

PURCHASING MANUAL
CITY OF WINCHESTER, KENTUCKY
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I. PROCUREMENT POLICIES

The City of Winchester has adopted the Commonwealth of Kentucky Model Procurement Code as set forth in KRS 45A.343 through 45A.460. The purpose of this manual is to establish a set of policies relative to the procurement of supplies, equipment and services by the City of Winchester in accordance with the Model Procurement Code. The authority and responsibility for maintaining a certified purchasing system resides with the City Manager as Purchasing Agent or with the person designated as Purchasing Agent (P.A.) by the City Commission through the approval of job description or other official action. The City Manager as Purchasing Agent may delegate to his designee general and specific authorities and responsibilities herein detailed, while recognizing that the ultimate responsibility for compliance with policies contained herein rests with the City Manager. Herein, Purchasing Agent (P.A.) shall refer to the City Manager or his designee or some person designated as Purchasing Agent by the City Commission by some official action.

This manual is a guide for internal operations and shall not be construed in any way to create a contractual obligation of the City. Any deviation from the approved budget shall be brought before the City Commission for their approval. Should any policy contained herein be contrary to KRS, KRS shall prevail.

Policies:

- A. Centralized Purchasing: It shall be the P.A.'s responsibility to: administer purchasing policies; institute reports necessary to permit analysis of purchasing performance; negotiate and recommend approval of all contracts; consolidate purchases of like or common items; analyze prices paid for materials and equipment; and generally define how to obtain savings and coordinate purchasing procedures.
- B. Sources of Supply: The P.A. shall select sources of supply in concert with the appropriate City department. As a general policy, purchases shall be awarded, with local vendor preference, on the basis of availability, best price, delivery and quality taking into consideration the reputation and capability of suppliers.
- C. Commitments: In concert with City departments, the P.A. shall conduct and conclude all negotiations affecting vendor selection, price, terms, delivery, etc. Commitments and orders to be valid shall be stated by contract, or purchase order signed by the City Manager or a person duly authorized to sign in his place. Negotiations leading to, or likely to conclude in, contract arrangements shall not be conducted without the knowledge and authorization of the P.A. The P.A. or the departmental purchasing coordinator working closely with the P.A. may commit the City to any purchase, vendor, or product. Exceptions include emergencies and purchases made from the Petty Cash Fund.
- D. Inter-Department Relations: It shall be the policy of the City to promote an intelligent and harmonious relationship between the P.A. and City departments relative to procurement. Each Department Head will appoint an employee to oversee the purchasing of that department (Purchasing Coordinator). This

purchase coordinator (PC) will be responsible for overseeing all purchases made within that department. All PR's requested in a department will be submitted to the PC to verify that all the required information is contained on the PR. The PC will then forward the PR to the P.A. in a timely manner.

The P.A. has the authority to request reconsideration or specifications or quantity of material at any time with the City Manager having the final determination.

To enable the P.A. to develop the best source of supply, requisitions should be submitted as far in advance of the required date as possible. Useful information obtained by the P.A. and department will be exchanged.

E. Vendor Relations:

1. Salesmen will only be received by departments after arrangements have been made by the P.A.
2. The P.A. will arrange interviews between vendor representatives and City personnel.
3. No City employee is required to place his time at the disposal or discretion of salesmen.
4. The P.A. will handle all correspondence with suppliers except when technical or other details make it necessary or appropriate to assign such correspondence to another department.
5. Prices and other specific information received from vendors will be considered confidential. During negotiations, quotations received from one supplier will not be divulged to another.
6. The P.A. will advise unsuccessful bidders as to the disposition of their quotations or bids.

F. Code of Conduct/Conflict of Interest: No elected official, designated agent or employee of the City will take part or have an interest in the award of any procurement transaction. A conflict of interest occurs when any elected official, or designated agent has a financial or other interest in or is employed by any of the competing firms unless there is an ongoing relationship with the firm and the cost of material or services is less than \$500. City employees may do business with the City providing they go through the competitive process and the service performed is different from their normal City duties. No City employee will receive preferential treatment in order to obtain City business.

