



TOWN OF WAYNESVILLE, NORTH CAROLINA

Administrative Policies and Procedures

Purchasing Policy and Procedures

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Purchasing Department (828) 456-5114

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1. Purpose

This purchasing policy and procedures manual is intended for use as a guide to the Town of Waynesville's purchasing methods and practices. While this manual does not answer all questions related to purchasing, it does provide the foundation for a sound centralized purchasing system.

The goals of the Town's purchasing program are:

1. To comply with the legal and ethical requirements of public purchasing and procurement.
2. To receive maximum value for each dollar spent by awarding purchase orders to the lowest responsible bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance, and other relevant factors.
3. To provide Town departments the required goods, equipment, and services at the time and place needed and in the proper quantity and quality.
4. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers, negotiations, commitment, follow-up, and adjustments.
5. To promote good and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.
6. To effect maximum standardization of products used within and among departments in order to minimize stock levels and obtain better prices.

If the procedures and guidelines established in this manual are followed, each department can efficiently manage, control and plan its available resources to meet present and future departmental needs.

2. General Guidelines for Purchasing Supplies and Materials

2.1 Local Buying

It is the desire of the Town to purchase from vendors located within Waynesville and Haywood County whenever possible. This can be accomplished by ensuring that local vendors who have goods or services available are included in the competitive purchasing process. However, the Town has a responsibility to its residents to ensure that the maximum value is obtained for each public dollar spent. **The Town cannot and will not make purchasing decisions solely on the basis of vendor residence.**

2.2 Buying Proper Quality

Quality and service are as important as price; it is the duty of the requesting department to secure the best, most economical, quality that will meet but not exceed the requirements for which the goods or services are intended. In some instances the lowest price does not necessarily mean the lowest cost.

2.3 Planning

Planning for purchases should be done on both a short-term and long-term basis, thereby minimizing small orders and last minute purchases. Planning will also reduce the number of trips required to obtain materials and minimize clerical and supervisory time spent on documenting purchases.

2.4 Purchase Cut-Off Date

Purchase requests for materials, supplies, services and equipment (not included in blanket purchase orders or service contracts) for the current fiscal year must be received by the Purchasing Department no later than June 1. Purchase requests of a routine nature that could have been scheduled prior to June 1, and are not critical, will be returned to the department for disposition in the new fiscal year. This procedure affords the Purchasing and Finance Departments the opportunity to complete fiscal year end activities in a timely and proper manner.

3. Environmentally Responsible Purchases Preferred

The Town of Waynesville is a large consumer of goods and services and the purchasing decision of our employees and contractors can positively or negatively affect the environment. By including environmental considerations in our procurement decisions, along with our traditional concerns with price, performance and availability, we will remain fiscally responsible while promoting practices that improve public health and safety, reduce pollution, and conserve natural resources.

It is not the intent of this policy to require a department or contractor to: take any action that conflicts with local, state or federal requirements; procure products that do not perform adequately for their intended use; exclude adequate competition; or pursue products not available at a reasonable price in a reasonable period of time.

3.1 Environmentally Responsible Criteria

All Town Departments shall take every reasonable effort to purchase environmentally responsible products, as long as those items meet or exceed specification and required quality levels set forth by the Town.

3.1.1 Definition, environmentally responsible products and services

- a) Made with recycled, non-toxic, and/or recyclable materials that minimize environmentally harmful processes and products in their production and use
- b) Maximize use of recycled content
- c) Absent of hazardous chemicals
- d) Minimize energy consumption
- e) Reduce solid waste, either in production or packaging
- f) Protect air quality
- g) Conserve water
- h) Have a long useful life
- i) Are recyclable or biodegradable

Examples include, but are not limited to:

- a) Cleaning solvents should be biodegradable, phosphate free and citrus-based where their use will not compromise quality of service
- b) Industrial cleaning products that meet Green Seal certification standards or environmental preferably and performance shall be purchased for employee use and be required to be supplied by janitorial contractors. See www.greenseal.org.
- c) Whenever possible, products and equipment should not contain lead or mercury. For products that contain lead or mercury, preference should be given to those products with lower quantities of these metals and to vendors with established lead and mercury recovery programs
- d) Products purchased or leased by the Town shall meet Energy Star certification and shall be configured to maximize energy saving features. See www.energystar.gov.
- e) New and replacement equipment for lighting, heating, ventilation, refrigeration, HVAC systems, water consuming fixtures and process equipment and all such components shall meet or exceed the Federal Energy Management Program (FEMP) recommended levels, whenever practicable. See www.femp.org.

