

TOWN of BROOKFIELD

PURCHASING POLICY

The purpose of this formalized purchasing policy is to provide all departments, boards and commissions with a comprehensive and systematic guide that will allow the Town to requisition necessary goods and services while following the basic principles of purchasing and maintaining reasonable controls.

The guiding principle is intended for use as a guideline for purchasing procedures and policies. You should be aware that this document is limited in that it does not convey the communication that is necessary and that must occur between the Finance Department and the using department concerning purchases, as well as the give and take that is necessary in order to maintain productive daily operations. Purchasing is a service for the departments to take advantage of in order to direct their attention to more closely related concerns of their department.

In a guide such as this the policies tend to overshadow the continued need for common sense in purchasing procedures dependent upon situational needs. This guide should be useful as a reference material concerning purchasing procedures. However, the communication between the Finance Department and the department will continue to be the most relevant factor in the purchasing goal of procuring quality materials at competitive prices for the benefit of the Town of Brookfield.

SECTION 1: PURCHASING OBJECTIVES

1.1 To procure materials, supplies, equipment and services at the lowest cost consistent with the quality and suitability of those proposed. Contracts for professional or recurring services, under the jurisdiction of the Board of Selectman, may be pursuant to RFP guidelines established, or to be established hereunder, or if as a result of time constraints, such other procedures as may be designated by the Board as being consistent with the best overall interests of the municipality.

1.2 To establish clearly the responsibility for the purchasing approval function as being ultimately vested in the Finance Department. The Finance Department shall approve all items for procurement for all Town departments except the Board of Education, Library Board, and Probate Court.

1.3 To provide an efficient means for procurement of materials, supplies, or equipment this avoids duplication and overstocking.

1.4 To establish and maintain standards of quality in materials, supplies, equipment and services other than those of a professional nature, based on suitability of use.

1.5 To conduct purchasing without regard to the political affiliation, race, color, age, religion, national origin, ancestry, physical disability, sex, familial relationship or business association of vendors, contractors, or consultants.

SECTION 2: DUTIES OF THE TOWN DEPARTMENTS

2.1 All departments shall have the responsibility for establishing specifications for the equipment, materials, supplies or services to be purchased in conjunction with the Finance Department, with ultimate determination approval of the goods to be purchased resting with the Finance Department.

2.2 All Departments will be responsible for creating Purchase Orders related to their specific department either manually or on the MUNIS system.

2.3 All Departments will be responsible for coordinating items going out for bid, and entering required information either manually or on the MUNIS system to determine funding availability and obtain Finance department approval.

2.4 The Finance Department will produce a suspended or unauthorized vendor list based on delinquent tax reports, purchasing criteria, referrals from outside sources, and recommendations from department heads and commissions.

2.5 Service Contracts: Departments will be responsible for obtaining and creating all service contract information, scanning and maintaining department source documentation, obtaining department head approval, and forwarding service contract request to the finance department on the MUNIS system.

2.6 Relations with Vendors: The Department Heads shall strive to establish a relationship of mutual confidence and satisfaction between the Town and its suppliers. All contracts between the Town and vendor shall be through the Finance Department. The Finance Department will refer catalogs or other advertising to the department concerned. Departments which correspond directly with a vendor on technical matters concerning items to be purchased shall forward copies of this correspondence to the Finance Department.

2.7 Cooperative Purchasing: Whenever feasible, the Finance Department will combine departmental purchases to obtain better pricing.

2.8 Negotiating Contracts with Local Businesses: Departments should always consider local Brookfield businesses, if available, for their quotations. Departments are responsible for negotiating contracts with local vendors with prior approval from the First Selectman and/or Controller. There are many advantages to using local vendors that may not always translate to lower prices; however, justification for contract negotiation may include additional factors such as reliability, location, response time, prior experience, etc. Justification for award of contract should be presented to the first Selectman and/or Controller prior to award.

2.9 The purchase of items in small quantities to avoid the normal review by the Finance Department prior to a purchase is prohibited.

2.10 The Controller reserves the right to change the vendor if better pricing can be found elsewhere.

SECTION 3: PURCHASES UNDER \$5,000

Departments may purchase directly all items or quantities of items having a value of less than \$5,000 except those which are available through bulk purchasing as arranged by the Finance Department. The procedures are as follows:

3.1 Any purchase over \$1,000 shall require a Purchase Order be initiated by the Department manually or on the MUNIS system that must be filled out completely, supporting documentation scanned and attached, and approved electronically by the requestor, department head, Finance department accounts payable and the Controller before it can be issued to a vendor.

