

BOROUGH OF BRADLEY BEACH

RESOLUTION 2020-180

APPROVING TO ADOPT A PURCHASING MANUAL

Mayor Engelstad offered the following resolution and moved its adoption:

WHEREAS, the Borough of Bradley Beach needs an official Purchasing Manual;

WHEREAS, the Borough Administrator and CFO have developed the attached Purchasing Manual to be complied with by all the Departments in the Borough of Bradley Beach; and

WHEREAS, all Departments should fully acquaint themselves with this manual and every effort to successfully proceed with the laws of New Jersey.

BE IT RESOLVED, by the Mayor and Borough Council of the Borough of Bradley Beach that the attached Purchasing Manual be adopted and effective immediately; and

BE IT FURTHER RESOLVED, that a copy of this Resolution and the attached Purchasing Manual be delivered by the Borough Clerk to the following Department Heads: Borough Administrator, CFO, Borough Attorney, Chief of Police, Fire Chief, and the Superintendent of Public Works.

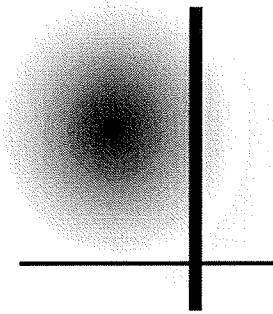
Seconded by Councilman _____ and adopted upon the following vote:

	AYES	NAYS	ABSTAIN	ABSENT
Mr. Bonnell				
Mr. Gubitosi				
Mr. Sexsmith				
Mr. Weber				
Mayor Engelstad				

CERTIFICATION

I, Erica Kostyz, Municipal Clerk, Borough of Bradley Beach, Monmouth County, New Jersey, do hereby certify that the foregoing resolution was duly adopted by the Mayor and Council at the July 14, 2020 meeting.

Erica Kostyz, RMC, CMR
Municipal Clerk



Purchasing Manual

Borough of Bradley
Beach

MAYOR Gary Engelstad
David G. Brown II, Borough Administrator
Qualified Purchasing Agent

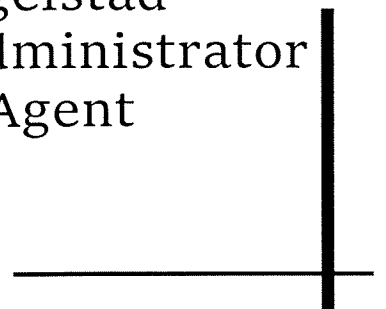


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INTRODUCTION

The objective of this manual is to provide a concise set of standard procedures to be compiled with by all departments within the Borough of Bradley Beach.

All departments should fully acquaint themselves with this manual and make every effort to successfully proceed with this plan.

This manual will be effective upon issuance and as changes occur, whether legislatively or policy-wise, will be subject to revisions or additions.

POLICY

No article or service shall be contracted for or purchased by any department, board, agency or office of the Borough of Bradley Beach except in accordance with the procedures set forth herein. The Borough of Bradley Beach will not be bound by any purchase or contract made contrary to this policy and any employee or representative of the Borough of Bradley Beach who violates the policy may face disciplinary action as well as personal liability for any costs or obligations improperly incurred.

Purchasing's primary role is to provide all departments with needed goods and services thereby permitting Department Heads and Supervisors more opportunity to carry out the functions and operations of their respective departments.

To achieve this goal, a Centralized Purchasing System is in place. It will be the Purchasing Agent's responsibility to provide this service. With the encumbrance of funds before a purchase is made, budget control is increased, and the over-expenditure of appropriation is avoided.

GENERAL GUIDELINES

1. CENTRALIZED PURCHASING

A centralized Purchasing System has been in effect, thereby permitting Department Heads and Supervisors more opportunity to carry out the functions and operations of their respective departments.

2. PURCHASING AGENT

It is the Purchasing Agent's responsibility and duty to procure needed goods and services as requested by departments and to determine the best source of supply and price that serves in the best interest of the Borough. All functions of purchasing procedures will be conducted within the guidelines of New Jersey State Public Contracts Law.

3. PURCHASE ORDERS AND ENCUMBRANCE

All transactions, except in the case of an emergency or limited purchases, as specified in this manual, will be formalized with the use of a purchase order and encumbered immediately. No employee of the Borough shall commit the Borough to the purchase of goods or services without the approval of the Purchasing Agent.

4. VENDORS

The Purchasing Agent is authorized to act as a representative of the Borough in all contract dealings with vendors and their sales personnel. Vendors are to deal primarily with the Purchasing Agent and departments should limit their relations with vendors.

5. ACCEPTANCE OF GIFTS

Acceptance of gifts or gratuities is not permissible. Employees are prohibited from direct or indirect interest in vendors doing business with the Borough.

