

## Chapter 34

### PURCHASING

**[HISTORY: Adopted by the Town Board of the Town of Liberty 4-7-2014.<sup>1</sup> Amendments noted where applicable.]**

#### ARTICLE I Procurement Policy

##### **§ 34-1. Evaluation of prospective purchases.**

Every prospective purchase of goods or services shall be evaluated to determine the applicability of General Municipal Law § 103. Every Town officer, board member, department head or other personnel with the requisite purchasing authority (hereinafter "purchaser") shall estimate the cumulative amount of items of supply or equipment needed in a given fiscal year. That estimate shall include the canvas of other Town departments and past history to determine the likely yearly value of the commodity to be acquired. The information gathered and conclusions reached shall be documented and kept with the file or other documentation supporting the purchase activity.

##### **§ 34-2. Formal bid required.**

All purchases of supplies or equipment which will exceed \$20,000 in the fiscal year or public works contracts over \$35,000 shall be formally bid pursuant to General Municipal Law § 103.

##### **§ 34-3. Requirements for purchases and public works contracts; requests for proposal; recordkeeping.**

- A. All estimate purchases of:
- (1) Less than \$20,000, but greater than or equal to \$3,000, must have written quotations from at least three vendors and attached to the purchase order and voucher. All purchases must be approved by the Town Board prior to purchase.
  - (2) Less than \$3,000 is left to the discretion of the purchaser.
- B. If the purchase was due to any emergency and no other quotation was received, the emergency must be documented on the purchase order.
- C. Department heads (purchasers) are requested to check with the New York State Office of State Comptroller, the Sullivan County Office of General Services or the Town Director of Finance to determine what items are available to the Town at county, state or other local government bid prices. Local government bids must comply with the "OSC Piggybacking

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1. Editor's Note: This resolution also superseded former Ch. 34, Purchasing, adopted 2-5-1992, as amended 1-17-2012 by Res. No. 30-12.

Policy."

- D. Although each department head is responsible for his or her own purchasing, the Director of Finance should be contacted if and when any questions arise.
- E. The Finance Office will supply all needed information such as vendor lists, account code information and year-to-date purchase information on vendors.
- F. All estimated public works contracts of:
  - (1) Less than \$35,000, but greater than or equal to \$10,000, require a written RFP and proposals from three vendors attached to the purchase order and must be approved by the Town Board.
  - (2) Less than \$10,000, but greater than or equal to \$3,000, require a verbal RFP and proposals from three vendors attached to the purchase order.
  - (3) Less than \$3,000 is left to the discretion of the purchaser.
- G. Any written RFP shall describe the desired goods, the quantity and the particulars of delivery, if possible. The purchaser shall compile a list of all vendors from whom written/fax/oral quotes have been requested and the written/fax/oral quotes offered.
- H. All information gathered in complying with the procedures of this section shall be preserved and filed with the documentation supporting the subsequent purchase or public works contract.

**§ 34-4. Award of contract.**

The lowest responsible proposal or quote shall be awarded the purchase or public works contract unless the purchaser prepares a written justification (best value) providing reasons why it is in the best interest of the Town and its taxpayers to make an award to other than the low bidder. If a bidder is not deemed responsible, facts supporting that judgment shall also be documented and filed with the record supporting the procurement. The best value policy will allow governments the ability to purchase products and services that may not be the lowest in price but due to factors such as product like or quality may provide a cheaper long-term solution. The basis for best value award must be objective, and written documentation must be attached to the voucher for the purchase that used this policy.

**§ 34-5. Prevailing wage.**

The Town of Liberty is required to pay prevailing wages for all labor performed on Town property, unless the contractor certifies they are the owner of the business and solely performed the work. All bids and quotes must include information that prevailing wage rates are applicable. Contact the Finance Office for more information. All invoices that include labor that is subject to prevailing wage must have a payroll certification report. The payroll certification report or vendor certification must also be attached to the voucher before payment will be processed.