G. Gifts or Gratuities: City employees are expressly prohibited from soliciting or accepting any rebate, money or costly entertainment, gift or gratuity from any person, company, firm or corporation to which any purchase order or contract is, or might be, awarded. The City may terminate, at no charge to the City, any purchase order or contract if it is found that gifts or gratuities were offered to or accepted by a City employee. The City may also take disciplinary action, including dismissal, against a City employee who solicits or accepts gifts or gratuities.

- H. Bid Deposits: Bid deposits or surety shall be prescribed in the public notices inviting bids. Unsuccessful bidders shall be entitled to return of that deposit or surety. Bidder security is required for all competitive sealed bidding for construction contracts when the price is estimated by the City to exceed twenty-five thousand dollars (\$25,000). Bidder security must be an amount equal to five percent (5%) of the amount of the bid. Bidder's security must be in the form of either a bond provided by a surety company authorized to do business in Kentucky or the equivalent in cash, in a form satisfactory to the City. A successful bidder, upon failure on his part to enter into a contract within the time specified after written notification of the bid award, shall forfeit, as, liquidated damages, any surety deposited with the City.
- I. Performance Bonds: The City may require a performance bond before entering a bid-based contract, and in such amount as shall be found necessary to protect the best interests of the City. When a construction contract is awarded in excess of forty thousand dollars (\$40,000), the contractor must provide to the City a performance bond and a payment bond, or a irrevocable letter of credit made to the City of Winchester. The performance bond and payment bond, or letter of credit must be for at least one hundred percent (100%) of the contract price. The performance bond and payment bond must be either a bond executed by a surety company authorized to do business in Kentucky or the equivalent in cash, in a form satisfactory to the City. The letter of credit must be issued by creditable banking establishment FDIC insured.
- J. Bidder's List: With the aid of other City departments, the P.A. may compile and maintain a bidder's list. Vendors desiring to be listed should advise the P.A. in writing of the following:
1. Type of business.
 2. Names of officers, owners, or partners.
 3. Persons authorized to sign bids, offers and contracts.
 4. Type of equipment, supplies, and materials sold and/or services provided.
 5. How long in present business.
 6. List at least 3 cities or businesses that have used their services, etc. within last 6 months.
 7. Completed W-9 form
- K. Award of Bid-Based Contracts: Bid-based contracts will be awarded on the recommendation of the City Manager. The award will be to the lowest and/or best responsible bidder.

- L. Expediting: Expediting the delivery of material on order is the responsibility of the P.A. Any information departments may acquire concerning the delivery status of ordered material should be passed on to the P.A.
- M. Tax Exemption: The City of Winchester is exempt from all state and federal sales and excise taxes.
- N. Specifications: The P.A. shall review all product specifications to insure that the specifications promote maximum competition consistent with the level of quality required by the City of Winchester.
- O. Documentation: All original source documents supporting any given transaction (receipts, purchase orders, invoices, RFP/PFQ data and bid specifications) should be submitted to the P.A. to see that it is filed in an appropriate manner (chronologically, by vendor, by type procurement, etc.). The purpose is to insure a clear and consistent audit trail.
- P. Grants: All purchases made with either Federal or State grant monies must follow the purchasing procedures set forth in the City of Winchester's Purchasing Manual.
- Q. Reimbursements: Employees are urged to go through the procurement process for purchases made on behalf of the City before making any purchases using their own funds in order to save sales tax.
 - 1. General Purchases: A purchase by an employee may be necessary in an emergency situation for smooth operations of the City. Employee must complete an emergency purchase authorization form to be approved by the Department Head or their designee. To be reimbursed, the employee must follow the purchasing process and attach a detailed receipt along with an explanation for why it was necessary to make the purchase at that time.
 - 2. Reimbursement for Travel: To be reimbursed for overnight travel expenses, the traveler must file an expense statement with detailed receipts for actual expenses incurred, specify the location of the travel and what the travel is for, WITHIN ONE-WEEK OF RETURN. Credit card statements will not be accepted as a receipt unless there is a detailed description of items purchased. In the event obtaining a receipt is not practical, the employee may make an affidavit as to the amount and the description of the expense and attach same to the travel statement form (This is an exception not a rule). Meals for day trips are not reimbursable (IRS ruling for fringe benefits). Fire employees attending the Fire Academy in Maryland shall pay the City any stipend they receive.
- R. Exceptions: Compensation to Board Members as set forth by Ordinance and Professional Services with an approved contract with the City may be exempted from the procurement process set forth.

