



Town of Greenville Purchasing Policy

The following policy is established for the purchase of goods and services on behalf of the Town of Greenville. This policy shall take effect upon adoption by the Town Board.

- 1) **PURPOSE:** It is the purpose of this policy to:
 - a) Clarify the system of purchasing contractual services, material, and equipment for the Town;
 - b) Determine the levels of approval necessary before purchasing contractual and professional services (not including professional engineering), material, and equipment for the Town;
 - c) Provide public confidence in the procedures used in public purchasing;
 - d) Ensure fair treatment of all persons who deal with the Town procurement system;
 - e) Provide economy and value in Town purchasing activities;
 - f) Foster competition within the free enterprise system where possible and appropriate;
 - g) Promote a detailed operating and capital improvement budgeting process;
 - h) Provide safeguards for the assurance of a purchasing system of quality and integrity.

- 2) **PURCHASING AGENT:** The Town Administrator is hereby designated the Purchasing Agent, hereinafter named "Agent," for the Town. The Agent may delegate authority to any designee for the preparation of specifications, the obtaining of quotations as may be required, and the purchase of items as specified in this policy.
 - a) The terms of this policy are applicable to the purchase of all budgeted and non-budgeted goods and non-professional services.
 - b) All departments shall adhere to this purchasing policy.
 - c) The Agent is hereby granted the authority to make all budgeted purchases in accordance with the provisions of this policy for all items not specifically requiring Town Board approval. For items requiring Town Board approval, the Agent is authorized to solicit bids or quotes for Town Board approval.
 - d) Should the Agent not be available to provide an approval as required by this policy for a period of five or more business days, the Town Chairperson shall be authorized to provide necessary approvals. Any approvals made by the Town Chairperson shall be brought to the attention of the Agent upon his/her return.

PROCEDURES TO BE FOLLOWED WHENEVER PURCHASES ARE MADE.

(See Attachment A for a Summary)

3) PURCHASING LEVELS: Levels of purchasing authority shall be as follows:

Budgeted Purchases

- a) The authority to award or reject all bids, proposals, and/or quotes equal to or greater than \$5,000 shall remain with the Town Board.
- b) The authority to award or reject any and/or all bids, proposals, and/or quotes in the amount of \$4,999.00 or less for all budgeted purposes shall be granted to the Agent.
- c) The authority to award or reject any and/or all bids, proposals, and/or quotes in the amount of \$2,500 or less for all budgeted purposes may be delegated by the Agent to an appropriate Department Head or designee, but such purchases shall still be subject to approval by the Agent unless purchase is clearly detailed in the Town budget.

Non-Budgeted Purchases

- a) The authority to award or reject any and/or all bids, proposals, and/or quotes in the amount of \$1,000 or less for all non-budgeted purposes shall be granted to the Agent.
- b) Any clearly non-budgeted purchases with a value greater than \$1,000 shall be approved by the Town Board.

4) PURCHASING PROCEDURES: All budgeted purchases shall be made in accordance with the following procedures:

- a) Competitive Bids shall be required for all purchases in cases that either as an individual purchase or in the annual aggregate the purchases exceed \$25,000.
 - i) The award of the contract shall be made by the Town Board to the lowest responsible bidder whose quote is determined to be the most advantageous to the Town.
 - ii) For service or professional contracts a Request for Proposals (RFP) process is encouraged.
 - iii) The Town Board is authorized to reject or award any or all bids, proposals, and/or quotes.
 - iv) A record of all bids shall be maintained.
 - v) Written explanation shall be provided to the Town Board in the case that fewer than three suppliers are available to provide a product and/or service that meet Town requirements.
 - vi) No bid shall be accepted where the submitting company or person is in default on the payment of taxes, licenses, or other monies due to the Town.

- b) Competitive Written Quotes shall be required for all purchases in cases that either as an individual purchase or in the aggregate the purchases equal or exceed \$5,000 in value.
 - i) The award of the contract shall be made by the Town Board to the lowest responsible bidder whose quote is determined to be the most advantageous to the Town.
 - ii) The Town Board is authorized to reject or award any or all bids, proposals, and/or quotes.
 - iii) All purchases made under this section shall be based, wherever possible, on at least three quotations. The Agent may delegate the gathering of such quotations to appropriate personnel.
 - iv) Written explanation shall be placed in the purchasing records in the case that fewer than three suppliers are available to provide a product and/or service or Town requirements cannot be met.