**§ 34-6. Required number of proposals.**

A good faith effort shall be made to obtain the required number of proposals or quotations. If the

purchaser is unable to obtain the required number of proposals or quotations, the purchaser must document the attempt made at obtaining the proposals. In no event shall the inability to obtain the proposals or quotes be a bar to the procurement.

**§ 34-7. Exceptions.**

Except when directed by the Town Board, no solicitation of written proposals or quotations shall be required under the following circumstances:

- A. Acquisition of professional services;
- B. Emergencies;
- C. Sole-source situations;
- D. Goods purchased from agencies for the blind or severely handicapped;
- E. Goods purchased from correctional facilities;
- F. Goods purchased from another governmental agency;
- G. Goods purchased at auction.

**§ 34-8. Annual review.**

This policy shall be reviewed annually by the Town Board at its organizational meeting or as soon thereafter as is reasonably practicable.

**ARTICLE II  
Purchase Order**

**§ 34-9. Authorized employees.**

The department head or a person in the department designated by the department head and approved by the Town Board will be the only employee(s) allowed to order merchandise for the department. An updated list of authorized persons must be submitted and approved by the Town Board annually at its reorganizational meeting.

**§ 34-10. Purchase order required.**

A purchase order must be issued for every purchase of \$1,000 or more for any one department.

**§ 34-11. Blanket purchase orders.**

- A. If materials or supplies will be purchased on a regular basis during a month, a blanket purchase order may be used. The blanket purchase order will be issued for a set period of time (normally one month) for the estimated amount of materials needed. It must include the estimated amount of materials, unit price based on current bid prices and estimated total dollars to be incurred.
- B. Each month the blanket purchase order will be closed, and if required, a new purchase order for the next month can be issued.

- C. If the amount of the blanket purchase order is used up before the end of the month, a new purchase order has to be issued for any additional purchases.
- D. The department head has the option of issuing purchase orders for each purchase or using a blanket purchase order.
- E. Purchase orders must be signed (no stamped signatures) by the department head only authorizing the purchase and must be signed (no stamped signatures) by the Supervisor, the Director of Finance or the Budget/Accounting Coordinator approving that there are funds available for the purchase.
- F. All purchase orders for every department of the Town must be approved by the Finance Department.
- G. For the issuance of a purchase order, the department head or person so designated will send a written document to the Finance Office giving the following information:
  - (1) Name and ID number of the vendor. (Vendor ID listings are available from the Finance Office.)
  - (2) Merchandise being ordered or a written list of the merchandise being ordered.
  - (3) Cost of each item being ordered (not including freight).
  - (4) Fund being charged for the purchase.
  - (5) If purchasing under a state, county or Town bid, it must be noted on the purchase order.
  - (6) If written or verbal proposals are required, it must be included on the purchase order. If only one price is received, a reason as to why must be included on the purchase order.
  - (7) If this information is not supplied to the Finance Department, the purchase order will be returned to the department.
- H. If possible, no purchase order will be estimated. If a price cannot be obtained from a vendor, the merchandise shall be purchased from a different vendor. If the merchandise is an item that can only be purchased from one vendor and this item has been purchased previously by the Town, then the department head will check previous vouchers for prices and will issue the purchase order for those prices. If the item can only be purchased from one vendor, then the purchase order can be estimated.
- I. After the issuance of the purchase order, the department head, or person so designated, should give the purchase order number to the vendor.
- J. The Finance Office, after signature, will give to the department head, or person so designated, the yellow and pink copies of the issued purchase order. The yellow copy will be attached to the voucher that will liquidate that purchase order in total.
- K. If partial payment is being made on purchases that have a purchase order drawn on them, do not attach the yellow copy of the purchase order to the voucher until the purchase order is complete.

- L. Other than for emergencies, purchase orders will be issued daily from the Finance Office from 8:00 a.m. to 4:00 p.m. for merchandise needed.
- M. Items exempt from purchase orders are:
  - (1) Health insurance claims.
  - (2) Telephone bills.
  - (3) Electric bills.
  - (4) Postage.
  - (5) Contracts approved by the Town Board.

