

TOWN OF PALMER LAKE PURCHASE POLICY

The Town of Palmer Lake Board of Trustees has adopted the following policy regarding the purchasing authority for town operations.

In conjunction with the annual budget approved by the Board of Trustees of the Town of Palmer Lake, the following provides guidance to standards when purchasing goods and services on behalf of the Town, provide for timely purchases and follow good business practices.

Guidelines

Vendor relations: Town employees will conduct all purchasing functions in a professional manner and shall promote equal opportunity and fairness in all vendor relations.

Ethics and standards of behavior: All purchasing functions shall be conducted impartially to ensure fair competitive access by responsible vendors. In addition, public employees should conduct themselves in a manner that will foster public confidence in the procurement process.

Local preference: Purchasing goods and services from local vendors is desired because it stimulates the local economy and recognizes that our local vendors are valued members of our community. If factors such as quality, previous performance, and availability are substantially equal among vendors, a vendor whose business is located in Palmer Lake may be awarded a contract if their quote or bid is within 10% of the low bid.

Multi-year contract: A contract for supplies or services may be entered into for any period of time deemed to be in the best interest of the Town, provided that the term of the contract and annual appropriation and renewal provisions are included in the original solicitation process. Adequate funds must be available to fulfill the first fiscal year's obligation at the time of contract execution. Subsequent years' appropriations must be subject to authorization by the Town Board of Trustees.

Purchasing authority: The Town Administrator, or his or her designee, is authorized to enter into and sign agreements and make purchases on behalf of the town that are within the limits of this policy. At the discretion of the Town Administrator, a contract that is within the spending limits of the Town Administrator may be submitted to the Town Board of Trustees for its approval.

Policy and Threshold

The Town Administrator will maintain administrative rules with the provisions of this policy for the implementation of daily purchasing needs. All payments in Table A will be processed as soon as administratively feasible following delivery of product or work completed. Payments for purchases within the annual budget will not require Board of Trustee approval for payment. Payments for contracts approved by the Board of Trustees will not be resubmitted for approval prior to payment.

The following definitions apply –

Petty Cash: A maximum of \$200.00 will be available in the Administrative office for making change as needed for town staff or public members. Petty cash shall not be used to cash checks, make personal loans, or for wage advances. The Town Administrator or designee is the custodian of storing petty cash in a secure, locked location. Petty cash is reconciled monthly, or as determined by the custodian. The reconciliation is reviewed and agreed to by a second administrative staff member, with receipts booked to the appropriate account.

Open Market: Method of informal evaluation by the purchaser. Open market may be made without obtaining quotes if the price is determined fair and reasonable by town staff.

Comparative Pricing: Method of obtaining/soliciting three verbal or written quotes from qualified vendor/supplier. Select the quote and vendor providing the product or service for the lowest price and meets the required specification. A department supervisor or the Town Administrator shall have the authority to approve the expenditure as set forth in Table A.

Competitive Bid Process: Requests for Proposal (RFP) and Requests for Qualifications (RFQ) will be issued. The Board of Trustees have the sole authority to approve the expenditure and contract exceeding \$25,000. The town website will be the primary advertising for the bid process.

Table A is a general summary of purchasing guidelines.

Table A – General Summary of Purchasing Guidelines			
<i>Amount</i>	<i>Purchase Review</i>	<i>Process</i>	<i>(Contract) Approval</i>
Up to \$999.99	Department Supervisor	Open Market	Department Supervisor
\$1000--4999.99	Department Supervisor	Open/Comparative	Department Supervisor
\$5000—14,999.99	Town Administrator	Comparative	Town Administrator
\$15,000—24,999.99	Board of Trustees	Comparative	Town Administrator
Over \$25,000	Board of Trustees	Competitive	Board of Trustees

~~Note: For the purchase of recurring products and services, comparative pricing will be solicited approximately every five years, unless determined more frequently by the Town Administrator.~~
Signatures

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All checks for expenditures of Town monies \$5,000 or less may be signed by the Town Administrator or designee. All checks for expenditures more than \$5,000 shall bear two (2) signatures, one of either the Town Administrator or designee, and the other of either the Mayor or Mayor Pro Tem. All checks for expenditures of Town monies over \$15,000 require the approval of the Board of Trustees prior to signing.

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Exceptions

The following are exceptions to the Town's purchasing policy.

Cooperative purchasing: Products or services for which other public agencies have gone through a competitive process and are able to have their bid price extend to the town. The town may also participate in joint bidding with other agencies if it is in the best interest of the town to do so.

Sole source purchase: Purchase of products and services which can only be provided by one supplier or only from one source due to patent, copyright, supply, or other issues, are exempt from the competitive bid process guidelines. The Town Administrator may approve waivers from the requirement of this policy, if determined to be in the town's best interest.

Emergency: The provisions of this policy may be suspended by the Town Administrator for emergency needs when it is necessary to preserve public health, welfare or safety. A report will be provided to the Board of Trustees specifying the nature of the emergency and the amount at the following regular meeting.

Insurance and benefits: The purchase of all insurance and benefits, including renewal or extension, and related recordkeeping services, are exempt from this policy. Insurance and benefits will be procured in a generally competitive manner as determined by the Town Administrator.

Utilities and other recurring monthly payment: The purchase of utilities and other recurring monthly payment (including but not limited to water, sanitation, electric, phone, fuel, consulting, etc.) are exempt from this policy.

Legal and investigation services: Outside legal services obtained by the town are exempt from this policy.

Intergovernmental agreements: Goods and services obtained from or payments made to other governmental or quasi-judicial entities pursuant to an approved agreement are exempt from this policy.

Preferred vendor: Where the Town has entered into a previous agreement with a vendor for specific products or services and has been satisfied with those products or services, the Town may utilize the products or services of that preferred vendor without the necessity for comparative or competitive pricing, though it is not obligated to do so.

Pass through funding: The purchase of goods and services to be funded solely by user fees paid directly for those goods or services are exempt from this policy.

Employees: Nothing in this policy shall be construed to apply to the hiring of Town employees.

Grants

The Town Administrator shall have the authority to authorize, approve and execute documents for grant applications for projects that have been budgeted by the Town Board of Trustees, unless the grant requires Board approval for submission. Board approval shall be required for

acceptance of all grants that require a match of town funds in excess of the Town Administrator's purchase authority in Table A.

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Conflict of Interest

Neither the Town Board of Trustees, or any employee of the town, shall have any personal beneficial interest, either directly or indirectly, in any purchase made by the town or in any firm, corporation, or association furnishing or bidding on such purchase, except upon full disclosure and approval of such interest to the Town Administrator or Board of Trustees, according to the expense thresholds in Table A.