- c) Competitive Oral Quotes shall be required to be recorded in written form for all purchases in cases that either as an individual purchase or in the annual aggregate the purchases are less than \$5,000 but equal or exceed \$2,500.
 - i) The Agent or designee shall make purchases from the lowest responsible source whose price and/or quote is determined to be the most advantageous to the Town.
 - ii) Three quotes are required. Written record should be placed in the purchasing records in the case that fewer than three suppliers are available to provide a product and/or service or Town requirements cannot be met.

- d) Purchases less than \$2,500 shall be made at the discretion of the Agent, Department Head or designee which is most advantageous to the Town, providing they are clearly budgeted expenditures. Generally, these types of purchases are for services, materials, supplies and equipment needed for day-to-day operations.

- e) The Agent may work with other governmental units in cooperative purchasing for the purpose of obtaining more economical rates and/or prices. For projects or purchases in which one or more governmental units are involved, only one estimate or quote may be required.

- f) All purchasing must adhere to administrative procedures as developed by the Agent under the direction of this policy. Such procedures may be amended or modified at the discretion of the Agent. Future additions to this policy may include the use of purchase orders, blanket purchase orders, sole source procurement, purchase requisitions and the sale of Town owned property.

g) The Agent, and Department Heads as assigned, shall have the authority to establish an open account for the use of designees purchasing repetitively from a single source. Such accounts might be for the purchase of general office supplies, hand tools, petroleum products, etc. The Agent shall develop such administrative requirements as may be necessary for regulating any open account.

5) **PUBLIC CONSTRUCTION CONTRACTS:** Public Construction contracts shall be those as defined in State Statute 60.47. Additional controls and approval procedures shall be placed on public construction contracts as follows:

- a) Competitive sealed bids shall be opened in the presence of the Agent or designee. Bid openings must be scheduled and open to the public.
- b) The Agent or designee shall tabulate the bids and review the bid specifications for compliance with the bid document.
- c) All bids and recommendations will be submitted to the Town Board for approval.
- d) Town Board approval shall be required prior to final payment.

5)(I) **PUBLIC CONSTRUCTION CONTRACTS – ACCEPTANCE OF PROPOSALS:** State Statute 60.47 shall be followed for all public construction contracts. There may be instances when the Town shall find it advantageous to also accept a proposal from Outagamie County. Proposals or estimates shall not be considered bids and will be due the same time as other bids for a project. The decision on allowing proposals from Outagamie County shall be made at the discretion of the Town Board and this decision shall be made at the time the expenditure is budgeted unless there are extenuating circumstances such as a limited timeframe, cooperation with another municipality or work is to be completed on a County highway.

5)(II) **PUBLIC CONSTRUCTION CONTRACTS – CHANGE ORDERS:** The change order process on public construction contracts is regulated by State Statutes and the contract documents. On such projects, the project manager is authorized to approve change orders that meet the following criteria: a) The change order must be necessary, as determined by the project manager; and b) The amount of the change order be incorporated into the contingency factor that was a part of the project cost authorization. If the change order meets these two conditions, the project manager is authorized to approve the change order and submit the formal approval to the Town Board.

If the change order does not meet the conditions outlined above, the change order shall be presented to the Town Board for approval provided that it will not result in a costly delay to the construction project. If the cost of delaying the project is prohibitive, the Agent shall approve change orders and submit the formal approval to the Town Board.

Change orders that are a result of a change in scope of the project will be approved by the Town Board prior to beginning work on a public construction contract.

- 6) **PETTY CASH DISBURSEMENTS:** Items purchased having a value less than thirty dollars (\$30.00) may be paid for from Petty Cash. All reasonable effort shall be made to maintain the petty cash fund cash on hand at two hundred dollars (\$200.00) or less. When such fund exceeds that amount, excess monies shall be deposited into the General Fund account. A log of petty cash fund disbursements and deposits shall be maintained by the Town Treasurer or designee.
- 7) **EMERGENCY PURCHASES:** Under emergency conditions, purchases may be made by authorized departmental personnel or the Town Chairperson provided a report of such purchase is made to the Agent as soon as practical and to the appropriate governing body at its next regularly scheduled meeting. Emergency conditions shall be defined as those purchases necessary to protect life, health, and safety.
- 8) **RECEIPTS FOR PURCHASES:** It is required that anyone making purchases for the Town assure that receipts are received at the time of purchase or that they will be mailed with the statement so as to provide documentation of what was purchased for the Town's financial records. Obtaining receipts is the responsibility of the individual making the purchase or authorized to make the purchase. No bills will be paid without an invoice or receipt unless approved by the Town Treasurer or Agent.
- 9) **CREDIT CARD PURCHASES:** Town credit cards are issued to Department Heads or their designee and may be used for the purchase of items. In all cases the normal process of using purchase orders is the preference. Purchases made with credit cards must follow the normal purchasing guidelines and require the same approval process. After making a credit card purchase the Department Head or designee should code and initial the receipt and turn it into the Town Treasurer as soon as possible and prior to the next statement date. The Town Treasurer will verify the purchases and issue a check to the credit card company prior to the statement due date. Town credit cards shall not be used for personal purchases. It is the Town's policy to avoid having to pay any credit card finance charges.
- 10) **INTERNET PURCHASES:** Town employees may use the internet to make approved and Town related purchases if they follow normal purchasing guidelines and the same approval process. Internet purchases are not permissible in situations where a sealed bid is required. Employees should only make purchases from vendors that they are familiar with and where there are appropriate safeguards to protect the Town's interest. Wherever, possible, internet purchases should be charged to a Town account and invoiced for payment. Town credit cards may be used for internet purchases when necessary, if the transaction is conducted through a secure connection.
- 11) **SUBMITTING ITEMS FOR PAYMENT:** All statements should be forwarded directly to the Town Treasurer. Payments will not be made from a statement. Supporting documentation must be submitted in order to make payment.