4. Vendor Relations

Good vendor relations are established through mutual confidence and satisfactory business exchanges between buyer and seller.

4.1 Vendor Performance Evaluation

The Purchasing Department maintains a vendor file for recording the performance of vendors with whom the Town engages in business. Should a department experience difficulties with or have a complaint with a particular vendor, concerns should be documented on a Vendor Performance Evaluation Form (Exhibit A). A memo to the Purchasing Supervisor with the concerns will also suffice. Be as specific as possible, detailing the circumstances, dates, personnel involved (including titles) and phone numbers. This information will be helpful in determining if the vendor shall remain on the vendor

list. If it is felt a certain vendor should be commended for his efforts, document the circumstances on the Vendor Evaluation Form and forward to the Purchasing Department.

Should any Department Director or town employee become aware that a vendor has made contact with an elected official, the Town Manager should be notified.

4.2 Vendor Selection Policy

Vendors will be selected on a competitive basis. Formal bids, informal bids, or telephone quotations will be solicited by the Purchasing Department. Bid awards, purchase orders and/or contracts will be issued to the lowest responsible responsive bidder.

4.3 Future Commitments to Vendors

Employees do not have the authorization to commit, in writing or verbally, future Town business to vendors. If a department wishes to add a specific vendor or contractor to a bid list, the Purchasing Department must be contacted.

5. Vendor Selection

5.1 Selection Procedures

For the procurement of supplies, materials, and equipment and for construction or repair, the Town will observe the following procedures. Sections 6 - 8 detail the steps which must be used by town employees to satisfy these selection procedures.

- a) Purchases of less than \$5,000 will be made in the open market and every effort should be made to obtain **three written quotes** for purchases of less than \$5,000. All quotes must be forwarded to the Purchasing Department. Purchases over \$5,000 must be budgeted in capital outlay.
- b) North Carolina General Statute §143-131, requires a Request for Written Quotation (RFQ) to be used for purchases of \$30,000 to \$89,999, with or without advertising. However, the Town has chosen to exceed the state requirement and a RFQ must be used for purchases of \$5,000 to \$89,999 for apparatus, supplies, materials, and equipment. Does not apply to fuel purchases.
- c) In accordance with North Carolina General Statute §143-129, invitation for formal bids will be used for purchases of \$90,000 and greater (\$500,000 and greater for construction and repairs). This includes advertising in the local newspaper and/or other advertising media as deemed appropriate and receiving sealed bids.

6. Supplies, Materials, Equipment, or Services

The required procedure for the purchase of apparatus, supplies, materials, and equipment varies, depending on the expenditure amount. The threshold amounts are: \$500; \$5,000, and \$90,000. Purchases over \$5,000 must be budgeted in capital outlay.

Town of Waynesville Ordinance 17-98 delegates the authority to purchase apparatus, supplies, materials, and equipment to the Purchasing Officer (Purchasing Supervisor). In practice, such purchases are made with the full involvement of the Department Director or his designee, and when appropriate, the Town Manager.

6.1 Supplies, Materials, Equipment, or Services (Less Than \$500)

The employee ordering the product must request that the vendor put the employee name and phone number on the invoice. Upon receipt of the item, the invoice must be submitted to Accounts Payable in a timely manner. Under no circumstances may an order be split to stay under the \$500 threshold. Such purchases are normally made at the Department level, but the Purchasing Department may be consulted to aid in finding an appropriate vendor or competitive pricing.

6.2 Supplies, Materials, Equipment, or Services (\$500—\$4,999)

The Department Director or his/her designee must approve all requests within the department. For purchases over \$500, a Purchase Requisition Form must be submitted to the Purchasing Department. These forms are distributed to Department Directors by Purchasing.

After receiving a properly executed Purchase Requisition Form for expenditures of less than \$5,000, the Purchasing Supervisor shall accept quotes. Every effort should be made to obtain three (3) quotes, as outlined in Section 4.2. Once the quote deemed to be in the best interest of the Town is determined, the Purchasing Supervisor shall create the purchase order and contact the successful bidder(s).

With the above statements in mind, there are a variety of exceptions to the Purchase Requisition Form requirement:

6.2.1 Purchases Not Requiring a Purchase Order

Advertising (<i>legal ads, radio, etc.</i>)	Petty cash - replenishment of funds
Annual dues & memberships	Postage permits and expenses
Claim payments	Refunds
Insurance premiums	Rental of buildings
Medical examinations	Subscriptions
Land purchases	Tuition fees for educational purposes
Professional services	Utilities
<i>(accounting, legal, architectural, etc.)</i>	

This list is not all inclusive. Contact the Purchasing Department with any questions.