6. DISSATISFACTION WITH GOODS OR SERVICES

Department Heads shall document in writing to the Purchasing Agent any discrepancies in goods received or unsatisfactory performance of service. Consideration will be given to this documentation.

PURCHASE ORDER PROCEDURES

P.O. OVER \$ 6,600.00 (SEE ATTACHED FORM)

As required by Local Public Contracts Law 40A: 11-6.1, quotations are to be obtained when practicable.

Attach whatever quotes can be obtained for goods or services to the requisition. If you are unable to obtain any quotes, then the Purchasing Agent will take the responsibility.

Method of obtaining quotes may be either by telephone or informal proposals.

STATE CONTRACTS – PURCHASES OR SERVICES OVER \$44,000.00

The Purchasing Agent will keep on file all vendors currently under State Contract. In lieu of bidding, State, County contract vendors and Co-op's may be utilized when the \$44,000.00 threshold is reached.

Any vendor merely stating that they have a state or county contract regardless of providing a contract number will be unacceptable. Vendor and numbers will be verified by the Purchasing Agent.

PAY TO PLAY LAW(NJ SA 19:44A-20.4)

All contracts with a value of \$ 17,500.00(aggregation rules apply) be awarded pursuant to a "fair and open" or " non-fair and open" process, both which are defined in the law.

FORMAL BIDDING REQUIREMENTS

Any contract or agreement, for the performance of any work or the furnishing of supplies or services exceeding the amount of \$44,000.00 are to be formally bid according to the N.J. Public Contracts Law.

40A: 11-7 requires that no purchase, contract or agreement which is single in character, or by reason of quantities required or purpose would realize other parts or things, be subdivided so as to avoid reaching the monetary limit for bidding or receiving quotes. The amount is to be determined by the aggregate sum reached within the fiscal year. Materials are to be grouped together, regardless of departmental lines if they are commonly made, stocked or sold by the same sources and/or they are used on the same project.

Specifications are to be prepared by the using department and sent to the Purchasing Agent for review.

The Purchasing Agent, upon approval of specifications, shall select a date, in accordance with requirements of the N.J. State Public Contracts Law, prepare bid package and advertisement.

The Purchasing Agent shall place advertisement with local newspaper and shall hold all bids submitted until bid opening.

Bids will be received by the Purchasing Agent. Certified Checks and Bid Bonds submitted will be kept with the Purchasing Department until award of contract. Successful bidder will receive their bond or check upon signing of contract.

Bids shall be tabulated and the Purchasing Agent shall make recommendation of award or rejection of contract to the Mayor and Council.

At regularly scheduled Council Meeting, the Mayor and Council shall award or reject contract by formal Resolution based upon summary of bids and the Purchasing Agent's recommendation.

Borough Clerk certifies Resolution and upon receipt of Resolution, contract is prepared and forwarded to Successful Bidder for signatures along with purchase order that has been encumbered and certified for funds.

The Borough Attorney will approve contracts upon return by contractor and Borough Clerk and Mayor affix their signatures. Upon completion, contracts are fully executed.

EXCEPTIONS TO PUBLIC BIDDING

The following are exempt from public bidding but still require normal purchasing procedures:

1. Professional services
2. Extraordinary unspecified services. (Services which are specialized and qualitative in nature, requiring expertise and extensive training, performed by individuals who have a proven reputation in a particular endeavor, and services for which specifications could not be written.
3. Work performed by municipal employees.
4. Printing of legal briefs to be used in any legal proceeding in which contracting party may be a party.
5. The furnishing of tax maps.
6. The supplying of any product or rendering of service by a public utility.
7. The printing of bonds and documents.
8. The acquisition of artifacts or other items of artistic historical nature.
9. Equipment repair service in the nature of an extraordinary unspecified service.
10. Election expenses.
11. Insurance, including the purchase of insurance coverage and consultant services.
12. Contract made or entered into with the United States of America, the State of New Jersey, County or Municipality.

PARTIAL PAYMENT VOUCHERS

Also known as a blanket purchase order, these vouchers are to be utilized after full amount of contract or service has been encumbered by an initial purchase order. Partial payment voucher will be used to draw down on original amount.

In the case of several departments using same vendor, as in the case of auto parts, office supplies, and where specific amounts have been allotted to your budget, a portion or entire amount can be encumbered at the beginning of the year to insure that the money is available and there can be no over expenditure.

EMERGENCY PURCHASES AND CONTRACTS

According to Public Contracts Law (40A: 11-6) deviation from competitive bidding is allowed in certain restricted situations such as emergency purchase or performance of a service over \$44,000.00 when a situation affects the public health, safety, or welfare of citizens.

An actual or imminent emergency must exist. This procedure must not be used to avoid competitive bidding and is not intended for articles or services that could have been reasonably foreseen, nor created as a result of inadequate planning or administrative convenience.

