

INTRODUCTION

The purpose of this purchasing manual is to provide departments with a guide that will allow the Town staff to Requisition goods and services as well as follow the basic principles of the Town's purchasing procedure.

The Town Council, by ordinance, has established rules and regulations which will apply to purchases made by the Town (See Ordinances Appendix F). The provisions of the Charter, Sections 712, 713, 714 and 715 shall control the purchasing procedure of the Town. The procedures and personnel involved in the purchasing process shall be subject to the supervision of and fall within the jurisdiction of the Director of Finance.

To assist in identifying the procurement needs of the various departments in the Town of Wethersfield, a User's Committee was formed in September, 2008. The committee consists of the Director of Finance, the Purchasing Assistant and those department heads and staff persons who extensively utilize the purchasing function.

The Committee was created primarily for the purpose of improving communication between users and the Finance Office. On June 20, 1990, the Town of Wethersfield implemented recommendations for the purchasing process from a consultant, Boyer, Bennett S. Shaw Inc. Those recommendations are also included within this manual.

The procedures outlined herein can be waived at any time if it is deemed to be in the best interest of the Town of Wethersfield by either the Town Manager or the Director of Finance, provided that the waiver is in accordance with any applicable charter and ordinance requirements.

A. GENERAL PURCHASING GUIDELINES

Systematic coordination for all Town purchasing activities is the responsibility of Finance Office staff. Under the auspices of the Director of Finance, payments for goods and services acquired by the Town are made on behalf of departments/divisions centrally; all purchasing/budgetary records are then updated accordingly to reflect each transaction.

A wide range of procedures govern the Town's purchasing function in order to accommodate the acquisition of an ever changing list of goods and services (that vary significantly in terms of both availability and price). To facilitate a better understanding of this system, a detailed description of the Town's procedural requirements appears below. These guidelines should be followed in good faith by each agency.

1. Town Purchasing Requirements

- 1.1** The purchase of all goods and services for the Town of Wethersfield shall be documented through properly completed Requisition entries within the MUNIS Requisition entry process that are electronically approved by the department head and/or other authorized personnel. The electronic Requisition will be approved by the Finance Director and then will be converted into a Purchase Order. **No items shall be ordered until the Purchase Order has been approved.** In addition to having a Purchase Order created there will be occasions where Telephone Quotation or Written Quotation forms will need to be sent to Finance as back up documentation for the Requisition. A sample of each of these forms and instructions for their completion can be found in Appendix A of this manual.
- 1.2** In general, Purchase Orders should be considered the Town's primary procurement form. Said forms should be used to secure all acquisitions, except where otherwise noted. (See Sections 1.3 and 1.4 below.)
- 1.3** A Purchase Order may be used at any time no matter what the cost of the item is. A department may elect to process a purchase of goods or services for the Town of Wethersfield totaling less than one hundred

(100) dollars through the submission of a properly completed Request for Payment form. To this end, all such forms must be signed by the Department Division Head or other authorized personnel. In the event that a vendor requires a P.O. number to process this type of Town order, department division organization code numbers should be used as the P.O. number. For example, the Finance Office would use 1161.

1.4 In the following situations only, a Purchase Order need not be prepared to order either goods or services or effect payment for them:

- A.** Mileage, travel expense, or official luncheon and or meeting reimbursement. For more information on this subject, see Section B--Travel Reimbursement Policy.
- B.** General Assistance relief, except those commodities the Town purchases directly (i.e., fuel oil.)
- C.** Stenographic Services - occasional.
- D.** Association dues and subscriptions.
- E.** Utilities (natural gas, water, and electricity.)
- F.** Payroll deductions.
- G.** Overpayment of taxes and interest.
- H.** Petty cash reimbursements.
- I.** Title applications, motor vehicle documents, etc.
- J.** Food in small quantities (coffee, sugar, etc.)
- K.** Insurance payments.
- L.** Dog warden fees.
- M.** Unemployment compensation.
- N.** Magazine subscriptions.
- O.** Postage.

1.5 To ensure timely processing, all Requisitions for Purchase Orders must be electronically approved or Request for Payment forms must be signed by Department Division heads or their designee(s). Authorized personnel shall consist only of those employees who have been officially authorized as a signer vis-à-vis the submission of an Authorized Signature Form to the Finance Office (See Appendix A.) Note: Department/Division Heads should update their file when a new employee has been hired or one has left Town service.

