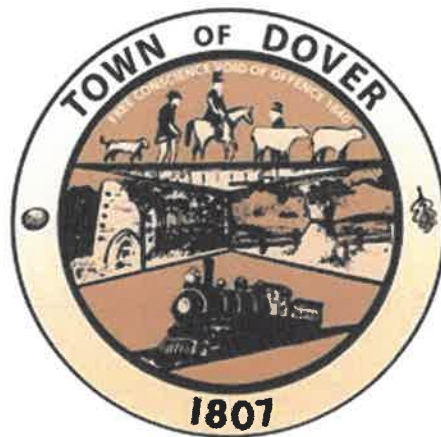


Town of Dover



Purchasing Policy and Procedures Manual

Revised March 2017

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INTRODUCTION:

All municipalities in New York State are required to comply with General Municipal Laws §103 and §104b by preparing and adopting a purchasing policy by which all purchases are made. The purpose of purchasing procedures is to safeguard spending of public monies and describe the resources available to:

- assist designated Town purchasers with procedures and best practices to assure the prudent and economical use of public monies;
- facilitate the acquisition of goods and services of maximum quality at the lowest possible cost and
- guard against favoritism, extravagance, fraud and corruption.

PURPOSE:

The purpose of this policy and procedures manual is to outline and explain standardized procedures for all officials and employees of the Town of Dover to secure goods and services needed for municipal operations. All Town personnel shall acknowledge this policy in writing and be subject to the provisions within this document.

DEFINITIONS:

Aggregate Purchases: Items of the same or similar nature purchased from the same groups of vendors. Examples are office supplies, recreation activity supplies, janitorial/cleaning supplies and commodities such as fuel, propane, gas and diesel.

Formal Bid: A written bid, completed in conformance with General Municipal Law §103, submitted in a sealed envelope to be opened on a specified date and time.

Best Value Bid: A bid that is created and awarded based on criteria determined by the Town Board to be significant in addition to lowest price.

Bidder/Offerer: An individual or company who submits a competitive offer on a Best Value, Formal Bid or RFP.

Buyer/Purchaser: Staff members designated by the Town Supervisor responsible for departmental purchasing.

Central Storeroom: A centralized location with office, janitorial and computer supplies for the staff to-obtain when needed for their daily duties.

Emergency: An emergency exists where a delay caused by soliciting quotes would endanger the health, safety or welfare of a Town employee or Town resident or other individual and/or the property of the municipality. The procurement of goods and services will be at the discretion of the buyer with documentation as to the nature of the emergency. Accordingly, there are 3 basic statutory criteria to be met in order to fall within this exception:

- The situation must arise out of an accident or unforeseen occurrence or condition and;
- The circumstances must affect the life, health, safety or property of the political subdivision's residents and/or public buildings or public property;
- The situation must require immediate action which cannot await competitive bidding.

Note: The unavailability of personnel in the Finance Department does not in itself constitute an emergency.

F.O.B.: Purchasing term "Free on Board"

- FOB Destination: no additional delivery charge; the Town does not take ownership or assume risk of product until it is delivered, unloaded and received.
- FOB Origin (Shipping Point): the Town is responsible for risk or loss during transport

(for Town of Dover purposes "**Destination**" should be used on the purchase order)

OGS: Office of General Services

OSC: Office of the State Comptroller

Offerer: GML 103 term used to replace the word "**Bidder**"

Petty Cash: Funds held by the Town Clerk's office for minor miscellaneous expenses and for making change when required in the performance of official duties. Proof of expenditure must be supplied for a reimbursement claim; should not be used for unplanned reimbursements.

Prevailing Wage: The pay rate that is required to be paid to all private workers on all NYS public works projects. All public works contracts, regardless of dollar value, require the payment of prevailing wages.

Public Works: Under NYS Labor Law, contractors and subcontractors must pay the prevailing rate of wage and supplements (fringe benefits) to all workers under all public work contracts regardless of the dollar value. It is the Town's responsibility to report all Town related building or construction projects to the NYS Department of Labor and to obtain a Prevailing Rate Case number (PRC #) relating to the specific project.