- S. Invoices: KRS 65.140 requires the City to make payment of all invoices within 30 days. It is important to send any invoice received by your department to the P.A. as soon as possible. All invoices shall be made to City of Winchester, Attn: Purchasing Agent, P.O. Box 40, Winchester, KY, 40392-0040. At no time should an invoice be made out to an employee with their home address.

- T. Training and Travel: All training and travel (Registration, Hotels, Transportation, etc.) must be processed through the P.A. prior to attendance. Employee must receive approval from their Department Head and notify the P.A. to make arrangements at least 30 days prior to all training or travel.

II. PROCUREMENT PROCEDURE

Methods of Procurement:

Procurements shall be made by one of the following methods:

1. Small purchase procedures
2. Competitive sealed bids
3. Competitive negotiations
4. Non-competitive negotiations

Procedures:

- A. Purchase Requisition: The purchase requisition (PR) (see appendix) initiates the procurement cycle. The PR is the document used to inform the P.A. that goods and services are desired by a department. The receipt of a PR with the necessary information and required signatures gives the authority for each specific purchase. A purchase order number (PO#) must be requested at the time of purchase. The P.A. or the P.A.'s designee will determine if the item(s) was budgeted and whether funds are available prior to assigning the purchase a number. The purchase may be disapproved if purchase is not compliant with budget. All PR must be written and sent to the PA within one week after acquiring the PO#. Exception, a PR may be written after receipt of an invoice for certain services such as medical, building maintenance, temporary and utilities. In this case a PR must be written within one week after receipt of invoice. A purchase order will not be issued unless preceded by a proper requisition.

The purchase requisition shall be used for the following purchases and/or purposes:

1. To request the purchase of supplies, equipment or services.
2. To change or cancel an existing PR or purchase order.
3. To request price and delivery information from the P.A. on possible future requirements.

The PR can be a two-part form or a computer generated form. The original is to be forwarded to the P.A. while the duplicate or copy is to be retained by the requisitioning department. The P.A. will review the PR to insure that: (1) all required information is provided; (2) price indicated is the best price for budget compliance; and, (3) when applicable, for contract compliance. Before a purchase requisition is approved, the financial statement will be consulted to determine the availability of funds for the purchase. Questions over price or contract compliance will be discussed directly with the department head prior to

approval or disapproval of a PR. If a PR is disapproved by the P.A., it will be returned to the requisitioner along with a statement noting the reason for disapproval.

A PR should include all of the following information:

1. Date PR is prepared.
2. Date required: Give a definite date. Terms such as "Emergency" and "Rush" may be used, but also include a firm date. It shall be the using department's discretion to complete this field.
3. Department requesting item.
4. Deliver to: Address where purchase is to be delivered.
5. Quantity: The quantity in measurable units such as pieces, sheets, pounds, gallons, feet, etc.
6. Description: Descriptions should be complete and detailed. Specifications should be written so that no guesswork is required. If a specification, such as color, is not important, it should be noted on the PR. If known, the manufacturer and part number should be shown.
7. Account: Account to be charged with expenditure prefixed by department number.
8. Unit price: List the unit price or an estimated unit price (if known).
9. Total amount of purchase.
10. Suggested vendor: If one or more suppliers should not be used, it should be so stated along with the PR with a brief explanation.
11. Person making request.
12. Approval signature of the department head.