3.2 Receivers: A receiver is the document received with the goods or services ordered. It could be in the form of a sales order, work order, or shipping document. The receiver is proof that items have been received from a vendor. The receiver is the purchasing department notification that the merchandise received by the department is correct. Therefore, all receivers must be initialed, dated, copied manually or scanned into the MUNIS system as an attachment to the purchase request form or electronic receiver form. The receiver form with attachment will automatically be forwarded to the Finance Department immediately upon approval of the items received.

The information on the receiver should be checked thoroughly against the merchandise received, and the purchase order. If the materials, supplies, or equipment delivered or services rendered do not match the purchase order issued to the vendor, the originating department shall notify the vendor that the delivery has been rejected and will coordinate the effort to make a satisfactory replacement or supplementary delivery.

3.3 The Invoice: An invoice is the vendor's statement of his charges against the Town for materials or services rendered. Invoices should contain substantially the same information as on the purchase order.

3.4 Routing of the Invoice: All invoice information will be entered by the originating department either manually on the purchase request form or electronically on the MUNIS system and be approved by the department head. In some cases, the invoice may be delivered with the goods at the delivery point.

In such cases the using department will scan the invoice information into the MUNIS system and have the department head approve electronically. Once approved by the department head, the invoice information and supporting documentation will automatically be forwarded to the accounts payable section of the Finance Department.

3.5 Action on the Invoice: The accounts payable section of the Finance Department will check the invoice against any copy of the purchase order to insure that the terms are as specified, the discounts, if any, have been given, and that all calculations are correct, attach the receiver, electronically approve and forward the invoice to the Controller for final approval.

3.6 Payment: Payments to Vendors will be made only upon the receipt of a properly initialed receiver, and a valid invoice from the vendor. No payments will be made from a vendor statement.

SECTION 4: PURCHASES BETWEEN \$5,000 - \$20,000

The following procedures are prescribed for obtaining materials, supplies, equipment, or services, other than professional services for the Town of Brookfield for all purchases between \$5,000 - \$20,000. Three (3) vendor quotes are required for purchases under this section. Any exception to this policy must be approved by the First Selectman for "just cause".

4.1 The Purchase Request Form: The Purchase Request Form order is the Departments authorization of the vendor's equipment, materials, or supplies as specified by the Town. It constitutes the contract between the Town and the vendor. Purchase orders shall be clear and concise in order to avoid misunderstandings and unnecessary correspondence with the vendor.

4.2 Routing of the Purchase Order: The purchase order will be approved by the Director of the originating Department. All supporting documentation will be scanned and attached to the purchase order either manually or scanned in the MUNIS system. The purchase order will be submitted either by an administrator of the department or the department head. In both instances, the department had must approve the purchase order in the MUNI system. After being approved by the department head, the distribution of the purchase order will be as follows:

1. The purchase order will automatically be sent electronically to the accounts payable section of the Finance Department for review and approval of budget and account coding.
2. The accounts payable section will approve budget and account coding in the MUNIS system or disapprove the purchase order request due to insufficient funds or coding. (The MUNIS System will automatically return the purchase order to the department head if disapproved).
3. Once approved by the accounts payable section the purchase order will automatically be sent electronically to the Controller for final approval.
4. All supporting documentation for the purchase order will be kept by the originating department. Copies of all supporting documentation will be retained and attached electronically in PDF files on the MUNIS system.

4.3 Receivers: A receiver is the document received with the goods or services ordered. It could be in the form of a sales order, work order, or shipping document. The receiver is proof that items have been received from a vendor. The receiver is the purchasing department notification that the merchandise received by the department is correct. Therefore, all receivers must be initialed, dated, and scanned into the MUNIS system as an attachment to the electronic receiver form. The receiver form with attachment will automatically be forwarded to the Finance Department immediately upon approval of the items received.

The information on the receiver should be checked thoroughly against the merchandise received, and the purchase order. If the materials, supplies, or equipment delivered or services rendered do not match the purchase order issued to the vendor, the originating department shall notify the vendor that the delivery has been rejected and will coordinate the effort to make a satisfactory replacement or supplementary delivery.