**§ 34-12. Voucher procedure.**

- A. All requests for payment must be submitted on a standard voucher form, which includes the following information:
  - (1) Claimant's name.
  - (2) Claimant's address (street, city, state, zip).
  - (3) Claimant's vendor number.
  - (4) Purchase order number, if applicable.
  - (5) Date of invoice.
  - (6) Invoice number.
  - (7) Invoice amount.
  - (8) Fund app number (expense code).
  - (9) Original signature (no stamped signatures) of the department head.
- B. The following must be included on all invoices:
  - (1) Signature of the person receiving goods.
  - (2) Date goods received.
  - (3) Where goods or services are to be used. If it is for repair to a vehicle or equipment, it should identify the item being repaired.
- C. All vouchers must be done on a standard computerized form, which will be supplied by the D.P. Department. The original invoice must be attached; in the same order they are listed on the front of the voucher. When a voucher is completed, two copies will be printed by the department requesting payment and sent to the Town Clerk's office.
- D. The first copy will have original copies of invoices attached and date and signed by the authorized individual approving payment.
- E. The second copy of the voucher should not be signed and will be mailed with the check.

Attach any material that is to be returned to the vendor with this copy.

- F. A brief description of the material purchased or service rendered should be included in the description, if not included on the vendor's invoice.
- G. In order for a voucher to be processed, all written and verbal quotes required by the Procurement Policy must be documented and attached to the voucher. If not complete, payment will not be made until documented.
- H. All vouchers must have original invoices or a signed certification on the bottom of the voucher. If the original invoice is not available, payment will only be made if documentation is attached stating the original invoice has been misplaced and verification that payment has not been made.
- I. Each department will submit one voucher per vendor twice a month to the Town Clerk's office.
- J. Vouchers are to be submitted by 10:00 a.m. according to the following schedule:

First Monday	Utility vouchers *(will be paid weekly)
Second Monday	All vouchers/utility vouchers
Third Monday	Utility vouchers *(Monthly audit)
Fourth Monday	All vouchers/utility vouchers
- K. Vouchers that are not filled out properly will be returned to the originating department for correction.
- L. New vendor numbers can be obtained from the Finance Office.
- M. If original vendor invoices are not attached to the voucher, the vendor must sign a certification. This certification form will be available from the D.P. Department.

ARTICLE III  
**Purchases with Town Credit Card**

**§ 34-13. Control of credit card.**

The Town of Liberty has an American Express Credit Card for official Town purchases. This card is kept under the control of the Supervisor or Director of Finance.

**§ 34-14. Authorization.**

If it is necessary to purchase an item with a credit card (vendor will not accept a Town purchase order or voucher), the Supervisor or Director of Finance will authorize the credit card purchase. All procurement policies and procedures of the Town of Liberty must be followed.

**§ 34-15. Use without approval.**

Any person who uses the credit card without proper approval will be personally liable for any purchases.

**§ 34-16. Payment.**

Payment to American Express will be included in the monthly audit listing approved by the Town Board.

ARTICLE IV  
**Fixed Assets**

**§ 34-17. Purchases over \$250.**

Any purchase of an item in the amount of \$250 or more will be recorded as a fixed asset in the "0.2" uniform system of accounts for New York State towns.

**§ 34-18. Purchases over \$10,000.**

Any purchase of an item in the amount of \$10,000 or more will be recorded as a major fixed asset for accounting under the "GASB 34" regulations.

**§ 34-19. Equal opportunity employer.**

Pursuant to Article 15 of the Executive Law and all other state and federal statutory and constitutional nondiscrimination provisions, the Town of Liberty will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status.

**§ 34-20. Equal opportunity for minorities and women.**

The Town of Liberty will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

**§ 34-21. Compliance with Section 3 of Housing and Urban Development Act.**

Pursuant to Section 3 (24 CFR 85.36) of the Housing and Urban Development Act of 1968, the Town of Liberty will ensure that employment and other economic opportunities will be available to low-moderate-income families and businesses and that all procurement transactions will be conducted in a competitive manner.