The Borough Administrator will ascertain determination of an emergency.

Each Director must secure Price Quotes at the time of the Emergency and must supply all quotes to the Qualified Purchasing Agent and copies must be sent to the Business Administrator, Borough Clerk, Chief Financial Officer and to the Office of Emergency Management if it pertains to a FEMA Disaster. If the services are not immediate in nature and the services can be performed at another time then Formal Bidding and/or State Contract or Coop Vendors can be used for these services.

STANDARD PURCHASING PROCEDURES

The following procedures will be used to make all purchases except for emergency purchases and certain exempt items. Such purchases or contracts will be controlled by separate procedures.

1. The initial step in the purchasing cycle is the preparation of a purchase requisition, which should be the form used to request goods, materials and services. The requisition should be generated and printed in Edmunds Financial system. If a budget is in use, the department/agency should only requisition budgeted items. Non-budgeted items or services require the prior approval of the Purchasing Agent. Adjustments to departmental/agency budgeted items should be considered when purchasing previously non-budgeted items. The following information is required for all requisitions.
 - a. Requisition Number: this number will be automatically generated by Edmunds.
 - b. Using Department/Agency: Full name of unit requesting purchase.
 - c. Date: date of request.
 - d. Account or Appropriation Number: Account Code to be charged.
 - e. Deliver To – Delivery Point: Be specific – give full address, including room number and to whom delivery should be made, if applicable.
 - f. Delivery Date Required By: desired delivery date. Allow sufficient time (at least two weeks) for order to be processed.
 - g. Quantity and Unit: quantity required and shipping unit (box, carton, case, etc.)
 - h. Full Description of Requested Purchase: be as specific as possible. Give full description, i.e., model number, size, full specifications of required purchase. Whenever possible, the minimum quantity requested should be for a three (3) month period. If known, annual supply quantities should be indicated and encumbered. Price estimates should be included in description detail. Provide as close an estimate as possible.
 - i. Approval: signature of department head or his/her designee requesting the articles or services.

Depending on established policy, each unit department may be responsible for locating vendors able to fulfill the Borough's supply or service needs and obtain informal price quotations. These vendors are to be listed on the requisition or attached thereto. No order is to be placed or vendor commitment made except by an approved written purchase order (NO CONFIRMING ORDERS). Only the purchase order will generate an encumbrance.

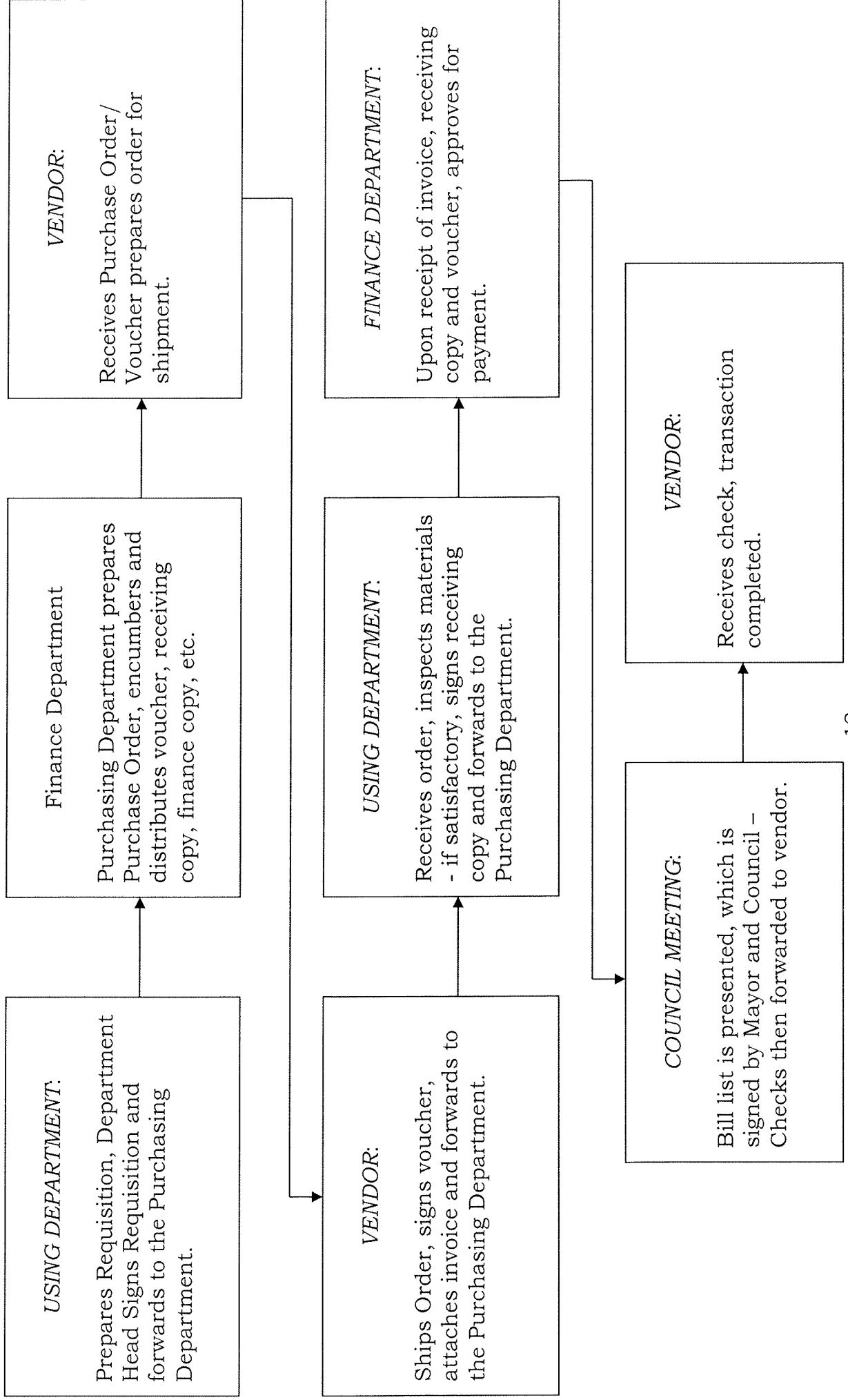
2. The requisition must be approved and signed by the Head of the requesting unit or an authorized designee. The requisition should be submitted well in advance of the time goods, materials, or services are needed to allow sufficient time for review and for the preparation of specifications, advertisements for bids (when required), or for the solicitation of informal quotations for more difficult purchases. Directors shall advise the Purchasing Department of designees.
3. The original of the requisition is forwarded to the Purchasing Department with the duplicate copy retained by the requesting department/agency head or designee in an "open" requisition file. If the requisition is not properly completed, it should be returned to the original unit for correction, additional information, or clarification. The Purchasing Department will also review a department's requisition, making necessary consolidations and standardizations with the requests of other departments.