B. Vendor Selection: Vendors will be selected on a competitive basis. Bids, quotations, and proposals will be solicited by newspaper advertisement, direct mail request to prospective suppliers, internet and/or by telephone. All Purchase orders or contracts will be awarded to the lowest and best responsible vendor. All bids can be rejected. In determining "lowest and best responsible vendor", the following will be considered.

1. Price.
2. The character, reputation, judgment, experience, and efficiency of the vendor.

3. The ability of the vendor to provide the material or service within the time specified.
4. The quality of performance by the vendor on previous contracts, orders, or services.
5. The ability of the vendor to provide maintenance and service for all equipment purchased from the vendor.
6. The City shall not engage in procurement practices that may be considered restrictive in trade.
7. Compatibility with other equipment and cost effectiveness in having identical items in service in all departments.
8. All new vendors must submit a completed W-9 form.

- C. Small Purchases: Purchases of supplies, equipment, and services of less than twenty thousand dollars (\$20,000) but of one thousand dollars (\$1,000) or more will require formal or informal Request for Quotations (RFQ'S). RFQ's are similar to IFB's except that legal advertising is not required and detailed specifications may not be appropriate. The using department will furnish the PA with number needed and specifications adequate to secure the desired services, equipment or materials. At least two (2) written responses from RFQ's or a statement of why two are not available must accompany a PR.

The following procedure will be followed in obtaining an informal Request for Quotation:

1. Employee seeking to purchase supplies or equipment may telephone potential vendors to seek price quotes for items to be purchased. Vendors may give quotes over the phone backed up by faxed, mailed copies or electronic mail. Internet searches may be conducted to locate needed supplies or equipment and to determine pricing.
2. Copies of quotes should be attached to purchase requisitions and forwarded to the Purchasing Agent.

The following procedure will be followed in obtaining a formal Request for Quotation: All formal RFQ's must be done by the P.A. or designee for any item greater than \$5,000.

1. Complete a Request for Quotation, filling in the following information.
 - a. Request for Quotation number.
 - b. Date.
 - c. Date quote desired by.
 - d. Vendor.
 - e. Quantity.
 - f. Description of items desired.

2. Distribute copies to vendors.
3. File unopened sealed quotations received together with a machine copy of the original Request for Quotation.
4. On the designated date, remove the quotes received from the file.
5. If all vendors have not responded, call non-responding vendors and obtain telephone quotes to the Request for Quotation.
6. Open the quotes and determine which vendor offers the lowest price. Enter the reason the winning vendor was selected on the original copy of the Request for Quotation.
7. Issue a purchase order to the successful bidder (see Item H for purchase order preparation).

Purchases of less than one thousand dollars (\$1,000) will be made in the open market without the necessity of procuring IFB's or RFQ's. Every effort will be made, however, to get the lowest and best price and to share the business among responsible vendors.

- D. Competitive Sealed Bids: The preparation of an Invitation for Bid (IFB) must be authorized by the Board of Commissioners. Approval of the budget is considered to be authorization to purchase. When the cost of a contract, lease, or other agreement for materials, supplies, equipment or contractual services other than professional exceeds twenty thousand dollars (\$20,000), an Invitation for Bid (IFB) notice shall be prepared. This notice shall be published at least once in at least one official newspaper of general circulation within Clark County. This newspaper notice must appear not less than seven (7) days and not more than twenty-one (21) days before the due date for bid proposals. The first date the advertisement appears shall be counted as advertising time. The IFB shall include a general description of the items to be purchased, the bid bond and performance bond required, shall state where bid blanks and specifications may be secured, the time and place for opening bids and shall state the basis of the bid award, that is, to the lowest responsible bidder or to the lowest evaluated bidder. The P.A. may also solicit sealed bids from responsible prospective suppliers by sending them a copy of such notice. Any addendum to the IFB must be in writing and must be mailed, faxed, or delivered to all holders of the IFB and must be acknowledged on the formal proposal by each bidder who submits a bid.