When submitting an invoice for payment, the Department Head or designee should indicate the amount to be paid, the account number it should be charged to, and initial

and date the invoice. If it is not possible to obtain an invoice, a Purchase Order should be completed with the same information. In addition, the Department Head or designee should include a description of the item purchased and attach any supporting documentation. This form must be signed by the Department Head.

The Town Treasurer processes checks and issues payments to vendors. Payments are to be approved by the Town Board. At a regular Town Board meeting, a list will be provided of all payments included in that payment cycle.

12) BUDGETARY CONTROLS: Except in cases of emergency or in cases of duties mandated by the Town (ex. snow plowing):

- a) No money shall be drawn from the treasury of the Town nor shall any obligation for any expenditure be made except those that are authorized by the annual budget and changes made subsequently by the Town Board.
- b) The Agent or designee shall not authorize purchase and/or payment unless there are sufficient allocated funds to pay for the purchase.
- c) See Town of Greenville Budget and Financing Policies for further guidance on budgetary and capital purchase controls.

13) LOCAL PURCHASING PREFERENCE: It is the desire of the Town to purchase from local vendors whenever possible. This can be accomplished by insuring that local vendors are included in the competitive shopping process. The Town has a responsibility to its residents however, to insure that the maximum value is obtained for each public dollar spent. It is assumed that local vendors who wish to do business with the Town will offer the lowest possible quote for the item being purchased. Departments shall use due diligence in identifying local vendors who offer the particular goods or services being sought, and bids or quotes shall be sought from local vendors who have been so identified.

14) PURCHASES THAT DO NOT REQUIRE PRIOR AUTHORIZATION

- a) Professional contracted service such as legal, architectural, engineering, planning, auditing, maintenance contracts, and janitorial contracts. These expenditures are contracted and must be approved as a contract for services.
- b) On-going expenditures such as fuel, electric, natural gas, and telephone services.
- c) Payroll and related expenses such as employee insurance payments, pension payments, deferred compensation program payments, and mandatory state and federal employee withholding. The Town Treasurer will automatically charge the appropriate budget accounts.
- d) Routine expenditures, such as insurance premiums and bond payments, which received prior Town Board approval and authorization. The Town Treasurer will automatically charge the appropriate department budget account.

15) **FAILURE TO COMPLY WITH POLICY:** Employees who fail to follow the purchasing procedures shall be disciplined as appropriate. Repeated failure to follow the purchasing policy shall be grounds for disciplinary action up to and including termination.

ATTACHMENT A:
GENERAL PURCHASE POLICY APPROVAL TABLE

Money from	Purchase Amount	Proof of Good Price	Approval level
Petty Cash Fund	Less than \$30.00	Purchase Receipt	Town Treasurer or Designee
Approved Budget	Less than \$2,500	1 or more written or oral quotes as necessary	Agent, Department Head or Designee if clearly defined in budget
Approved Budget	\$2,500 to \$4,999	Minimum of 3 oral quotes	Agent or Designee
Approved Budget	\$5,000 or more	Minimum of 3 written quotes	Town Board
Approved Budget	Exceed \$25,000	Competitive bids	Town Board
Approved Budget	Public Construction Contracts per Statute 60.47	Competitive sealed bids and/or County Proposal with Board approval	Town Board
Non-Budgeted	Less than \$1,000	1 or more written or oral quotes as necessary	Agent or Designee
Non-Budgeted	\$1,000 or more	Per above levels	Town Board
Any Town Funds	Emergency purchases	None Required	Department Heads, Town Chairperson with Report to Town Board
Capital Outlay Budgeted	Per above levels	Per above levels	Per above levels