4.4 The Invoice: An invoice is the vendor's statement of his charges against the Town for materials or services rendered. Invoices should contain substantially the same information as on the purchase order.

4.5 Routing of the Invoice: All invoice information will be entered by the originating department on the MUNIS system and be approved by the department head. In some cases, the invoice may be delivered with the goods at the delivery point. In such cases the using department will scan the invoice information into the MUNIS system and have the department head approve electronically. Once approved by the department head, the invoice information and supporting documentation will automatically be forwarded to the accounts payable section of the Finance Department.

4.6 Action on the Invoice: The accounts payable section of the Finance Department will check the invoice against any copy of the purchase order to insure that the terms are as specified, the discounts, if any, have been given, and that all calculations are correct, attach the receiver, electronically approve and forward the invoice to the Controller for final approval.

4.7 Payment: Payments to Vendors will be made only upon the receipt of a properly initialed receiver, and a valid invoice from the vendor. No payments will be made from a vendor statement.

SECTION 5: PURCHASES \$20,000 AND OVER

The following procedures are prescribed for obtaining materials, supplies, equipment, or services including professional services for the Town of Brookfield for all purchases in excess of \$20,000. All capital assets, equipment purchases, and/or professional services in excess of \$20,000 in any department's requested budget require sealed bids and must be quoted through the bidding process.

5.1 Procedures: The requesting department will be required to submit the following paperwork to obtain sealed bids:

1. Detailed Specifications in publishable format.
2. A typed list of vendors for bid invitations to be sent to.
(To include vendor name, addresses, phone numbers)

5.2 All Departments will be required to send at least 3 requests to qualified vendors for sealed bids and forward a copy of the bid package to vendors requested by the department, vendors the Town has experienced in the past and/or those vendors in a similar field. Bid packages include the following information:

1. Instructions to Bidders
2. Hold Harmless Agreement
3. Insurance Requirements
4. Bid Specifications

A copy of the complete bid package will be returned to the requesting department, the First Selectman and the Town Controller for review.

5.3 Bid Opening: The bid advertisement will state the bid due date. The department head is expected to attend the bid opening along with the Finance Department and the Controller or a designated representative from the Finance Department.

5.4 Bid Award: When the sealed bids are opened, they will be qualified by the Department Head and the Controller. Once the bids have been qualified (maximum 60 days for qualifications), the bid will be awarded to the lowest qualified bidder.

5.5 Purchase Order: The bid will officially be accepted when a completed purchase order is prepared by the Department and approved by the Controller. The purchase order will be issued using the information from the purchase requisition. The purchase order will be routed using the same procedure as stated in Section 4.2.

5.6 Receivers: A receiver is the document received with the goods or services ordered. It could be in the form of a sales order, work order, or shipping document. The receiver is proof that items have been received from a vendor. The receiver is the purchasing department notification that the merchandise received by the department is correct. Therefore, all receivers must be initialed, dated, and scanned into the MUNIS system as an attachment to the electronic receiver form. The receiver form with attachment will automatically be forwarded to the Finance Department immediately upon approval of the items received.

The information on the receiver should be checked thoroughly against the merchandise received, and the purchase order. If the materials, supplies, or equipment delivered or services rendered do not match the purchase order issued to the vendor, the originating department shall notify the vendor that the delivery has been rejected and will coordinate the effort to make a satisfactory replacement or supplementary delivery.

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5.8 Routing of the Invoice: All invoice information will be entered by the originating department on the MUNIS system and be approved by the department head. In some cases, the invoice may be delivered with the goods at the delivery point. In such cases the using department will scan the invoice information into the MUNIS system and have the department head approve electronically. Once approved by the department head, the invoice information and supporting documentation will automatically be forwarded to the accounts payable section of the Finance Department.

5.9 Action on the Invoice: The accounts payable section of the Finance Department will check the invoice against any copy of the purchase order to insure that the terms are as specified, the discounts, if any, have been given, and that all calculations are correct, attach the receiver, electronically approve and forward the invoice to the Controller for final approval.

5.10 Payment: Payments to Vendors will be made only upon the receipt of a properly initialed receiver, and a valid invoice from the vendor. No payments will be made from a vendor statement.