Sealed bids shall be opened by the Mayor or his designee at the time and place stated in the IFB. The bids shall be recorded by the P.A. as they are opened and read (see bid tabulation form in the appendix). The results of the tabulation and the bid material shall be examined by the City Manager and staff to determine the best bid. The City Manager shall make recommendations to the City Commission as to the awarding of the bid. After the bid award has been made, a purchase order and/or contract shall be prepared for execution by the

appropriate parties. After the purchase order is issued and/or the contract signed, all bid deposits shall be returned to all unsuccessful bidders. After the contract has been executed the P.A. shall issue the Notice to Proceed. A copy of the signed Notice to Proceed shall then be distributed to any appropriate department for informational purposes. Any bidder who submits a bid in response to an IFB shall be deemed to have agreed to comply with all terms, conditions and specifications of the IFB.

The City may cancel an Invitation for Bid or reject all bids at any time. The City may allow a vendor to withdraw a bid if requested 24 hours prior to bid opening or where there is a patent error on the face of the bid document or where the bidder presents sufficient evidence, substantiated by bid worksheets, that the bid was based upon an error in the formulation of the bid price.

E. Competitive Negotiations: The City may choose to utilize competitive or noncompetitive negotiations in certain specific situations. Competitive negotiations are permitted upon written findings that:

1. Bid prices are unresponsive or unreasonable as to all or part of the requirements or are identical or appear to have been the result of collusion. In this situation, each responsible bid must be negotiated and each bidder must be lower than the lowest rejected bid.
2. Specifications cannot be specific enough to permit the award or a bid on the basis of either the lowest bid price or the lowest evaluated bid price.
3. Sealed bids cannot be obtained because sources of supply are limited, time and place of performance cannot be determined, price is regulated by law, or a fixed price contract is applicable.

To utilize competitive negotiations in paragraphs 2 and 3 above, the City would have to proceed as follows:

1. Proposals must be solicited through newspaper advertisement or a request for proposals may be prepared and mailed to qualified vendors. If the newspaper is used, the advertisement must be published at least seven (7) days and not more than twenty-one (21) days before the date for receipt of the proposals. The request for proposals or advertisement should indicate the factors to be considered in the evaluation of proposals and the relative importance of each factor.
2. Written or oral discussions must be held with all responsible vendors who submit proposals. Discussions need not be conducted when prices are fixed by law, time of delivery or performance does not permit discussions, or when prior cost experience indicates that a particular supplier offers fair and reasonable prices. A written summary of all discussions must be made by the P.A. and be made a part of the file.

3. Award must be made to the offeror whose proposal is determined in writing to be the most advantageous to the City. Evaluations should be based on the factors set forth in the request for proposals.

If after discussions with all responsible vendors, it is determined that no acceptable proposal has been submitted, any/or all proposals may be rejected. New proposals may be solicited on the same or revised terms or the procurement may be abandoned.

- F. Negotiations After Sealed Bids: Competitive negotiations may be undertaken when sealed bids are determined to exceed the money available for a purchase and it has been determined in writing that (1) no additional money is available from any source, or (2) time restraints will not permit the City to re-advertise.

The City should negotiate with at least three (3), (two if there are only two) bidders determined in writing to be responsive and responsible bidders. If there is only one bidder, a noncompetitive negotiated award may be made with that bidder. Before the award can be made, a written determination of the sole bidder must be completed by the P.A.

- G. Noncompetitive Negotiations: Noncompetitive negotiations may be used only after a written determination by the P.A. that:

1. An emergency exists which will cause public harm as a result of the delay, or
2. Competition for that particular procurement is not feasible (franchise or public utility), or
3. That the product is available from only one source, or
4. The contract is for the service of a licensed professional excluding the provision of construction management services by an architect or an engineer.

In an emergency situation, the Mayor shall certify that an emergency exists and a copy of the certification shall be filed with the City Clerk and City Treasurer. For purchases under 2, 3, and 4 above, the P.A. shall proceed to negotiate with one or more suppliers in order to obtain the more advantageous terms for the City. If the purchase exceeds twenty thousand dollars (\$20,000), the City Manager shall submit a recommendation for contract award to the City Commission.