6.3 Informal Bids - Supplies and Materials (\$5,000 - \$89,999)

After receiving a properly executed Purchase Requisition, the Purchasing Supervisor shall utilize the informal bidding process for purchases of \$5,000 to \$89,999. The informal bidding process requires that competitive pricing be obtained in a written manner using a Request for Quotation (RFQ). These requests are sent to several sources who can supply the product(s) desired, with the goal of gaining three (3) quotes.

Informal bids do not have to be publicly opened. However, **the quotes received for an informal bid are not public knowledge until after the deadline for receipt of bids.** Once all available quotes are received, and the quote deemed in the best interest of the Town is determined, the Purchasing Supervisor shall create the purchase order and contact the successful bidder(s). It is not permissible to divide a proposal in order to avoid formal bid requirements in favor of informal bids. In other words, under no circumstances may an order be split to stay under the \$90,000 threshold.

6.3.1 Purchase Approval

Approval of purchases involving the expenditure of more than \$5,000 but less than \$90,000 are made by the Purchasing Supervisor in consultation with the Department Director or his designee. Purchases over \$5,000 must be budgeted in capital outlay.

6.4 Formal Bids - Supplies and Materials (\$90,000 and Greater)

The Department Director or his/her designee shall complete a Purchase Requisition, then work with the Purchasing Supervisor to develop and prepare specifications for bidding on supplies, apparatus, materials and equipment with an expenditure of \$90,000 or more.

The Purchasing Supervisor shall be responsible for ensuring that all North Carolina General Statutes are satisfied, including, but not limited to, newspaper advertisement and receipt of sealed bids. The Board of Aldermen, pursuant to G.S. 143-129(b), has further authorized the Purchasing Supervisor to advertise by electronic means as an alternative to newspaper advertisement whenever it is deemed the most effective and efficient method of obtaining bids. Advertisement by newspaper and electronic means may be used together or separately to meet the statutory requirements.

After receipt of a bid, the Purchasing Supervisor, with the Department Director or his/her designee, shall review all bid responses to determine the bid deemed in the best interest of the Town. The Department Director or his/her designee shall make a formal recommendation of award, with supporting documentation to the Town Manager, Finance Director, and the Board of Aldermen.

6.4.1 Purchase Approval

Purchases involving the expenditure of more than \$90,000 require approval of the Board of Aldermen, even if an established purchasing contract, such as the state contract, is being utilized. Upon Board of Aldermen approval of the recommendation, the Purchasing Supervisor shall create the purchase order and contact the successful bidder(s).

7. Vehicles and Other Rolling Stock

The timing of vehicle and rolling stock purchases must be approved by the Town Manger. The Town's Fleet Replacement Policy should be referenced first, to determine the criteria for vehicle and equipment replacement.

The purchase and acquisition of vehicles shall be handled by the Purchasing Supervisor, who will work with Department Directors and other personnel in the development of the vehicle specifications. The Purchasing Supervisor shall determine which bidding process, informal or formal, is required based on the anticipated vehicle cost.

The Purchasing Supervisor will handle all necessary forms for title work on new vehicles. Vehicles shall not be released to departments until title work, insurance coverage, and necessary equipment has been installed in the vehicle.

Once a new vehicle has been delivered and entered into service, Department Directors must notify the Purchasing Supervisor of any vehicle that is determined to be surplus.

Whenever possible, Town departments shall evaluate the purchase of alternative fuel vehicles and equipment. Even when not purchasing alternative fuel vehicles, departments shall purchase "greener"

vehicles by specifying good fuel economy and environmental performance. See www.epa.gov/greenvehicles.

8. Construction and Repair Work

Please note: In accordance with G.S. 143-128.2, the provisions of the Town's Minority Business Outreach Plan must be followed on all *building* construction or repair projects in the amount of \$300,000 or more (or if using state funds, \$100,000 or more). Additional outreach and documentation may be required for projects which receive federal funding, regardless of funding amount.

8.1 Definitions

Construction & Repair – Contracted services defined by General Statute that include labor and material costs for construction, renovations, water/sewer line repair, paving, street repair etc... not involving a building

Building Construction – Contracted services defined by General Statute that include labor and materials costs for construction and /or renovation of existing or new buildings.