Note: The Town policy is to pay on valid invoices within a three week time frame. Department heads or authorized staff must ensure that all requests for payment and appropriate documentation are submitted to the Finance Department in a timely manner.

2. Guidelines - Purchases Under \$20,000

This section covers purchases not in excess of the \$20,000.00 for contracts for Public Works and other purchases less than \$20,000 pursuant to Town Charter Sections 713 and 714. These purchases do not require public advertisement, formal bid procedures and are administered by the Finance Department. Operating agencies are strongly encouraged to do their own quoting. If necessary, Finance will quote items for an operating agency. **An electronic Requisition for a Purchase Order and approval of such is required prior to any order being placed.**

- 2.1** For purchases of items under \$1,000 that are not purchased on a repetitive basis, only one telephone quote by the operating agency is necessary.
- 2.2** When an operating agency wishes to purchase an item costing between \$1,000 and \$2,000, a minimum of three telephone quotes must be obtained. The operating agency must submit the requisite phone quotation form noting the electronic Requisition for a Purchase Order number on it. When entering the Requisition within the MUNIS system, the general comments area should refer to a telephone quote form being sent to Finance by interoffice mail. If the operating agency can scan the document it can be attached to the electronic Requisition instead. General notes should then just refer to the attachment. The purpose of this form is to keep Purchasing informed of prices vendors are quoting and the quantities of various items being purchased Town-wide.

- 2.3 For purchases of items between \$2,000 and \$19,999, operating agencies must obtain a minimum of three written (including fax) price quotations. A Purchase Order is required for such items and the operating agency is required to submit a written quotation form along with the Requisition for Purchase Order to Purchasing (See 2.2). The purpose of this form is to keep Purchasing informed of prices vendors are quoting and quantities of various items being purchased Town-wide.
- 2.4 *It should be noted that whenever a minimum of three **vendor quotations are solicited** (either telephone or written), the operating agency has the discretion to select whichever vendor it feels best serves its needs and those of the Town. If the recommended vendor is not the lowest priced vendor, the department division must include a written justification for its selection on the Quotation Form.*
- 2.5 The practice of ordering small quantities of an item over a short period of time to avoid the purchasing procedure is prohibited.
- 2.6 For purchases of items of \$20,000 or more, formal bid procedures shall be followed using the Finance Department and the Request for Bid Form. (For more detailed information, please see Section 5 of this manual.)

3. Budget Commitments and Encumbrances

- 3.1 A “budget commitment” is an internal Purchase Order form used to insure that budgeted funds for a particular project or time period are not returned to the general fund at the close of a fiscal year (i.e., setting aside \$10,000 to purchase several computers which, due to unusual circumstances, could not be purchased within the fiscal year.)
- 3.2 Budget commitments are allowed only with prior approval of the Town Manager or the Director of Finance.

4. Emergency Purchases

- 4.1 Purchases of goods and services in an emergency which are

made to protect the Town from loss shall be made through the Finance Department with the approval of the Town Manager. The Town Manager will inform and provide the Town Council with all relevant information regarding the purchase as soon as possible.

- 4.2** All such purchases must be confirmed by an electronic Requisition for a Purchase Order by the end of the first working day after the purchase is made. All such Purchase Order requests shall have attached to them a signed statement explaining the nature of the emergency as it relates to the purchase.
- 4.3** Extreme care must be taken in the use of this particular provision, for it is not to be used as a method of evading the purchasing function. Improper use of this procedure will result in the return of the Purchase Order request and invoice paperwork to the department involved.

5. Purchases over \$ 20,000 - Preparing Bid Specifications

- 5.1** The Finance Department is responsible for reviewing, modifying, assisting in the preparation of, and approving bid specifications prior to public distribution.
- 5.2** User departments are responsible for establishing basic need and providing the “technical” specifications that are to be added to the Town's boiler plate specification language. (See Appendix B for an example of a standard bid package.) Any deletions, additions or modifications to the basic model must be identified by the sponsoring department to ensure inclusion in the final bid document. Technical language should be submitted to the Purchasing Assistant in both hard copy form and an electronic format. A completed Request for Bid Form must accompany the package to be submitted to the Purchasing Assistant.
- 5.3** Except where known standard specifications apply, user departments must convey their requirements in a clear descriptive manner to avoid conflicts of interest and to assure objective

preparation of the specifications. While agencies do not rely on suppliers for the preparation of technical specifications, that does not preclude them from requesting specifications from several sources and combining them to produce a common specification.