- H. State Price Contracts: Before a purchase order is issued for an item, the P.A. should determine if the item can be purchased more economically through the State Price Contract System. If purchasing through the State Price Contract System, backup documentation must be attached to the PO and must include the State Price Contract number and the expiration date of the contract.

- I. Purchase Order (PO's): The Purchase Order is the final step in the processing of purchases prior to the invoice being paid. The purchase requisition is the instrument used to initiate and control purchases. A purchase order number must be obtained and a purchase requisition must be completed and approved prior to making a purchase. All purchases require a purchase order. No purchase order will be issued without a properly processed purchase requisition.

When it is determined that a purchase is needed the department head, purchasing coordinator or the department head's designee shall contact the P.A. or the P.A.'s designee to obtain a purchase order number. The P.A. or the P.A.'s designee will determine if the item(s) was budgeted and whether funds are available prior to assigning the purchase a number. The requisition is then prepared by the department head, purchasing coordinator or the department head's designee and send to the P.A. for processing. After the Purchasing Requisition is processed it is then sent to the Account Clerk who will print the purchase order.

The purchase order is then sent to the City Manager for his signature.

The purchase order shall include the following information:

1. Vendor (correct mailing address).
2. Date.
3. Shipping destination.
4. Date of delivery.
5. Quantity.
6. Description of item(s).
7. Account to be charged.
8. Unit price.
9. Total amount of purchase.

The purchase order shall be a numbered form. After the purchase order is signed by the City Manager or P.A it will be forwarded to the Finance Department

- J. Purchase Order Log: The P.A. will maintain a P.O. Log that will show the following information:

1. P.O. number.
2. Date P.O. was issued.
3. Vendor.
4. Total dollar amount of P.O.
5. Account purchase charged to.

All Purchase Order reports should be constantly monitored to spot purchase orders that are outstanding beyond the requested delivery dates. Vendors should be contacted by the P.A. to determine the status of delinquent purchase

orders. The P.A. should maintain a vendor correspondence file that includes reports on phone calls and action taken on late deliveries.

K. Receipt and Inspection: The ordering department is responsible for the receipt, inspection, and acceptance of incoming supplies and equipment. Receiving procedures are as follows:

1. When all items on the P.O. have been received, inspected and accepted, the receiving copy of the purchase order, delivery receipt and/or packing slips should be forwarded to the P.A. The employee receiving the items shall notify the department PC when an item is received. The PC will notify the P.A. and the Accounts Payable Clerk in writing by either memo or email, the date and condition the item was received and if it is ready for payment.
2. When items are not acceptable, the receiving department shall forward to the P.A. a receiving report containing the reasons for rejection, date shipment rejected, and signature of person rejecting shipment. The P.A. or designee will then arrange for the replacement of the defective items or take other action as required.
3. When items that have already been accepted are subsequently found to be defective, the using department shall notify the P.A. in writing. The following information, when known, is required:
 - a. Name of supplier.
 - b. P.O. number item purchased on.
 - c. Date defective item(s) received.
 - d. Nature of defect.
 - e. Action requested (return for credit, for replacement, etc.).
4. If a delivery is made that does not complete an order, the receiving copy of the purchase order should be forwarded to the P.A. along with a report containing the following information:
 - a. Any pertinent information on the partial shipment including any reasons for which payment of invoice should be withheld.
 - b. Date shipment received.
 - c. Signature of person accepting shipment.
5. When items are to be received by or delivered to someone or someplace other than the using department, the above procedures shall be modified only to the extent that:
 - a. An employee other than a using department employee may sign the delivery receipt, but must notify the using department of receipt of the order.

- b. That employee should satisfy himself regarding, the condition of the merchandise, and check the items delivered against the receiving copy of the purchase order.

L. Repetitive Purchases: This method of buying is meant only to expedite the procurement of frequently needed supplies. Items will be solicited from qualified local suppliers.

Purchases over \$100 under repetitive purchases should be made only after approval of the P.A. (examples of repetitive purchases are uniforms, garage supplies, miscellaneous supplies, office supplies, temporary employment agencies, ads or notices placed in the local newspaper, professional services from a vendor that occur weekly or monthly, etc.).