8.2 Performance/Payment Bonds

Contracts over \$50,000 that are part of a project with estimated expenditures of more than \$300,000 require Performance and Payment Bonds (100% of bid amount) per North Carolina General Statutes. This includes "horizontal" projects such as water/sewer line replacement, street repairs, paving etc...

8.3 Informal Construction or Repair Contracts (Less than \$500,000)

Construction, renovation or repair work of less than \$500,000 shall be the responsibility of the Department Director, the contracted engineer and other Town officials as deemed necessary. After receiving a properly executed Purchase Requisition, the Purchasing Supervisor shall utilize the informal bidding process for informal construction or repair contracts. The Purchasing Supervisor shall be responsible for ensuring that all North Carolina General Statutes are satisfied.

The informal bidding process requires that competitive pricing be obtained in a written manner using a Request For Quotation (RFQ). These requests are sent to several sources who are capable of performing the work desired, with the goal of gaining three (3) quotes.

Informal bids do not have to be publicly opened, and **the quotes received for an informal bid are not public knowledge until after the deadline for receipt of bids**. Once all available quotes are received, and the quote deemed in the best interest of the Town is determined, the Purchasing Supervisor shall create the purchase order and contact the successful bidder(s). It is not permissible to divide a proposal in order to avoid formal bid requirements in favor of informal bids. Under no circumstances may a project be split to stay under the \$500,000 threshold.

Construction or Repair Contracts with estimated expenditures of \$30,000 or more must use a licensed general contractor per NCGS 87.1.

8.4 Purchase Approval

Approval of all building construction or repair contracts under \$30,000 shall be made by the Purchasing Supervisor in consultation with the Department Director or his designee, all building and repair contracts between \$30,000 and \$99,999 shall be made by the Town Manager, and approval of all other informal building construction and repair contracts shall be made by the Board of Aldermen.

8.5 Formal Construction or Repair Contracts (\$500,000 and greater)

Construction contracts within this range shall be the responsibility of the Department Director and contracted engineer and other Town staff as deemed necessary. These officials are responsible for specification development and the bidding process. Upon award by the Board of Aldermen and execution of the contract, the Department Director shall initiate a Purchase Requisition form so that a purchase order can be generated to encumber the expenditure account.

The Purchasing Supervisor shall be responsible for ensuring that all North Carolina General Statutes are satisfied, including, but not limited to, newspaper advertisement and receipt of sealed bids.

8.6 Purchase Approval

Approval of all formal building construction or repair contracts shall be made by the Board of Aldermen.

8.7 Bid Bonds/Deposit

A Bid Bond or Deposit equal to 5% of the bid is required on Construction or Repair Projects with estimated expenditures of \$500,000 or more. Bid Bonds when required should be placed in separate envelope and opened before bid to ensure proper submittal.

9. Purchase Orders

To be valid, a Purchase Order must be completed and signed by the Purchasing Supervisor, the Finance Director, or the Town Manager.

9.1 The Purchase Order Process

A purchase order is a contract between the Town and a vendor and is not binding until accepted by the vendor. Purchase orders are available only through the Purchasing Department. The issuance of purchase orders by unauthorized Town employees or officials will not be recognized by the Town and payment of these obligations will not be approved. Obtaining supplies, materials, equipment or services over \$500 without a purchase order is also an unauthorized purchase. (Except in emergency situations as outlined in Section 12.2.) **Unauthorized purchases are classified as a personal expense and will be paid for by the employee.**

The purchase order is a numbered three part form with copies to be distributed as follows:

White	-	(Finance Copy)	Forwarded to Accounts Payable
Pink	-	(Buyer's Copy)	Forwarded to Purchasing
Yellow	-	(Purchasing's Copy)	Filed sequentially

In order to properly process the vendor's invoice(s) for payment, the packing slips must indicate the purchase order number, be signed by an authorized Town employee, and forwarded to Accounts Payable. This must be done immediately after the item(s) have been received, inspected and accepted by the user department.

If the purchase is to be charged to an account other than the one indicated on the purchase order, the account number to be charged for the expenditure must be indicated.

9.2 Change Orders

In order to change, modify, or cancel an existing purchase order, the user department must request a Change Order from the Purchasing Supervisor. Purchasing will be responsible for the distribution of paperwork to the vendor and requesting department. The Board of Aldermen must approve change orders in excess of the contingency amounts for purchases and/or contracts which it originally awarded.

Change orders are not allowed:

- a. That alter the procurement procedures used in the original process. (i.e., from informal to formal).
- b. After the scope of services have been rendered or materials have been received.
- c. That increase a blanket purchase order.
- d. That adds additional items to the purchase order.