Normally, specifications should describe the item or service to be purchased in wording that is clear, concise and **non-restrictive**.

- 5.4** When brand names are used to assist in the identification of the type of good(s) desired, the specification must include a detailed identification of the pertinent characteristics. Specification language should clearly state “or equivalent to” the brand name being specified within the specifications.
- 5.5** When user departments consider a product to be available from only a single source (such as spare parts), a written explanation describing the monopolistic nature of the source must be submitted. In general, specifications should not call for features or quality levels which are not necessary to support any item’s intended use.
- 5.6** At the sole discretion of the Finance Director, Departments/Divisions may draft a proposed bid specification package, in its entirety, should the nature of the project call for a highly technical orientation. Involved Agencies must:
 - A.** Provide the Purchasing Assistant with a draft copy no later than one week prior to the targeted advertising date;
 - B.** Incorporate all changes/revisions made by the Director of Finance or designee and submit a final version not less than two days prior to the proposed advertising date;
 - C.** Notify the Purchasing Assistant if a pre-bid meeting has been scheduled so that such information can be cited in the newspaper ad;
 - D.** *Assume all responsibility for making sufficient copies*

available to the Finance Office to meet bidder demands before the legal advertisement appears in the paper. This would include copies of maps, plans and any other pertinent information that should accompany the bid packages.

6. Bid Lists

- 6.1** The Purchasing Division produces and maintains Master Bid Lists on a commodity basis. Accordingly, for each general commodity or service area, a bid list is created which includes current names and addresses of vendors interested in doing business with the Town. All requests by vendors to be placed on the bid list will be honored except from those vendors who have previously defaulted on Town business or are otherwise known to be less than reputable.
- 6.2** Once on the bid list, bidders are removed for the following reasons:
- A. Defaulting on business with the Town.
 - B. Requesting to be removed from the list.
 - C. Failing to respond to Town bids either with a letter or a note advising “no bid”,
 - D. They are no longer in the business of supplying the products in the commodity area for which the list was originally composed.
- 6.3** No attempt is made to designate bidders with regard to their capabilities. Pre-qualifications are not done because no provision has been made in either the Charter or the Ordinances to permit such disqualification of a potential vendor. Were pre-qualifications to be done, they would include such factors as the vendor’s credit rating, solvency, supply capacity, a review and analysis of the

applicant's place of business, number of people working for the supplier, etc.

7. Bid Evaluation and Award

7.1 Considerable professional judgment must be used in determining whether or not bids are responsive to a solicitation. However, certain quantifiable criteria are used in the exercise of that judgment. For example:

- A. Is the firm a responsible firm? Has it ever defaulted on any contracts with the Town? Do supplied references indicate that said firm is reputable?
- B. If bid security or other preconditions were required, were these conditions met?
- C. Does the bid submitted meet the detailed published specifications for the required product?

The Town cannot take into consideration a condition which was not part of the invitation to bid. For example, if extensive service facilities were not required in the bid specifications, such a factor cannot be used in the decision-making process.

7.2 *In making a bid award, the following procedural guidelines shall govern all related activities:*

- A. ***Determination of the lowest responsible bidder (as per Finance Office calculations and sponsoring agency expertise.)*** *The lowest responsible bidder is that person or firm whose bid to perform the work is lowest, who is qualified and competent to do the work, whose past performance of work is satisfactory to the Town and whose bid documents comply with the procedural requirements stated within the Town 's bid specification package.*

- B. **Consideration of local bidder option.** *Consideration must be afforded to any local bidders having submitted a bid that is not more than ten (10) percent higher than the lowest responsible bid. In accordance with the Town 's Ordinance Providing for Local Preference, a local bidder (having a principal business located in Wethersfield,) may be awarded the bid provided such Town-based bidder agrees to accept the award of the bid at the amount proffered by the lowest most responsible bidder. (Note: Local Bidder Preference shall not apply when the bid in question involves a cooperative purchasing agreement between the Town and either other municipalities, consortiums or the State of Connecticut.)*
- C. **Recommendation of Department Head for contract award.** *Recommendations for award shall be stated on both the Departmental Request for Bid Form and the accompanying tabulation sheet. A detailed explanation for selecting a vendor other than the Apparent Low Bidder must be included. This documentation shall become part of the permanent Purchase Order/bid file.*
- D. **Council review and action.** *Said action may involve either an acceptance or a rejection of the bid in question. Rejections may result from an insufficient number of bid responses. In the event that a bid is rejected, the goods/services involved will be subject to a re-bid.*
- E. **Vendor notification of award.** *Following Council approval, a letter of notification will be generated by the Purchasing Assistant and sent to the awarded bid winner, with instructions to forward all necessary documentation to the Finance Office (e.g. certificates of insurance, bonds, etc.)*

