



TOWN OF PITTSBORO

Purchasing Protocol

PURPOSE

This purchasing protocol is intended for use as a guide to the Town of Pittsboro's purchasing methods and practices. When used properly and with common sense, the protocols and procedures established herein will enable the Town to obtain needed materials, equipment, supplies and services efficiently and economically.

The understanding and cooperation of all employees is essential if the Town is to obtain the maximum value for each tax and user fee dollar spent. While this protocol does not answer all questions related to purchasing, it does provide the foundation for a sound centralized purchasing system.

The basic goals of the Town's purchasing program are:

1. To comply with the legal requirements of public purchasing and procurement.
2. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the Town.
3. To receive maximum value for each dollar spent by awarding Purchase Orders to the lowest responsible bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors.
4. To provide each department the required goods, equipment, and services at the time and place needed and in the proper quantity and quality.
5. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers, negotiations, commitment, follow-up, and adjustments.
6. To promote good and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.
7. To effect maximum feasible standardization of products used within and among departments in order to obtain better prices.

If the procedures and guidelines established in this protocol are followed, each department can efficiently manage, control and plan its available resources to meet present and future departmental needs and help the Town meet these goals.

GENERAL GUIDELINES FOR PURCHASING SUPPLIES AND MATERIALS

It is the desire of the Town to purchase from vendors located within Pittsboro or Chatham County whenever possible. This can be accomplished by insuring that local vendors who have goods or services available which are needed by the Town are included in the competitive purchasing process. The Town has a responsibility to its residents; however, to insure that maximum value is obtained for each public dollar spent. **The Town cannot and will not make purchasing decisions solely on the basis of vendor location.** Rather, the Town will endeavor to encourage local vendors and suppliers to compete for all Town of Pittsboro business.

Planning for purchases should be done on both a short-term and long-term basis, thereby minimizing small orders and last minute purchases. Planning will also reduce the number of trips required to obtain materials and minimize clerical and supervisory time spent on documenting purchases.

Quality and service are as important as price; and, it is the duty of the requesting department to secure the best, most economical, quality that will meet but not exceed the requirements for which the goods or services are intended. In some instances the lowest price does not necessarily mean the lowest cost.

VENDORS

Interaction between vendors, prospective vendors, and representatives of the Town are essential for a professional and effective purchasing program. Good vendor relations are valuable business assets, established through mutual confidence.

PURCHASE ORDERS

A Purchase Order is a contract between the Town and a vendor as is not binding until accepted by the vendor. Each department is responsible for initiating its own request for materials, equipment, and services, based upon the needs, requirements and budget of that department. Requests should be made in the form of a Purchase Order.

CONTRACTS AND MAINTENANCE AGREEMENTS

The Town of Pittsboro enters into numerous contracts with various vendors, agencies, and contractors to render a service, to have a service rendered to the Town, to receive equipment, materials, and supplies, and for construction. A large number of these contracts are let for bids but those calling for professional services are not subject to the bid laws, although the Town may elect to follow the bid procedures for this type of contract, lease or agreement.

All contracts must contain a pre-audit certificate signed by the Finance Officer as required by the Local Government Budget and Fiscal Control Act. *N.C.G.S. 159-28*

BID/QUOTATION REQUIREMENTS

A bid/quotation is an external supplier's bid or offer to provide goods or services. The bid/quotation represents a statement of price, terms of sale and description of goods or services offered by the supplier to the Town.

Bids/quotations may be requested either informally or formally in accordance with this policy and subject to financial limits. All bids/quotations must be documented.

Informal bids may be verbally requested; however, a documented copy of said bids shall be received and kept on file. (i.e. email, fax, mail).

Formal bid requests shall include a deadline and service or product requirements; and may or may not require advertisements or sealing, depending on LGC (Local Government Commission) requirements.

No unbudgeted capital equipment outlays greater than \$5,000 will be made or obligated without obtaining approval from the Town Board. Capital equipment purchases in the approved budget and under \$90,000 may be completed by the Town Manager without further consultation with the Board. Capital equipment purchases over \$90,000, budgeted or unbudgeted, require a formal bid process and must be approved by the Board of Commissioners.

No unbudgeted capital improvement project outlays greater than \$10,000 will be made or obligated without obtaining approval from the Town Board except in an emergency when such projects are required to restore the water treatment plant, wastewater treatment plant or other critical Town facilities to normal operations after a service interruption. In the event of such a maintenance emergency, the Town Manager may take the necessary steps to make emergency repairs and will notify all members of the Town Board by telephone of the nature of the emergency and the estimated cost of the repairs.

Contracts for budgeted capital improvement projects that meet the State requirements for informal bids (less than \$500,000) may be executed by the Town Manager without referral to the Town Board; however the Town Board may elect to conduct a formal bid process, including a review of the Town Manager's recommendation for bid award, on any specific project regardless of cost. Contracts for budgeted capital improvement projects that meet the State requirements for formal bids (over \$500,000) will be executed by the Town Manager only after a competitive bid process and only after the Town Board has approved the award of the contract to the lowest responsive bidder.

This protocol may be modified at any time deemed necessary. The provisions within this protocol shall be in compliance with the North Carolina General Statutes regarding purchasing.

This document has been prepared by the Finance Director and reviewed by the Town Manager. It will be presented to the Board of Commissioners for adoption/approval.