grand mill levy in any particular fiscal year.

Awarding of Bid:

Unless otherwise directed by Town Council or other legislative authority, the Town Manager or his/her designee, after proper review of the bid results, shall award the bid contract to the lowest qualified bidder. This assumes that the projects, goods or services are approved budgetary item(s) and that the lowest qualified bid is within budgetary limitations.

Local Vendor Preference:

Notwithstanding other grant restrictions or statutory requirements that supersede the competitive bidding requirements of this Policy, the Town Manager shall award the bid contract to a vendor having his/her principal place of business in the Town of Tolland subject to the following conditions:

1. The bid amount is not more than five (5) percent higher than the lowest qualified bid. The local bidder must agree to match the lowest qualified bid. If more than one qualified local business submits a bid within this five (5) percent threshold, then the business with the lower bid shall receive the local preference.

2. Only a town-based business shall qualify for this preference. The term "town-based business" shall mean a business that has its principal business operations within the Town of Tolland's boundaries. The vendor shall provide adequate proof substantiating a bona fide principal place of business in Tolland. Such evidence may include ownership papers, lease agreement or proof of payment of local personal property taxes.
3. Any qualified local vendor shall be required to submit a signed Local Bidder Affidavit form with the sealed bid. Failure to submit an affidavit form, approved by the Town of Tolland, may result in the local bidder's disqualification and ineligibility for a contract award.
4. The Town Manager or her/her designee has discretion to apply a local vendor preference for entering into professional service contracts.

#### *Non-Bidding Requirements*

##### Price Quotations:

For goods or services of \$5,000 to 1/10 of 1% of the current tax levy, employees must obtain three price quotations and attach them to the completed purchase order. If a unique product or service is being purchased, or if it is difficult to obtain quotations, employees must note this in writing and attach this explanation to the completed purchase order form.

For goods or services of \$1,000 to \$5,000, employees must make every effort to obtain two price quotations and attach them to the completed purchase order. If a unique product or service is being purchased, or if it is difficult to obtain quotations, employees must note this in writing and attach this explanation to the completed purchase order form.

The local vendor preference rule shall apply to all non-bidder projects as referenced in the section on competitive bidding.

#### *Policy Exceptions*

This Policy will not apply to the following circumstances:

1. Professional services: Professional services shall be exempt from the purchasing guidelines and are defined as being services which meet the following tests:
  - a. Work requiring knowledge of an advanced type or field of science or learning, including but not limited to engineers, architects, appraisers, attorneys, auditors, medical services, or;

- b. Work that is original and creative in character in a recognized field or artistic endeavor and the result of which depends on a person's invention, imagination or talent, or;
  
- c. Work as a certified teacher or trainer.

Depending on the scope of the project, the Town Manager may require that the designated project manager develop RFP specifications so that multiple proposals for a professional services contract are evaluated on a somewhat competitive, albeit a subjective basis.

2. Cooperative purchasing: This Policy will not apply when goods or services are acquired through cooperative purchasing agreements. Primary examples shall include State contracts and the Capital Region Purchasing Council.
  
3. Emergencies: Inevitably there are emergencies when normal procedures must be suspended to ensure the timely delivery of goods or services. The Town Manager or his/her designee shall be empowered to suspend the normal procedures during an emergency situation when public safety is at risk.
  
4. Preemptive Legislation: This Policy will not apply to special goods, services or projects, the procurement of which is preempted by state or federal legislation. Selected examples include but are not limited to federal CFR Regulations, Davis-Bacon provisions or state prevailing wage requirements.
  
5. Recurring Expenditures: Recurring expenditures such as utility bills, service maintenance contracts and professional development costs shall be exempt from the Policy provisions.
  
6. Technology Enhancements: The procurement of technology equipment shall be exempt from the Policy provisions. Since hardware and software standardization is critical to the efficient operation of the Town's computer system, it is not in the Town's interest to intermingle different brands or styles of computer equipment. All desktop computers shall be of Gateway design or its equivalent and run on the Microsoft Office platform of services. In situations where multiple vendors carry the same standard platform of products utilized by the Town, departments will be required to obtain competitive quotes.
  
7. Bid Waiver: By Resolution the Town Council may at any time waive the formal bid requirements if such waiver is in the best interest of the Town. The Town Manager shall serve the Council with a written request and explanation for such waiver.