PRC #: Prevailing Rate Case number assigned by the NYS Department of Labor to a public works contract.

Purchase Order (p.o.): A legally binding contractual document generated by the buyer on the Town's financial system (Edmunds) after a purchase requisition is approved. It must describe the type, quantity and price for products and/or services; must be created and provided to vendor before any purchase is made.

Purchase Requisition: A request created in the Town's financial system (Edmunds) by an authorized employee for the creation of a purchase order. All purchase requisitions must be approved by the head of the department (1st approval) and then by the Finance Department (3rd approval) in order to obtain a valid purchase order.

Purchase Services: The price paid or required for acquiring, producing, or maintaining something usually measured in money, time or energy; expense outside of Article 8 of the Department of Labor Construction Laws. Purchase services may include Information Technology related repair, uniform delivery services, copier maintenance, etc.

Request for Competitive Offers: Used when awarding a contract subject to the Competitive Bidding statute which will be awarded on the basis of Best Value.

Requests for Proposals (RFP): Wherever written quotations are solicited the Request for Proposal shall include:

1. A description of the item requested, including specifications, quantities, delivery date, etc.
2. Vendor's information, terms of payment, delivery time and F.O.B. point.
3. A response within a stipulated time to submit to the Town Clerk with RFP opening date, time, location and directions to mail.

Voucher: Replaced by purchase orders that are generated in the Town's financial system. Department vouchers may be included in the supporting documentation attached to a purchase order.

TYPES OF MUNICIPAL VENDORS:

Preferred Source: Organizations designated by Section 162 of the NYS Finance Law to be contacted first when purchasing commodities for the Town.

Preferred Vendors List: A list of responsible vendors that the Town has a formal account with that consistently provides the lowest price and is within the closest proximity to the Town.

Professional Services: Technical or unique functions performed by independent contractors or consultants whose occupation is the rendering of such services. Professional services may include the Town Attorney, Engineer, Planner, Architect and Insurance Agent.

Single Source: A single source procurement is one in which, although there are 2 or more potential offers, the Town has determined that it is in its best interest to procure from a specific vendor. (Example: The Highway Department needs maintenance for a particular piece of equipment and in order to maintain the warranty the maintenance must be provided by a specific vendor.) **All purchase requisitions for single source purchases must contain adequate documentation describing the nature of the purchase and reasons for the determination.**

Sole Source: Goods and services that uniquely serve the public interest for which there is no competition available in the marketplace and as such, are only available from one source. In order for the purchase to be deemed “sole source”, documentation must be received on the **manufacturer’s letterhead** (with the manufacturer’s signature) stating that the goods and/or services are not available anywhere else. **Documentation from a distributor does not meet a sole source determination.**

Minority and Women Owned Business Enterprises (MWBE): Article 15-A of the NYS Executive Law enacted to promote equality of economic opportunity for minority group members and women to state and local contracting activities.

RESPONSIBILITY OF PURCHASING: The following employees are designated as official purchasers for their departments:

- All Departments: Linda French, Town Supervisor
- Supervisor’s Dept.: Lisette Martinez, Confidential Secretary
- Highway Department: Joanne Graham, Highway Superintendent
- Recreation Department: Theresa Ptasnick, Recreation Director
Julie Muncey, Recreation Secretary

These officials are authorized to purchase items specific to their budgets and are required to follow all aspects of this policy including procurement and purchase order procedures. The Town Supervisor is the official buyer for all other departments and is authorized to purchase items specific to those budgets. No invoice will be paid to a vendor without a valid purchase order and a signature from an authorized buyer. Access to the Town’s financial system (Edmunds) is granted to buyers and their staff as approved by the Town Supervisor. Access is limited to their department accounts and only for the purposes of Purchase Order Requisitions.

APPROVAL AND PURCHASING AUTHORITY: All designated buyers must submit a requisition to obtain a purchase order in advance of placing any order with a vendor. All requisitions are approved by the Finance Department through the Town’s financial system.