7.3 *When Council has awarded a bid for a single, well defined project and all of the necessary documentation and vendor requested materials are received, the requesting agency shall enter and approve a Requisition for a Purchase Order. **Work shall not***

commence until a P.O. has been issued. *The Purchasing Assistant shall convert the Requisition to a committing Purchase Order (stating the total contracted price,) to the awarded vendor. A copy of said P.O. shall be forwarded to the administering department. A photocopy of this Purchase Order shall be referenced each time the department draws down on appropriated funds for payment of related invoices. Project work shall not commence until the vendor is in receipt of a Purchase Order. (Note: This process shall also apply to those purchases made from bids prepared by other governmental units. For more information, concerning this issue, please see Section 8 below.)*

When Council has awarded a bid for goods and services for which the amount to be purchased is undetermined a committing Purchase Order is not necessary. Instead, an acknowledgment letter of award shall be sent to the vendor. All interested departments shall also be notified of the purchase prices guaranteed by the bid and when ordering items under this bid the department must submit Requisitions for Purchase Orders to the Purchasing Assistant, citing the appropriate bid award. An example of this type of bid contract would be for the purchase of office supplies.

- 7.4** Bids received after the date and time specified in a bid specification will be rejected for consideration. The only exception to this rule would result from a mistake made within the Town's internal mail delivery service (i.e., if the bid was actually delivered to the wrong Town agency and not returned to the Purchasing Division in time to be opened and read publicly.) Such an unusual circumstance would have to be fully and explicitly detailed, and certified by a disinterested party.
- 7.5** Identical bids are received occasionally, both in terms of the items requested and the prices quoted. As the process of using a lottery or splitting the business tends to perpetuate identical bidding, the

following steps are recommended to resolve the deadlock situation and make a recommendation for bid award:

- A. If the delivery cost is included in the bid price, make the award to the bidder closest to the delivery point.
- B. Make the award to the bidder who received the previous award as long as the bids continue to be identical.
- C. If identical bids are a result of fair trade laws, combine both price controlled and non-controlled items in the same request for bid.
- D. Make the award to the local bidder if only one of the two competing vendors is located in Wethersfield. (See additional requirements cited above.)
- E. Reject all bids, adjust the bid specification, and re-bid.

8. Purchases Made From Bids Prepared by Other Governmental Units

- 8.1** Town Ordinance 27-1 states that whenever it is to the advantage of the Town, in the judgment of the Purchasing Agent, the Town may use bids called for by other governmental agencies in exactly the same way as bids called for by the Town, providing the processing of said bids has met the requirements of Charter sections 713 and 715. Such other governmental units include Towns, State or Federal government and cooperative purchasing arrangements such as the Capitol Region Purchasing Council, CREC and the Capitol Region Library Council.
- 8.2** When preparing an order based upon other governmental unit bids, the name of the governmental unit, and the bid name or number, shall be included on the order.

9. The RFP (Request for Proposal)

- 9.1 *Services may also be purchased through the use of a Request for Proposal (RFP). This procurement device facilitates a formal negotiation process (in terms of both price and the proposed method of project completion) following the opening of sealed proposals. In general, an RFP is utilized in order to secure professional specialty services (including, but not limited to, consultants, engineers and architectural firms.)*
- 9.2 *The format of the RFP may vary depending on the technical nature of the project. However, the following sections are generally considered standard for inclusion:*
- A. **General information about the project.** *This may include the renovation history of a building that is scheduled for facility improvements or the features of a Town pension plan which will be the subject of analysis.*
 - B. **Scope of services expected to be provided by the selected firm.** *This section explains the nature of the project and those specific responsibilities that shall be borne by the successful firm (i.e., administrative oversight, making recommendations for process improvement, drafting plans, etc.)*
 - C. **Proposal format details.** *Information about the firm and its proposed course of action is generally detailed here. This may include narrative regarding the uniqueness of a particular project approach, reasoning in support of a particular firm selection, references, examples of related project work and a proposed fee schedule.*
 - D. **Selection and award process.** *Proposals are often reviewed by a committee charged with selecting the top three firms. If State or Federal Grant funding is involved with*

the purchase then the number of minimum firms as stated within the grant requirements are to be interviewed. Said firms are then granted an interview and an opportunity to make a presentation before the committee.