When charging supplies, the vendor's invoice or receipt ticket must be signed only by the authorized City employee receiving the material. A copy of the vendor's packing slip or invoice must be obtained by the employee. The employee will submit the vendor's invoice and PR to the PC who must get the department head's approval. The PC will promptly forward the PR and signed invoices to the P.A.. At the end of the billing cycle the P.A. will reconcile the invoices to the billing statement, issue a PO# and submit to accounts payable for payment (see payments, Section O).

M. Petty Cash Fund: The City Manager expressly delegates petty cash funds to the following persons and grants the following limits:

City Manager	<u>\$100</u>	
HR/Risk Manager	<u>\$100</u>	
Police Chief	<u>\$100</u>	
Fire Chief	<u>\$100</u>	
Treasurer	<u>\$200</u>	(\$100 Petty Cash/\$100 Cash Drawer)
Director of Public Works	<u>\$100</u>	
Director of Planning & Community Development	<u>\$100</u>	
<u>Main Street Winchester Director</u>	<u>\$100</u>	
<u>Purchasing Officer</u>	<u>\$100</u>	\$1,000

The Petty Cash Fund is intended to speed the purchase of incidental items and may be replenished as often as needed. The grantee is required to report his expenditures thereunder to the P.A. on the form provided with receipts/delivery tickets and sufficient information to properly allocate the costs.

The Petty Cash Fund is for purchases below twenty dollars (\$20). Purchases above twenty dollars (\$20) shall be made through the regular purchasing procedures. Petty Cash purchases over twenty dollars (\$20) must be approved by the P.A.

The allowance is not cumulative month-to-month. Petty Cash must be reconciled every quarter or more frequently as needed.

An increase or decrease in the Petty Cash fund may be authorized by the City Manager.

N. Payments: All invoices, packing slips, and receiving reports should be forwarded to the P.A. within one working day after receipt by using departments. Upon receipt of the receiving report and the delivery receipt from the receiving department, the P.A. will send to the Finance Department for verification and payment.

P. To Change Purchase Orders: Using departments wishing to change or cancel an existing purchase requisition or purchase order shall notify the P.A.. The notification may be from the PC or the Department Head. Always refer to the original P.R. number and clearly state the action requested.

Upon receipt of a properly signed change request, the P.A. will issue a change order or change the original P.O., as required. When a change or cancellation is decided upon, the P.A. should be notified immediately. A few hours advance notice to the P.A. could save the City costly restocking or cancellation charges.

Change order copies should be attached to the original P.O. copies.

Q. Surplus Materials: Department heads shall advise the P.A., in writing, of any equipment or supplies not needed and which might be transferred to another department for their use. The P.A. will have the authority to transfer surplus supplies, materials, and equipment to other using departments.

R. Vendor's Catalog File: The P.A. will maintain a vendor's catalog file. Catalogs in this file will be available to all interested City employees.

S. Sale of City Surplus Property: Any surplus City property may be disposed of upon authorization by a majority vote of the City Commission. All surplus supplies and property will be sold on a competitive basis to the highest bidder through sealed bid process, public auction, trade-in, or transfer to other public agencies if the supplies or property is deemed to have a value less than \$1,000.00

T. Maintenance Contracts: The P.A. will maintain all records and information concerning City maintenance agreements. Before renewing any such agreement, the P.A. will check with the concerned department head to determine if the agreement should be renewed.

Agreements found to be unnecessary will be terminated. Department heads will advise the P.A. of any change in the status of items covered by maintenance agreements.

U. Storeroom: The P.A. will establish and control a central storeroom for selected items (office supplies, janitorial supplies, etc.). When a using department needs

any item that falls in the storeroom category, they will prepare a supply room requisition and present it to the P.A. for filling. If the requested item is not in stock, the P.A. will use the requisition as authority to prepare a purchase order. Requisitioned storeroom items will be charged to the appropriate departments at the end of each month.