10. Contract Management

A contract is a legal instrument that protects the Town's interests by clearly establishing the responsibility of all parties. The contract establishes the terms and conditions under which a service is to be performed or a good purchased.

All contracts above \$5,000 must be in writing and have the pre-audit certification completed by the Finance Officer.

10.1 Definition

Contracts include those signed for the purchase of goods, construction and repairs, service agreements, and more. Contracts include but are not limited to the following:

Rental of equipment or uniforms	Cellular phone contracts
Consulting services	Purchase of goods
Leases for real estate or equipment	Advertising agreements
Letter of agreement	Revision or addendum to an existing contract
Agreements for acceptance of grant funds	

10.2 General Services

General Services consist of all other services not defined by North Carolina General Statutes and include maintenance agreements, contract for semi-skilled and unskilled labor and contracts for services not covered by the Professional Services. Examples of these types of services include but are not limited to include, elevator repair, lot cleanup, demolition, sludge removal, instructors, HVAC repairs, electrical repairs.

10.2.1 Service Contracts

A Purchase Order is required for service contracts above \$500. Copies of executed contracts must be provided to the Town Clerk and the Purchasing Supervisor.

Service contracts should be reviewed by the affected department, at a minimum, every two years to ensure the Town is not paying for maintenance or service on equipment it no longer owns or operates.

10.3 Contract Authority

The majority of employees do not have the authority to sign contracts on behalf of the Town, and the approval of a Purchase and Contract Authority are two distinct processes. In general, a Department Director or his designee is responsible for negotiating and managing the contract with the vendor, but is not authorized to sign the contract.

Purchasing Supervisor	Materials, Equipment, and Supplies	\$1 - \$89,999
	Construction & Repairs	\$1 - \$29,999
Town Manager (or designee)	Materials, Equipment, and Supplies	\$90,000 and above
	Construction & Repairs	\$30,000 and above
Mayor	In specific instances, the Mayor is required to sign as the chief elected official for the Town.	

11. Special Procurement Procedures

11.1 Blanket Purchase Orders

The Purchasing Department will issue blanket purchase orders to selected vendors for the procurement of large volume items such as landscaping supplies, rock, sand and asphalt. Blanket purchase orders should not be used for items normally carried in stock at the warehouse and will not be issued for items that should be purchased with a purchasing card or petty cash.

Requests for blanket purchase orders must, in addition to the required information, indicate the following: items covered by the blanket purchase order, a Not to Exceed (NTE) amount in the appropriate column, and an attached listing of all personnel approved to purchase from the blanket PO. The issued purchase order will instruct the vendor that unauthorized purchases will not be allowed. It is the responsibility of the individual authorized to purchase under a blanket purchase order to ensure that an unspent balance remains to cover the purchase to be made. **Any purchase that exceeds the funds available under a blanket purchase order will be classified as an unauthorized purchase.**

Any purchases made by personnel not authorized by the blanket purchase order request will be classified as a personal expense and will be paid by the employee.

The vendor's delivery ticket must be signed by an authorized Town employee and the purchase order number must be indicated. If the purchase is to be charged to an account other than that indicated by the purchase order, the account number to be charged for the expenditure must be indicated on the ticket. Departments must immediately forward these delivery tickets to Accounts Payable for payment.

11.2 *Emergency Purchases*

In cases of emergencies, the Department Director or his/her designee may purchase directly from any vendor supplies or services whose immediate procurement is essential to prevent delays in work which may affect the life, health, safety, or convenience of Town of Waynesville employees or citizens.

The user department shall exercise good judgment and use established vendors when making emergency purchases. Emergency purchases, although sometimes necessary, are costly both in time and money. Always obtain the best possible price and limit purchases to those items emergency related. **Not anticipating needs does not constitute an emergency situation.** The use of emergency purchases should be limited and will be monitored for abuse.

11.2.1 Emergency Purchase Procedure During Business Hours

Contact the Purchasing Department and give all pertinent information to obtain a purchase order. The information needed will include vendor name, item(s) to be purchased with quantities, expenditure account to which the item(s) will be charged and the reason for the emergency purchase. After verifying available funds, a purchase order number will be issued for the expenditure and a confirming purchase order will be mailed to the vendor.

11.2.2 Emergency Purchase Procedure After Business Hours

The packing slip or invoice received should be coded with the account(s) to be charged and signed. Please attach a brief explanation of the nature of the emergency, and forward immediately to the Finance Department for payment. The Purchasing Supervisor must be notified of the purchase and the circumstances the morning of the next business day.