*E. **Fee proposals.** As per proposal specifications, fee quotations are either made on a lump sum basis or pursuant to an hourly rate schedule.*

9.3 *When appropriate, the Town shall utilize the Quality-Based Selection (QBS) process in order to procure consulting services from design professionals (i.e., engineering and architectural firms.) This method facilitates a cooperative relationship between the Town and the chosen firm, as price is negotiated after competent, qualified professionals are selected and a desired scope of services has been mutually agreed upon by both parties*

10. Equipment Repairs and Service Contracts:

10.1 Equipment repairs and service contracts can generally be divided into two classes:

- A. Those repairs of equipment requiring proprietary factory service (such as the repair of copy machines.)
 - (1) When possible, Purchase Orders for securing service for such equipment should be produced at the start of each year. When these orders amount to more than \$20,000.00, Town Council's prior approval is required.
 - (2) When items are over \$20,000, the Department shall request the Finance Department to place the request for approval on the Council agenda for their approval prior to processing the order.

- (3) Once the items are approved the Department shall enter a Requisition for a Purchase Order for processing by the Finance Department.
- B. Those repairs of equipment which can be serviced by any competent mechanic (such as auto body repairs.)
- (1) Whenever possible, such repairs should be contracted for on a yearly basis through the bid process (i.e., Office Machines).
 - (2) When a yearly contract is not feasible (for example, auto body repairs), time permitting, such needed request for repairs shall follow the policy for normal quoting and order processing. (See section 2 of this manual.)

11. Disposal and Trade-In of Surplus Property

11.1 Town Ordinance 37-1 entitled, "Sale of Town Property" states, "Any real personal property of the Town which the Council shall be determined to offer for sale shall be so offered by resolution and full description of property shall be included in the notice for the passage of the resolution. Such offer for sales shall list the minimum bid price".

11.2 The provisions of Sections 37-1 and 37-2 concerning the sale of property "shall not apply to sales of personal property having a value of less than \$100.00 as determined by the Town Manager. Nor shall such provision apply to the sale of any items of personal property where the Town Manager recommends the disposal of such personal property by trade-in on other equipment, by public auction, and by negotiation for sale of the same provided the Council approves such recommendation prior to the transfer of title of such property."

11.3 When a department wishes to dispose of an item that was intended to be traded in as part of a given bid, but was never picked up by a vendor, the department must write a letter to the Town Manager and the respective vendor before disposing of the item.

11.4 When a department wishes to dispose of usable surplus equipment, it should put together a description of the item and its remaining useful life expectancy. This data should then be forwarded to Department/Division Heads in Town Hall (including the Board of Education) for possible use by other Divisions. In the event that no interest is expressed internally, the following steps shall be taken:

- A. The Town Assessor shall determine the equipment's fair market value from the blue book.
- B. A "For Sale" notice shall be posted both at Town Hall and at the Board of Education describing the equipment and its value so that residents and Non-Profit Groups can make an offer.
- C. If no interest surfaces, the equipment is to be offered to surrounding towns for purchase.
- D. If there is still no interest, the Town shall advertise the equipment's availability in local papers and on the Town's local television channel.
- E. As a final course of action, the equipment shall be turned over to an auctioneer for sale.

12. Receiving

12.1 Since the Town of Wethersfield has no central warehouse or

receiving facility, each ordering agency must act as a receiving department from time to time. Therefore, it is necessary that each department be aware of the following conditions and instructions:

- A. All goods and services ordered must be inspected before signing off on a packing slip. Items received should be counted and any discrepancies must be reported immediately to the deliverer. Moreover, as the Town only has seven (7) days from the date of delivery to report any hidden damage found, all goods should be inspected as soon as possible. In cases of damage found after delivery, the corresponding Purchase Order should be referenced in order to determine the appropriate party to which the damage should be reported. For example, if the Purchase Order reads, FOB. Destination, the company supplying the goods should be contacted by phone, as well as in writing.