PROCESS FOR PURCHASING GOODS AND SERVICES: these are the steps to follow to place an order:

1. The buyer needs the following information: item specifications, item price, vendor information, department account number, appropriate quotes per this policy and all supporting documentation.

There must be sufficient funds in the department account and the item must be budgeted in order to receive a purchase order. If the item(s) requested is not budgeted or the amount for the item(s) is over budget, the appropriate form (Non-Budgeted or Over Budget) must be completed and submitted to the Supervisor for approval (see attachments at the end of this policy).

2. The information is entered into the Town's financial system as a purchase requisition. All quotes and supporting documentation are attached in the system as part of the purchase requisition.
3. The purchase requisition is sent to the Department Head for a 1st approval.
4. The Finance Department receives all 1st approved purchase requisitions. If all the criteria are met, the Finance Department will 3rd approve the purchase requisition and convert it into a purchase order. All requisitions are reviewed daily at approximately noon.
5. The original requestor will then print the purchase order along with all attachments. Once the goods/services are received, attach the packing slip. Once the invoice is received it can be attached to the purchase order and the Department Head can sign the purchase order. The Department Heads authorized to sign purchase orders are: Linda French, Joanne Graham, Teri Ptasnick and David Wylock.
6. Submit the completed purchase order with all appropriate attachments to the Town Clerk's office for audit and processing. Purchase orders should be submitted on a daily basis. In order to be added to the current month's abstract all purchase orders must be submitted by noon on the Friday before the Town Board meeting. If purchase orders are not received by the deadline, the purchase order will be paid in the following month.

Note: Any purchase orders received by the Finance Department and/or the Town Clerk's office which are not complete (i.e. missing attachments, etc.) and which do not meet all of the above criteria will be rejected.

TOWN OF DOVER PROCUREMENT POLICY THRESHOLDS:

PURCHASES:

Material & Cost for Budgeted Items	Subject to GML §103	Subject to GML §104b	Approvals Needed
Up to \$1,500		X	Buyer
\$1,501 to \$7,500		X	2 Quotes + Buyer
\$7,501 to \$19,999		X	3 Quotes + Buyer
\$20,000 & Up	X		Formal or Best Value Bid

PUBLIC WORKS CONTRACTS:

Material & Cost for Budgeted Items	Subject to GML §103	Subject to GML §104b	Approvals Needed
Up to \$9,999	X	X	Buyer, CFO and DOL Contract Number
\$10,000 to \$34,999	X	X	2 Quotes + Buyer, CFO and DOL Contract Number
\$35,000 & Up	X	X	Formal Bid

PURCHASE SERVICES:

Material & Cost for Budgeted Items	Subject to GML §103	Subject to GML §104b	Approvals Needed
Up to \$1,500		X	Buyer
\$1,501 to \$7,500		X	2 Quotes + Buyer
\$7,501 to \$19,999		X	3 Quotes + Buyer
\$20,000 & Up		X	Formal Bid

PROFESSIONAL SERVICES AND CONSULTANTS: The following procurement procedures apply for the hiring of consultants and professionals:

Up to \$9,999	Annual charge will be at the discretion of the Buyer and with the approval of the Town Supervisor
\$10,000 - \$19,999	Prices will be obtained by formal written quotes from at least two (2) sources and the award will be made at the discretion of the Buyer and with the approval of the Town Supervisor

\$20,000 - \$24,999	Prices will be obtained by formal written quotes from at least three (3) sources and the award will be made at the discretion of the Buyer and with the approval of the Town Supervisor
\$25,000 and Up	Prices will be obtained by RFP with the award of contract being made by the Town Board

BLANKET PURCHASE ORDERS: Blanket purchase orders are used in instances where repetitive or recurring purchases are made from the same vendor and same department account number. All of the procurement procedures need to be followed (i.e., quotes, state contract, etc). Once the blanket purchase order is set up (through the requisition process), requisitions must be submitted for releases (pulls) from the blanket.