Requesting departments should be advised and consulted when standardizations are made. Based on the total and aggregate dollar amount of the purchase request(s), written specifications and sealed bids, or informal solicited quotations may be required. To record the request, the original requisition is retained by the Purchasing Department and filed. State approved contract vendors or cooperative pricing systems vendors pursuant to N.J.S.A. 40A: 11-11(5) may also be used to fulfill the contracting unit's needs. Before any formal commitment is made to a vendor, and prior to the issuance of a purchase order, the availability of funds must be determined pursuant to N.J.A.C. 5:34-1.1 et. seq.

4. The Purchasing Department will utilize, a four page purchase order.
 - a. The purchase order is signed by the Chief Financial Officer to certify that funds are available.
 - b. It is mailed to the vendor for signature and a copy returned to the department for department internal records. Once satisfied with the services and or goods it should be returned to the purchasing department with the invoice for payment processing.

5. The employee accepting delivery completed and signs the receiving copy to indicate that the quantity, unit, description and condition of the commodities received or services rendered comply with the specifications or scope of work. The department head should also sign the receiving copy to approve the payment request. It is the department's responsibility to check all figures and to make any adjustments, if warranted, before the receiving copy is forwarded to the Purchasing Department. All invoices, receiving slips must be signed and dated.
6. The Purchasing Department will audit the Purchase Order and forward to Finance for payment processing.
7. The completed purchase order is then forwarded to the Finance Department to be checked for any discrepancies. The billed prices on the invoice should also be checked with those stated on the purchase order or contract. The Chief Financial Officer signs and dates the purchase order certifying that the voucher is correct and payment is approved. The Chief Financial Officer will add the claim to the bill list for approval by the appropriate authority. The paid voucher, along with the receiving copy and invoice is filed according to procedures of the Department of Finance.
8. In the event of any discrepancy regarding material ordered or received or any discrepancy in prices as shown on the purchase order from those on the vendor's invoice(s), the Chief Financial Officer should consult with the Purchasing Department. Any questions concerning payment should be referred to the Chief Financial Officer for proper determination and resolution.

PROCUREMENT FLOW CHART



DISPOSITION OF SURPLUS ITEMS

Upon request by the Borough Administrator, each department shall submit a list of various items that are worn out, obsolete, or no longer being used.

These items are not to be disposed of or sold by the department without the knowledge of the Borough Administrator. The Borough Administrator shall have the authority to transfer these items to other departments or use such items as an exchange or trade-in on a new purchase.

The Borough Administrator may elect to advertise in newspapers, the auctioning of such items to the public under the N.J. State Public Contracts Law whereby sale shall be made to the highest responsible bidder.