If the Purchase Order does not read F.O.B. Destination, then the delivery company should be contacted directly. (Note: The firm is not legally required to make good on the merchandise as delivered.) In either case, any action taken with the firm or firms should be confirmed in writing referencing the Purchase Order number, the invoice number, packing slip, etc. A letter referencing the communication should be forwarded to the Finance Department.

- B. Initial contact with the vendor or shipper is the receiving organization's responsibility. It is when satisfaction is not forthcoming that the Purchasing Division will attempt to resolve it. If, upon receiving goods, said goods are not found to be in agreement with the Purchase Order, this fact should be communicated directly to the vendor and confirmed in writing. A copy of the communication should be sent to the Purchasing Assistant. In either case, payment should not be

authorized until the matter is settled to the satisfaction of the Town.

- C. It is the responsibility of the user agency to notify Physical Services of any needs relating to an expected delivery which may require their services and any details that the Division may need to ensure that the goods are delivered satisfactorily.
- D. *Under no circumstances shall any goods be shipped C. O.D. Any packages brought to the Finance Office for such payment upon delivery will be shipped back to the Post Office or not accepted.*

13. Enforcement

13.1 The enforcement process regarding an order for the Town should involve the following sequential steps:

- A. Placement of the order (with date of delivery stated).
- B. User division/department requests delivery.
- C. If user division/department is unsuccessful in resolving any delivery issue, the matter shall be referred to the Finance Department. The Purchasing Assistant will alert the vendor of the contractual provisions governing the delivery of the goods in question. This warning shall be confirmed in writing.
- D. If compliance is still not forthcoming, Purchasing will send a formal letter of warning to the vendor stating that, if delivery is not made within a certain specified time frame, the Town shall: (1) remove the firm from the bid list; (2) refer the matter to the Town Attorney; and (3) notify the bonding company (if applicable.)
- E. In the event that the vendor does not comply with the

contract by the deadline set in the paragraph above, all supporting documentation shall be sent to both the Finance Director and the Town Manager for referral to the Town Attorney.

14. Cancellation of Purchase Orders

14.1 Purchase Orders for delinquent vendors can be canceled as long as the vendor is notified. To effectuate such a cancellation, the user agency must submit a Change Order P.O. to the Finance Department that delineates the reason(s) for cancellation. Accordingly, the original Purchase Order number should be referenced in the body of the Change Order. **An alternative** would be to write this information on the receiving copy of the Purchase Order to cancel it.

15. Order Expediting

15.1 Due to the large volume of Purchase Order requests that are channeled through Finance, it is impossible for the Department to expedite each and every item ordered. To this end, responsibility for making initial arrangements with a given vendor to expedite the provision of goods and services shall be borne by the using department. When initial contact has been made and satisfaction is not forthcoming in a reasonable length of time, the matter shall be referred to the Finance Department for action. This may be done either verbally or in writing, but such notice must include the Purchase Order number in question and other pertinent data.

15.2 If it is necessary to receive an item by a particular date, this should be stated clearly on the Requisition form; thereby allowing the Purchasing Assistant sufficient time to attempt to accommodate the request and notify the vendor.

15.3 In general, the amount of time to process a Requisition that goes

out to bid is 2 months. The quotation process should only take approximately 2-3 weeks.

16. Insurance Requirements

16.1 An insurance certificate will be required from firms employed by the Town to perform work in the name of the Town (i.e., snow plowing, construction and equipment rental) and to perform service work such as building cleaning. Such certificates shall hold the Town harmless and indemnify the Town for Worker's Compensation, Property Damage, General Liability and Auto Liability (where appropriate.) All insurance certificates should name the Town as an additional insured party. The Insurance Committee has established requirements/coverage limits for vendors that are contracted to do work for the Town of Wethersfield. See Appendix B for details by type of vendor. Insurance certificates in accordance with the requirements contained herein must be submitted to the Town prior to the issuance of a Purchase Order.

16.2 *An acceptable insurance certificate must include the following:*

- A. *Language indicating that the "Town of Wethersfield is an additional insured party as respects general liability for claims or suits arising out of the operations of the named insured;"*
- B. *A thirty (30) day cancellation notification clause should any policies described therein be canceled prior to the expected expiration date;*
- C. *Effective dates and expiration dates of coverage;*
- D. *Policy numbers;*
- E. *Name of all insurance companies affording coverage;*
- F. *Name and address of contractor's or lessee's insurance*

agent (if any),

- G. *Certificate holders name;*
- H. *Authorized representative's signature; and*
- I. *Requisite levels of coverage as prescribed by the Insurance Committee.*

16.3 The Insurance Committee requires that a "Hold Harmless and Indemnity Agreement" be used in all agreements regarding vendors, contractors, lessees or any other persons or entities doing business with the Town of Wethersfield. See Section 17.