11.3 *Sole Source of Supply*

If there is only one vendor capable of providing a particular good or service, the competitive pricing procedures outlined in this manual may be waived by the Board of Aldermen, as outlined in G.S. 143-129. Whenever a Department Director or his/her designee determines it is necessary to purchase goods or services from a "sole source," he/she shall document why only one company or individual is capable of providing the goods or services required.

11.4 *Competitively Bid Group Contracts*

The Town may utilize state and national competitively bid group contracts whenever possible for procurement of capital and non-capital items. Such programs include but are not limited to the State of North Carolina Purchase and Contract Division, US Communities, NJPA, and GSA. This system expedites the purchase of goods, offers pricing comparable with quotes received from formal and informal bids, and satisfies North Carolina General Statutes. Contact the Purchasing Department with questions about goods available on group contract.

11.5 *Piggybacking*

The Purchasing Department may use the piggybacking process whenever necessary to purchase apparatus, supplies, materials and equipment. Contracts in the informal range can be used as a tool to solicit additional bids, but no board action is necessary. For purchases of \$90,000 and above, the provisions of G.S. 143-129 will be followed.

11.6 Professional Services

Normal competitive procedures cannot be utilized in securing professional services such as attorneys, planners, and other professional people who, in keeping with the standards of their discipline, will not enter into a competitive bidding process. When an agreement between a professional service company and the Town is established, a purchase order with a NTE amount shall be issued to satisfy accounting and statutory requirements.

11.7 Petty Cash Expenditures

A petty cash fund has been established for the purchase of expendable items (including but not limited to car washes, office supplies, etc.) costing less than \$20.00. Employees wishing to purchase items and be reimbursed with petty cash must provide a receipt for the purchase to the Finance Department.

11.8 Gas, Fuel and Oil

Purchases of gasoline, diesel fuel, motor oil, fuel oil or natural gas are not subject to the formal bidding requirements. These purchases are subject to the informal procedures of G.S. 143-131

12. Specifications

Whether goods or services are procured under the formal or informal bidding process, specifications must be prepared. All specifications should do at least four things:

1. Identify minimum requirements
2. Encourage competitive bids
3. Be capable of objective review
4. Provide for an equitable award at the lowest possible cost

Department Directors and Supervisors are responsible for developing the minimum technical requirements (specifications) for the items they wish to purchase. Departments are encouraged to provide a contact list of vendors for outreach purposes.

Specifications should be as simple as possible while maintaining the degree of exactness required to assure that bidders are offering the quality of goods and services required. Such exactness also prevents bidders from taking advantage of their competitors by not offering the quality of goods and level of service required by the Town.

All specifications utilizing a name brand must include the term "or approved equal" to avoid being restrictive and to allow fair competition in the bidding process. Departments should supply any documentation that may assist the Purchasing Department in procuring the desired item(s).

12.1 Methods of structuring specifications

Qualified products on acceptable vendor list	Performance, purpose or use
Blueprint or dimension sheet	Identification with industry standards
Chemical analysis or physical properties	By samples

13. Delivery and Performance

A completed and accepted purchase order by the parties concerned must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies or equipment.

If several items are required by the purchase order, there may be a different delivery schedule for each item. It is necessary to clearly indicate the delivery location on the Purchase Requisition form.

13.1 Partial Deliveries

Some purchase orders may list several items. It is possible the vendor may complete timely delivery on some items without including all items ordered in the same shipment. This is referred to as a "partial delivery." Upon receipt of a partial delivery, photocopy the purchase order, attach a copy of the signed delivery receipt and forward to Accounts Payable.

13.2 Non-performance

If a vendor fails to meet any requirements(s) of the specifications or terms and conditions of the contract or purchase order, the vendor and proposed remedies will be evaluated based upon the circumstances of each violation.

14. Inspection and Testing

Goods and materials should be checked at the time of receipt for damage or defects. The inspection shall include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) shall be rejected as outlined below.

14.1 Rejection

In order to protect the Town's rights in the event of rejection, for whatever reason, the vendor shall be informed immediately. Reasons for the rejection must be documented in memo form, attached to a copy of the purchase order and forwarded to the Purchasing Department in a timely manner. Purchasing will notify the vendor of the reason for the rejection.

14.2 Damaged Goods

One of the major reasons for immediately inspecting the goods or materials upon receipt is to detect any visible damage. When it is apparent that the extent of the damage causes the goods to be worthless, they will not be accepted. If the damage is not apparent until after the goods have been accepted, the Purchasing Department will contact the vendor.