EXCEPTIONS TO THE PURCHASING POLICY: There are certain expenditures for which the processing of a purchase order requisition is unnecessary. The following purchases should bypass the requisition process and be entered directly into the Town’s financial system by the Finance Department:

- Employee expenses as per the Town of Dover Employee Handbook such as conference expenses, mileage as per the IRS mileage reimbursement at the time of the trip
- Utility bills
- Reimbursement for petty cash funds
- Interdepartmental and intergovernmental charges
- Required tax and payments to other government agencies.

PROCEDURES FOR EMERGENCY SITUATIONS:

- The Town Supervisor must be notified immediately in the event of an emergency (see criteria of an emergency in DEFINITIONS on page 3). The procurement of goods and services will be at the discretion of the Supervisor and the buyer.
- In the event a credit card is needed for the purchase and a purchase order is not obtainable, the Supervisor will give the Town Clerk’s office permission to release the credit card.
- Documentation in the form of a letter or email explaining the nature of the emergency and the actions taken must be supplied to the Supervisor within 3 days of the emergency.

CHARGE ACCOUNTS:

All charge cards, purchase and travel cards must be kept in the Town Clerk's Office and will be issued to the authorized buyer when a valid purchase order has been created. All cards must be returned to the Town Clerk's office within one business day of purchase. Currently the Town has charge accounts with the following vendors: BJ's Wholesale Club, Citibank Purchase and Travel Cards, Hobby Lobby, Home Depot, Lowe's and Walmart.

BJ's Wholesale Club: Authorized buyers on this account are Linda French-Town Supervisor, Theresa Ptasnick-Recreation Director, Julie Muncey-Recreation Secretary and Joanne Graham-Highway Superintendent. Purchases must be made by authorized buyers only and paid for with the Citibank Purchase Card which is linked to the BJ's account.

Citibank Purchase & Travel Card: Authorized buyers on the **Purchase Card** are: Linda French-Town Supervisor, Theresa Ptasnick-Recreation Director, Joanne Graham-Highway Superintendent, and Julie Muncey-Recreation Secretary. Authorized users of the **Travel Card** are: Linda French-Town Supervisor, Theresa Ptasnick-Recreation Director, Joanne Graham-Highway Superintendent, Kathryn Palmer-House-Town Clerk and Julie Muncey-Recreation Secretary.

Pursuant to NYS OGS Contract # 22712 cardholder responsibilities for the Citibank Purchase Card and Travel Card include but are not limited to the following:

- The card will be issued in the name of the employee; it is not transferable and may not be used by anyone other than the cardholder. By signing and activating the cards the employee agrees to participate in the New York State Purchasing Card Program and assumes responsibility in accordance with program guidelines. The cards may only be used within the policies and procedures outlined in the Purchasing Card User Guide.
- The New York State Purchasing Card (*to buy*) is to be used for business expenditures only and not for personal or business travel or entertainment purposes.
- The New York State Travel Card (*to do*) is to be used for business travel only.
- If the card is lost or stolen, or if the cardholder suspects the card or account number has been compromised, the cardholder shall immediately notify Citibank Customer Service and the Town Supervisor.
- All charges will be billed and paid directly by the Town of Dover.
- The cardholder agrees to surrender the card upon termination of employment, retirement, voluntary separation, resignation or dismissal.
- All purchases made with the purchase and travel cards should be supported by receipts, charge slips, shipping detail, etc. The documentation is maintained and stored for reconciliation, auditing and tax purposes. In addition, these documents will be necessary to resolve billing and shipping disputes and must be attached to a valid purchase order.
- Failure to abide by these terms and/or fraudulent use of the card may result in disciplinary action up to and including dismissal.

TYPES OF CONTRACTS:

Cooperative Purchasing Contracts: Current authorized cooperative organizations are NJPA (National Joint Powers Alliance), TCPN (The Cooperative Purchasing Network) and US Communities.

Government Contracts (State and County): State laws make it possible for municipalities to procure material, supplies or equipment through the New York State Contract (OGS), County Contracts in New York State and Technology law §70 and §84 of the General Services Administration (GSA).