16.4 Higher amounts and rates of coverage may be required where the nature of the work increases risk of injury or damage. (See provision for \$4,000,000 umbrella coverage in Appendix B.)

16.5 All bid specifications and requests for proposals shall include a detailed explanation of the insurance requirements of the Town.

17. Bonding

In an effort to protect the Town from bids purposefully submitted in "bad faith" or from the unexpected failure of bidders or contractors to provide goods and services, the Town may invoke several bonding options.

17.1 Labor and Materials Bonds

- A. All construction contracts in excess of \$25,000.00 require a Labor and Materials Bond. Such bonds may also be required for smaller jobs at the discretion of the Finance Director. The main reason for such bonds is to protect the Town from mechanic's liens.

17.2 Bid Bonds

- A. Commonly known as bid security, a bid bond is normally required in order to protect against bid withdrawals after a scheduled opening. Such bids are typically valued at five or ten percent of the amount bid. Following a contract award, all bid bonds received shall be returned.

- B. *When formal bid security is not required, the following provision may be employed to minimize risk to the Town. "Should the low bidder have previously failed to complete its performance satisfactorily on a contract with the Town, before award, such bidder shall have five (5) days to post a cash bond in an amount deemed by the Town to adequately cover the difference between the low bid and the next lowest responsible bidder. Such cash bond shall be forfeited in its entirety in the event of any problems with contract performance."*

- C. In general, the need for bid security is determined by the Finance Department on a case by case basis. When bid security is required, it shall be understood that the requirement applies to all bidders. Therefore, if bid security is required and it is not provided, the bid in question will be rejected.

17.3 Performance Bonds

- A. To insure the fulfillment of all contractual obligations (vis-a-vis additional assistance in the event of a defaulting contractor), a performance bond may be required and shall be furnished by a licensed surety company. Generally, such bonds are not required on bids for commodities which are readily available in the open market. They are reserved for large projects such as communications systems or building

construction where reliance is necessary to secure the needed project. Accordingly, the need for a performance bond is determined by the Finance Department on a case by case basis.

- B. When performance bonds are requested, a bid bond may also be requested. The bid bonds of all bidders will be retained until the lowest responsible bidder supplies the performance bond. Generally, performance bonds are issued for 100% of the contracted amount.

18. Hold Harmless and Indemnity Agreement

- 18.1** The Insurance Committee requires that a Hold Harmless and Indemnity Agreement be used as part of all agreements involving vendors, contractors, lessees and any other persons or entities doing business with the Town of Wethersfield.

B. TRAVEL REIMBURSEMENT POLICY

This policy shall govern all travel expenses incurred by employees who attend an approved conference/training program involving extensive (overnight) travel. Note that all requests for Town reimbursement will be considered within the confines of established budgetary limitations.

Approval Process:

All employees interested in attending an out-of-town conference/educational seminar must submit a Travel Expense Authorization Form at least two weeks prior to the conference's commencement date. Supporting documentation, demonstrating the job-related nature of the program (i.e., meeting announcement or brochure,) must accompany the application packet. The Authorization Form shall be used to estimate total trip expenditures and secure prior funding advances. All requests shall be signed by the Department Head before being sent to the Town Manager for approval. Once approval has been granted, the

requisite forms will be forwarded to the Finance Office for processing.

Payment Procedure:

Reimbursable travel costs may include lodging, transportation, meals, registration fees and related incidentals. Meals shall be reimbursed at the rate of up to \$40 per day. *However, at the discretion of the Town Manager, meal-related costs may be approved in excess of the \$40 per day threshold if the conference/training session is located in a "high cost" area.* Under no circumstances may Town funds be expended towards the purchase of alcoholic beverages. Other reasonable expenses shall be reimbursed in full if supported by receipts. Employees are required to estimate their total expenses on the Authorization Form in order to facilitate direct payments as well as cash advances.