It is necessary that all damage, including evidence of concealed damage, be documented by memo, attached to a copy of the purchase order and forwarded to the Purchasing Department so that Purchasing can inform the vendor of the damaged goods. Photo documentation may also be necessary.

14.3 Latent Defects

Latent defects may be the result of damage in transit or failure of the manufacturer to conform to specifications. Consequently, it is often difficult to fix responsibility for the defective material. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the Town may file a claim against all parties. A memo attached to a photocopy of the purchase order must be forwarded to the Purchasing Department so all parties involved can be properly informed.

15. After the Order

Follow-up or expediting delivery of an order is part of the purchasing process and can be more efficiently handled by the purchasing party, whether it is the Department or Purchasing.

The Purchasing Department shall on a regular basis review outstanding purchase orders to determine if vendors are delinquent in shipping the items requested and contact these vendors if necessary. Purchasing shall also contact vendors concerning invoice discrepancies and has the authorization, along with the Finance Director and Town Manager, to dispute invoice amounts.

16. Warehousing

A warehouse is maintained by the Purchasing Department at the Public Works Building to keep in stock a 90-day supply of those items most commonly used by all departments. Should a department require these items, a representative from the department must pick up the items and complete a Materials Requisition Form, available from Purchasing.

It is the responsibility of the User Department to notify Purchasing at least 60 days before beginning a project that will deplete particular items faster than normal. This to ensure that adequate supplies can be ordered to fulfill the project requirements and meet normal demands.

If a department has a recurring demand (need for particular items that exceed three times in a six month period) for a particular item that is not stocked in the warehouse, the department may request that the warehouse stock this item by providing the following information:

1. Description - A thorough description of the item is requested. When possible, please provide catalog data, drawings or pictures.
2. Recommended Initial Order Quantity - This is the quantity expected to be consumed in a 90 day period.
3. Recommended Minimum Stocking Quantity - This is the critical minimum quantity (i.e. a point that if stock were lower than this quantity, your performance would be compromised).
4. Adjusted Min/Max Numbers for Current Item - If the item requested will be used in addition to a current item, include a new quantity recommendation for that item.

If the item being requested replaces a current item, the Purchasing Supervisor shall determine the value of existing stock being replaced. If the dollar amount is significant, the Purchasing Supervisor shall review this with the Department Director to determine if existing stock can be depleted to the new recommended minimum/maximum stocking levels.

The same review process shall be taken with eliminated stock items. These items shall be declared surplus/obsolete and processed in accordance with general statutes.

17. Purchase Cards

The use of Purchasing Cards is authorized in order to reduce or eliminate certain types of paper-based processing, thereby saving Town employees time and effort.

The use of the Purchasing Card (P-Card) is not intended to change what items are purchased—only the method by which they are purchased.

17.1 Issuance of Purchasing Card

- a) Purchasing Cards are issued to those permanent full-time employees who routinely make purchases on behalf of the Town. P-cards are not tied to job description, and the Department Director may use discretion when assigning cards.
- b) The Department Director or his/her designee will determine the purchase authority of the employee and sign the New Cardholder Enrollment Form (Exhibit C) indicating approval.
- c) The employee must sign the "Cardholder's Agreement" (Exhibit B) verifying agreement to conditions of use. This agreement may be periodically updated and all P-card users must sign the most current form in order to continue using the card.
- d) Purchasing will review the Cardholder Enrollment Form and process for issuance of a purchasing card to the employee.

17.2 Use of Purchasing Card

- e) Each card will include a transaction limit, daily limit and monthly limit. Under no circumstances may a purchase be split into multiple parts in order to circumvent card limits.
- f) A Purchase Order is required for all non-emergency purchases over \$500.00, excluding the exceptions listed in section 5.2.1 of this manual.
- g) It is the cardholder's responsibility to provide a detailed receipt for each transaction on the billing statement. Telephone orders that do not generate receipts shall be evidenced by a catalog page and supplemented by any documentation that becomes available once the transaction is complete. Internet purchases should be evidenced by a printout of the order confirmation page. Cardholders must give all documentation to their supervisors on a monthly basis for reconciliation of the purchase card statement by Accounts Payable.
- h) Undocumented transactions (transactions turned in to be paid without a receipt) are not allowed and must be a rare occurrence. If the cardholder does not have documentation of a transaction listed on the monthly statement, he/she must attach an explanation that includes a description of the item(s) purchased, date of purchase, vendor's name, and reason for the lack of documentation. The Finance Department may request additional information or may disallow the transaction and the cardholder will be personally responsible for the transaction amount.
- i) Any disputed transactions are to be first resolved by the department, and if this fails, then referred to Finance. If a disputed transaction results in a credit being issued, Accounts Payable must be notified that this will appear on the bill.
- j) Finance and Administration may at any time review individual card activity and may revoke the purchasing card privileges of any or all employees.