SECTION 6: BLANKET PURCHASE ORDERS

6.1 Definition: A blanket purchase order is a purchase order issued by the Finance Department usually at the beginning of a fiscal year to a particular vendor, for an estimated dollar amount to be purchased during that fiscal year. For the purpose of this section, a fiscal year will begin on the first day of July and end on the last day of June in accordance of approved Town budget year. The blanket purchase order will allow the using department to draw against this purchase order when in need of supplies during the respective fiscal year.

6.2 Instructions for Completing a Request for a Blanket Purchase Order: Departments using supplies for which blanket purchase are applicable will submit a request to the Finance Department five (5) days prior to the first anticipated need for the fiscal year. The supplies to be purchased during the year will be described in a general manner, such as automotive parts, office supplies, building supplies, etc. The amount requested is to be included in the requisition for the purchase order.

6.3 Procedures for Ordering Supplies from a Blanket Purchase Order: After the department has received its copy of the blanket purchase order, approved by the Finance Department, supplies described generally on the purchase order may be obtained by ordering directly from the vendor. Orders may be verbal or otherwise, but must make reference to the blanket purchase order number to which the supplies are to be charged.

The receipt of individual shipments shall be recorded on the receiving copy specifying items ordered, so that a record of items as well as expenditures against the blanket purchase order can be recorded and the department can remain aware of the remaining unexpended balance of the purchase order. vendor delivery slips or other documents will be required on every purchase order. In no instance will department orders be allowed to exceed the amount encumbered by the blanket purchase order.

When the amount of the blanket purchase order is exhausted, the department will forward another request to the Finance Department requesting an additional blanket purchase order for the remainder of the fiscal year.

6.4 The Finance Department will determine all blanket purchase orders.

6.5 All blanket purchase orders will expire at the end of the fiscal year.

SECTION 7: PURCHASES ON STATE CONTRACT

All goods and services that are currently on pre-approved State contracts may be purchased via purchase orders directly from the authorized contractors as identified on such contracts. Information on these contracts, including bid notices and current contracts, can be found on the [Department of Administrative Services \(DAS\) website](#), or other centralized purchasing agencies such as CROG or joint municipal bids.

SECTION 8: PURCHASING IN EMERGENCY SITUATIONS OR UNDER EXTRAORDINARY CONDITIONS

7.1 Definition: Emergency situations shall be defined as situations in which the operation of a department would be seriously hampered; or in which life, limb, or property may be endangered; or in which the health or welfare of the general public is seriously threatened. Extraordinary conditions shall be defined as conditions which are not known until after an operation has begun, which require unanticipated parts, equipment or materials to be obtained in order for the operation to be completed. Extraordinary conditions may be present in construction projects or automotive equipment repair involving hard-to-get parts.

7.2 Procedures: Under conditions enumerated in Section 5.1, Department Heads may authorize purchase of necessary items, if, to the best of their knowledge, the account to be charged has a sufficient unencumbered balance for the amount of the purchase.

7.3 Emergency orders are very costly; they are made hurriedly, usually on a non-competitive basis; and they may not be made at the best prices available. Every effort should be made to keep purchases of this type to an absolute minimum.

SECTION 9: CAPITAL ASSETS RECORDING

- 8.1** Capital assets are major assets that benefit more than a single fiscal period. Typical examples are land, improvements to land, easements, building, building improvements, vehicles, machinery, equipment and infrastructure. Capital assets should be recorded at cost.
- 8.2** Most municipalities capitalize only their higher-cost assets; therefore, any capital asset under \$5,000 should be expensed at the departmental or agency level; with the exception for computers, printers, copiers and any asset by its nature that requires safeguarding and/or legal accountability (i.e. registered vehicles, land, buildings, etc.).
- 8.3** By definition, any asset that benefits more than one fiscal period potentially is classified as a capital asset. As a practical matter; however, any capital asset with a useful life of two (2) years or less with a capitalization threshold under \$5,000 should be expensed at the departmental or agency level; with the exception for computers, printers, copiers and any asset by its nature that requires safeguarding and/or legal accountability (i.e. registered vehicles, land, buildings, etc.).
- 8.4** Donated capital assets by parties outside the municipality may contribute land, buildings or other capital assets to the Town. All assets of this type shall be capitalized at its fair market value at the time of donation.