Best Value Bid Requirements: The Town Board must determine if a bid should be written by Best Value or Formal Bid. If it is a Best Value bid, it must be documented in the procurement record and in advance of the initial receipt of offers, the determination of the evaluation criteria which shall be objective and quantifiable. The process to be used in the determination of Best Value and the manner in which the evaluation process and selection shall be conducted must be documented. Best Value bidding cannot be used with Article 8 (construction project) contracts.

Piggy Backing: At times, the Town may find it more efficient to establish a contract based on another governmental entity's contract. This is known as "piggybacking" and allows for a municipality to "piggy back" onto other state, county and local government bid awards, provided the contracts were awarded as lowest bid or Best Value awards, and allow for other political subdivisions to use the contract.

Preferred Sources: When a commodity or service desired by the Town is available from a preferred source in the form, function and utility required, and the price, as determined by OGS, is no more than 15 percent above the prevailing market rate, the Town must purchase that commodity or service from a preferred source.

OGS prioritizes the use of preferred sources in the following order:

1. Department of Correctional Services' Correctional Industries (CORCRAFT);
2. Approved, charitable, non-profit making agencies for the blind and;
3. An employer in good standing with the New York State Department for Individuals with Disabilities (NYSID).

Public Works vs. Commodities Purchase: In general, purchase contracts involve the acquisition of commodities, materials, supplies, or equipment while contracts for public work involve services, labor or construction. As a rule, if the contract involves a substantial amount of services such that it is the focal point and the acquisition of goods is incidental, it will be considered a contract for public work. Conversely, if services or labor are only minimal or incidental to the acquisition of goods, it is considered a purchase contract.

Conflicts of Interest: Elected and appointed officials and employees are expected to comply with Chapter 17 of the Town of Dover Code (Ethics). (Available on Town of Dover website: townofdoverny.us)

The following describe examples where an official or employee may have a conflict of interest:

- a direct or indirect financial interest in the business of those suppliers or their families
- any instance to directly or indirectly accept salaries, fees, loans, favors or other credit facilities commissions, other compensation from those suppliers or gifts in excess of governmental allowances.



Town of Dover, New York

126 East Duncan Hill Rd • Dover Plains, NY 12522

Phone: (845)832-6111

Fax: (845)832-3188

Non Budgeted Item Information Sheet

Date: _____

Vendor: _____

Non Budgeted Item: _____

Amount: _____

Account to be charged: _____

Is this an item that will be purchased again? Yes / No
(circle one)

Department Head Request: _____
(signature)

Supervisor Approval: _____
(signature)



Town of Dover, New York

126 East Duncan Hill Rd • Dover Plains, NY 12522

Phone: (845)832-6111

Fax: (845)832-3188

Over Budget Item Information Sheet

Date: _____

Vendor: _____

Over Budget Item: _____

Amount: _____

Account to be charged: _____

Department Head Request: _____
(signature)

Supervisor Approval: _____
(signature)



Town of Dover, New York

126 East Duncan Hill Rd • Dover Plains, NY 12522

Phone: (845)832-6111

Fax: (845)832-3188

Over Budget Line Item Information Sheet

Date: _____

Vendor: _____

Over Budget Line Item: _____

Amount: _____

Account to be charged: _____

Department Head Request: _____
(signature)

Supervisor Approval: _____
(signature)



Town of Dover, New York
126 East Duncan Hill Rd • Dover Plains, NY 12522

Phone: (845)832-6111
Fax: (845)832-3188

Project / Item Information Sheet

Date: _____

Project & Location: _____

Vendor: _____

Amount Requested: _____

Account to be charged: _____

Requested by: _____
(signature)

Supervisor Approval: _____
(signature)

*** Attach all quotes and a list of all items needed for projects.**

Employee Acknowledgement (Town Purchasing Policy and Procedures Manual)

I have received and read the content, requirements, and expectation of the Town of Dover Purchasing Policy and Procedures Manual. I agree to abide by the policy guidelines as a condition of my employment at the Town of Dover.

If I have questions, at any time, regarding this policy, I agree to consult with the Town Supervisor.

Employee Signature: _____

Employee Printed Name: _____

Department: _____

Date: _____