17.2.1 Authorized Transactions

All authorized uses listed below assume unencumbered funds are available in the appropriate department.

- a) Payment for all approved Town purchases. All purchases must comply with the Purchasing Policy, including the Purchase Requisition Form requirement.
- b) Lodging reservations and payment when attending Town-approved conferences or meetings.
- c) Meal purchases as allowed in the Travel Policy.
- d) Online and telephone purchases.

17.2.2 Unauthorized Transactions

- a) Personal use
- b) Alcoholic beverages

- c) Any nonofficial purpose
- d) Gasoline for private automobiles. Travel is reimbursed at the mileage rate.

The list of authorized uses and unauthorized uses is not exhaustive. The guiding principle is to determine whether the expenditure is necessary for the cardholder to carry out his/her duties in the Town. All purchases must be carried out within the guidelines of this manual, and be part of the normal budgeting process.

17.3 Cardholder Responsibilities

- a) The satisfactory receipt of goods or services is the responsibility of the cardholder.
- b) It is the cardholder's responsibility to provide a detailed receipt for each transaction on the billing statement.
- c) A cardholder shall not permit another person to use his/her Purchasing Card.
- d) If any item purchased with the purchasing card is returned, the merchant must credit the card account. Employees are not to accept cash or gift cards for returned items. Accounts Payable must be notified of the credit amount that will appear on the bill.

17.4 Annual Approval Required

Authorized employees must review and sign a Purchasing Card agreement annually.

Purchasing Card Employee Agreement

I, _____, agree to the following regarding my use of the Town of Waynesville Purchasing Card:

1. I understand that I am being entrusted with a Purchasing Card to make financial commitments on behalf of the Town, and will restrict my purchases to approved Town of Waynesville activities.
2. I understand that under no circumstances will I use the Purchasing Card to make personal purchases.
3. I will not permit another person to use the Purchasing Card issued to me. Any such purchases made with my card will be considered to be made by me and will be my responsibility.
4. I will be responsible for the safekeeping of the Purchasing Card issued to me and, if lost or stolen, I will report its loss immediately to my supervisor and to Purchasing.
5. **I understand that I must submit a detailed receipt for each purchase on a monthly basis to my supervisor for submittal to Accounts Payable. I understand that a failure to do so will result in suspension of my purchasing card account until the required receipts have been submitted. Repeated failure to submit detailed receipts will result in the termination of my Purchasing Card Account.**
6. I understand that my personal credit will not be affected by use of the Town of Waynesville Purchasing Card.
7. I understand that in the event of termination of my employment with the Town of Waynesville, my final paycheck will be retained subject to the return of the Purchasing Card and any outstanding receipts to my supervisor.
8. I have read the Purchasing Policy and Procedure Manual and understand the requirements for using the Town of Waynesville Purchasing Card.
9. I agree that I will return the Purchasing Card to the Town upon termination of my Purchasing Card privileges.
10. I agree that should I violate the terms of this Agreement and use the Purchasing Card for personal use or gain that I will reimburse the Town of Waynesville for all incurred charges and any fees (including attorneys' fees and expenses) related to the collection of these charges.
11. *The use of the Town of Waynesville Purchasing card to procure goods and services for other than the official use of the Town of Waynesville is prohibited. Failure to follow the established procedures for using the Purchasing Card may result in revocation of use privileges or other disciplinary actions up to and including dismissal.*

I have read, understand, and agree to the conditions above:

Employee: _____ Date: _____

Department Director: _____ Date: _____

Purchasing Supervisor: _____ Date: _____

New Cardholder Enrollment Form

Town of Waynesville Purchasing Card

Employee/Cardholder Information

Name: _____

Department: _____

Card Limits

Daily \$ _____

Monthly \$ _____

Per Transaction \$ _____

Daily Number of Transactions: _____

Monthly Number of Transactions: _____

Approvals:

Department Director: _____

Purchasing Supervisor: _____

Card Receipt Documentation:

Card Account Number: _____

Date Issued to Cardholder: _____

Cardholder's Signature: _____