- V. Office Supply Purchases: The P.A. will select an employee from Fire/EMS, Police and Public Works departments to be an office supply purchaser (OSP) approved to make purchases through the electronic purchasing site of selected vendors. The P.A. will server as the OSP for employees in the City Hall Building. Employees who need to make office supply purchases will contact the OSP and give them a list of materials needed. The OSP will then submit the purchase online. After the OSP submits the online purchases the supplying vendor will send the P.A. a notification with the submitted purchases for approval. The P.A. has the right to question any purchase. No purchase will be completed until approved by the P.A.
- W. Credit Card Purchases: This type of purchase is established to expedite the purchasing process. The City has two types of credit cards, the Purchasing Card and the Credit Card.
- a. Purchasing Card: The City has established a credit account with selected vendors. Employees may use the purchase cards to purchase items at these vendors. Employees who need to make purchases with a purchasing card must:
1. Request approval for purchase from Ranking Officer, Department Head, PC or the PA.
 2. Request the purchasing card from the Department Head, PC, P.A. or the Human Resource Officer (HRO).
 3. Call the P.A. or designee for a PO#
 4. Make Purchase and give vendor the PO# at time of purchase.
 5. Write a PR with all required information.
 6. Submit to PC to get department head signature.
 7. PC will submit to the P.A. as soon as possible to process for payment.
- Samples of purchasing cards are Wal-Mart, Sams, Office Depot, Lowes, Kroger, Office Max, Gas Cards, etc..
- Exceptions to this are purchases made through the gas cards. These are ongoing expenses and will be treated like a repetitive purchase see Section M. The P.A. has the right to treat any purchasing card as a repetitive purchase if it is determined that the card is used a large amount of the time during the month.
- b. Credit Card: The City has established a bank credit card account. This type of purchase is to be used for room reservations, purchases made that do not accept Purchase Orders and/or internet purchases. The bank credit cards are locked in a filing cabinet in the Human Resource Office. Only the P.A. and the HRO can make purchases using these cards. Employees who need

to make purchases with a credit card must:

1. Request approval for purchase from Ranking Officer, Department Head, PC or the P.A.
2. Must follow Purchasing Manual procedures
3. Notify P.A. or HRO a credit card purchase is needed and provide all information needed to either reserve a room or make a purchase.
4. The P.A. or HRO will process the credit card purchase.
5. The P.A. will write a PR with all required information and sign approval.
6. The P.A. will reconcile all monthly purchases with monthly statement for payment.

If items are questionable the P.A. or HRO has the right to deny purchase until approval from the City Manager is received.

- X. Emergency Purchases: In case of an emergency, department heads may purchase directly any supplies or services whose immediate procurement is essential to prevent delays in work which may vitally affect the life, health, or convenience of citizens of the City of Winchester. For a recorded explanation, the purchaser shall send to the P.A. a purchase requisition and a copy of the delivery record or the vendor's invoice together with a full written report of the circumstances of the emergency. The P.A. will then issue a confirming P.O. to cover the emergency purchase.

Upon receipt of a request, the City Manager shall provide the legislative body full information covering any purchasing activity.

Order No. 2019-65	Effective: 05/07/2019 (Petty Cash Only)
Order No. 2015-93	Effective: 06/02/15
Order No. 2013-29	Effective: 02/19/13
Order No. 91-103	Supersedes 09/10/91
Order No. 2012-24	Effective: 03/20/12
Order No. 2011-153	Effective: 10/03/11
Order No. 2004-40	Effective: 04/06/04
Order No. 95-110	Supersedes 07/18/95 (Petty Cash Only)
Order No. 90-67	Supersedes 05/08/90
Order No. 85-71	Supersedes 07/09/85
Order No. 83-68	Supersedes 05/24/83

APPENDIX

- A. Procurement Cycle Flow Chart**
- B. Purchase Requisition**
- C. Purchase Order**
- D. Petty Cash Fund Report**
- E. Request for Quotation**
- F. Bid Tabulation**
- G. Central Purchasing Letter**