

TOWN OF CLAYTON TOWN BOARD POLICY STATEMENT TOWN PURCHASING PROCEDURES

REVISED ON August 17, 2022

General Subject: Purchasing

Specific Subject: Town Purchasing Procedures

PURPOSE:

To provide clarification of purchasing procedures for the Town of Clayton.

BACKGROUND:

The purchasing procedures for the Town are defined by the following purchasing policy that has been adopted to simplify future revisions of those procedures. The Town Board has the responsibility of approving and establishing the Town's expenditure levels for each department through approval of the annual budget. The Department Heads are responsible for limiting expenditures to the approved budget. The Town Administrator shall be named the purchasing agent for the Town of Clayton. While approval by the purchasing agent and/or the Board will be required for significant purchases this policy allows the Town Administrator and Department Heads more autonomy with purchases that do not require approval. In order to allow for occasional changes specific purchase thresholds have been defined in the administrative Purchasing Policy.

STATEMENT OF POLICY:

The Town Board has the responsibility for approving and establishing the expenditure levels for the Town and for each Department through its approval of the annual budget. The Town Administrator and Department Heads are responsible for limiting expenditures to the approved Budget. All purchases shall demonstrate a reasonable and good faith effort to obtain goods and services at the lowest possible cost consistent with the quality and service needed to maintain efficient operations of the Town. Within these parameters, efforts will be made to purchase materials and services locally when possible. As a general rule, there shall be no premium for local pricing for goods and services.

The Town Administrator shall be the official purchasing agent for the Town of Clayton. Department Heads shall strive for a fair and financially prudent acquisition of goods and services. When possible, multiple vendors should be considered and solicited. If an expenditure is for an item or items approved and contained within the Budget, Department Heads shall have the authority, with verbal authorization from the Town Administrator, to purchase items for use by their Department that do not to exceed \$1,000.00 in the singular and/or aggregate amount. Purchases in excess of \$1,000.00 but less than \$5,000.00 shall require prior Town Administrator approval and competitive quotations. Quotations may be obtained in writing or from current catalog lists. Quotations should be solicited from at least two (2) vendors. When possible, three

(3) vendor quotations are preferred. Exceptions to the requirement of obtaining quotations may be made for the following reasons:

- 1) Participation in an intergovernmental cooperative purchasing program,
- 2) The vendor is the sole source from whom it is feasible to obtain the purchase, due to location or the ability to provide maintenance after purchase.
- 3) Emergency circumstances necessitate immediate purchase, not allowing time to seek quotations.

All purchases requiring signature authority shall be initiated by purchase order.

SIGNATURE AUTHORITY:

- 1) Budgeted purchases of less than \$1,000.00 require the written approval of the Department Head.
- 2) Budgeted purchases in excess of \$1,000.00 but less than \$5,000.00 shall be approved in writing by the Town Administrator as well as the Department Head requesting the purchase.
- 3) Town Administrator approval is required for all budgeted routine operating bills including but not limited to the following budgeted expenditures: debt payments, fuel bills, payroll, budgeted public works operating expenses, postage, Tax and over payment refunds, utility bills, emergency services billing, routine equipment and vehicle repairs.
- 4) Extraordinary and non-time sensitive purchases in excess of \$5,000.00 shall be approved and authorized by the Town Board.

SEALED BIDS:

For purchases in excess of \$5,000, sealed bids are preferred, and in cases of public construction as defined by Wis. Stat. §60.47, shall be required. It is not necessary to advertise for bids when hiring engineers, architects, and other professionals to work on municipal projects. All bids shall be received and considered by the Town Board. This requirement shall be waived in the event of an emergency that necessitates immediate purchase. In such instance, the Town Administrator and Town Chair must approve the purchase in writing.

Any purchases with Town authorized purchasing cards or merchant credit accounts shall conform to this policy.

PURCHASE ORDERS:

All routine purchases of equipment and/or supplies, not approved by the Town Board shall have a sequentially numbered purchase order that is approved by the Town Administrator. A copy of the approved purchase order shall be given to the Town Treasurer prior to the completion of any purchase.

Approved this 17 day of August, 2022.

Russ Geise, Town Chair

Attest: Kelsey Faust-Kubale, Town Clerk