- **Direct Payments:** Whenever possible, the Town shall pay any fixed expenses on behalf of the employee, including, but not limited to, registration fees, transportation charges and hotel deposits. Application for such payment shall be effectuated through the submission of either a Request for Payment Form or a Requisition for a Purchase Order.

- **Cash Advances:** An employee may request a cash advance to cover any travel-related costs that are expected to exceed \$20. To ensure receipt of monies prior to departure, cash advance requests must be submitted to the Purchasing Assistant no later than 4:30 p.m. on the Monday of the week the check must be issued. (Note: Should the amount of advanced funds exceed actual expenditures, employees must return the unused portion within five (5) business days of their return. In the event that advanced funds prove to be insufficient, the difference will be reimbursed according to those figures cited in the Authorization Form's Actual Expense Section. Said information must also be submitted to the Finance Office within five (5) business days.

Mileage Reimbursement:

Employees shall be reimbursed for mileage expenses at a rate consistent with that established by their respective bargaining unit. (if no such provision exists, the personnel rules shall be referenced for payment information.)

C. FORMS DETAIL**1. Purchase Order Forms**

A Purchase Order should be considered the Town's primary procurement form. To this end, what follows is a detailed outline of its many faces (e.g., standard, blanket and change order) and how Purchase Orders should be used by Town Departments/Divisions.

- 1.1 Once the requisite quotation forms have been completed, a Requisition for a Purchase Order should be entered into the Town's financial software system (MUNIS). Depending on the type of purchase there will be various levels of electronic approvals once the Requisition is released i.e., computer type purchases will require the IT department to approve items being purchased out of the 54412 account. The final level of approval will be granted by the Finance Director. For a Requisition to be considered complete, funds must be available within the budget account code being charged, there should be descriptive information for each line, a vendor number should be entered, created or left blank for the Finance Department to assign one. If a new vendor is set up by a department then a notation shall be made in the general notation area of the Requisition.
- 1.2 After all approvals have been processed, the Finance Department will convert the Requisitions into Purchase Orders. Two copies of the Purchase Order will be system generated. The two copies of the form include: The Vendor copy and the Department/Payment copy. The two copies will include an assigned Purchase Order number, budgetary authorization, mailing and final expediting. The Vendor Copy is forwarded to the vendor, as it authorizes the delivery of requested goods and services. The Department/Payment Copy is returned to the originating

department. This copy is used to receive, pay and monitor invoices as well as support auditing efforts.

- 1.3 If, after a Purchase Order has been issued to a vendor, it becomes necessary to change or modify various aspects of the order or add additional information or quantities, a formal change order should be created. To create a Change Order, a regular P.O. from the Town's Template in the Shared Directory on the Town Server is to be used and should reference the originally submitted Purchase Order. This process will be manually approved rather than electronically and should be submitted to the Finance Department. See Appendix A for an example. Distribution of the form after its completion should be carried out exactly as the original Purchase Order form was handled. If the amount of the change order is over \$20,000.00 prior Council approval must be obtained, except in the case of an emergency.
- 1.4 A Blanket Purchase Order is used to establish a contract with a specific supplier for goods or services bought on a recurring basis where the processing of numerous individual Purchase Orders would not be cost effective. In general, such orders are usually restricted to commodities or services that have awarded through the bid process (i.e., office supplies, hardware store purchases, snow plowing - rental equipment, automotive parts.) Blanket orders must specifically state any pricing arrangements (discounts, hourly rates) and, when applicable, user divisions/departments may also designate "not to exceed terms."

2. Fixed Asset Forms

- 2.1 The Capital Non-Recurring Expenditure Fund is commonly used to replace major pieces of equipment valued at more than \$5,000. There will also be occasions where equipment of this value might be purchased out of other funds as well i.e., grants, general fund, etc. Accordingly, the purpose of a Fixed Asset form is to maintain an accurate inventory of such equipment.
- 2.2 Any time an item is purchased or acquired; a Fixed Asset form must be

completed by the department head or designee and returned to the Finance Office. This includes the acquisition of used merchandise. For example, if the Police Division purchases a new cruiser and gives the old cruiser to the Physical Services Division, both departments must fill out a Fixed Asset form to reflect an inventory change at the department/division level. This information is used to maintain an accurate accounting of fixed assets.

- 2.3** Any new capital equipment item purchased for rolling stock or major equipment should have a completed insurance form submitted along with the Fixed Asset form, the title, etc., to the Finance Department.