

**AN ORDINANCE TO PROVIDE THE POLICIES AND PROCEDURES
FOR THE CONDUCT OF PURCHASING ACTIVITIES
FOR THE TOWN OF WILLIAMSTON**

WHEREAS, the Mayor and Counsel of the Town of Williamston wish to provide clear, concise, and workable policies and procedures to be used when the Town purchases goods and services, and,

WHEREAS, the attached multi-page document provides for an appropriate way to set forth policies and procedures for the conduct of purchasing activities for the Town of Williamston and,

WHEREAS, the Mayor and Counsel wish that these policies and procedures have the effect of an ordinance,

NOW BE IT ORDAINED:

1. That the attached multi-page document is hereby enacted as the Policies and Procedures Code For Purchasing Activities of the Town of Williamston;
2. The attached Policies and Procedures Code For Purchasing Activities applies;
 - a. To all budgeted expenditures,
 - b. To all expenditures authorized by a supplemental budget approved by Council.
 - c. To all expenditures from the hospitality tax fund except those which have been previously approved by Council in the general budget or any supplemental budget.

- 2.5 The list of vendors and/or other persons, businesses, or professionals rendering goods and services to the Town of Williamston which the Mayor and Council prefer to have paid on a monthly basis without the submission of a requisition or other administrative paperwork shall be set by Resolution of the Council and changed by Resolution of the Council.
3. That any ordinance or resolution inconsistent with the above is hereby repealed as to the extent of any inconsistency.

IN WITNESS HEREOF we have set our hands and seals this 4 day of Jan, 2010

ATTEST:

Michelle Starnes
City Clerk

A. Carlson
Mayor

Greg L. Cole
Maria M. Pettila
Paul R. Harvell
John M. Long

APPROVED AS TO FORM:

[Signature]
City Attorney

1st reading: 11-2-09
2nd reading: _____
3rd reading: 1-4-2010

TOWN OF WILLIAMSTON

PURCHASING POLICY

August 3, 2009

Revised 1-4-10

1. Introduction

- a. This policy is intended to provide the policies and procedures necessary for the conduct of purchasing activities for the Town of Williamston. This policy is designed to:
- b. Encourage competition among bidders for Town goods and services.
- c. Ensure that the Town and its taxpayers get “best overall value” value for their tax dollar.
- d. Provide a uniform procedure for the procurement of material, equipment, supplies, and services.

2. Purchasing Procedures

- a. All purchases require prior approval by the Department Head.
- b. All purchases and expenditures for goods and services shall have a purchase order.
 1. Exceptions: If the finance director has a written contract or agreement on file which has Council approval, this shall be authorization for the issuance of a Purchase Order
 2. Emergency Purchases(See Section 7)
 3. Reoccurring expenses (Appendix A)
- c. Purchase orders shall be issued prior to purchase.
- d. Some of the factors considered when determining the “best overall value” are:
 - i. Price
 - ii. Quality
 - iii. Warranty
 - iv. Service
 - v. Availability
 - vi. Past Performance with Town of Williamston
 - vii. References
 - viii. Other issues that may arise shall require a written explanation by the entity requesting the item.

3. For Purchases:

- a. In order to simplify procedures and nomenclature with our vendors, the term “Check Requisition” shall be replaced with “Purchase Order”. The current forms titled “Check Requisition” will be used until all are gone.
- b. Who may purchase:** Any employee may submit a Purchase Order request to his or her Department head. The Department Head will either reject the request, or

send it on to the Administrator. Department heads will submit directly to Administrator. In order to make informed decisions on these requests, Department Heads will be given budget reports for the preceding month by the 15th of the current month.

- c. **Under \$500.00:** Employees are encouraged to do whatever is practical to secure competitive pricing from multiple sources. Employees should attempt, but are not required, to get three telephone bids. Administrator will approve.
- d. **Between \$500.00 and \$3,499:** Informal bids from at least three sources must be obtained by the person requesting the P.O. Simply put, call three vendors to get the best price and features on an item. Document these contacts by providing name of contact, date and price. Also, include any other information that may be considered pertinent. Written bids may be (but are not required) submitted from vendors, depending on the constraints of time. This documentation should be attached to the purchase order. Award of purchase requires the approval of Mayor and Administrator. This policy shall apply to any single purchase and is not meant to apply to situations where supplies and materials for various repairs and projects may total more than \$500.00 for a single month. The administrator is the final arbitrator of Section 3, Paragraph d of this policy and shall report any exemption to Council.
- e. **Between \$3,500 and \$9,999.99:** Informal written bids/quotes from at least three sources must be obtained. Faxed quotations are acceptable. Purchases must be supported by written quotations from vendors. Direct solicitation is allowed. Award of purchase requires the approval of Mayor/Administrator/1 Council Member.
- f. **Over \$10,000.00:** The formal sealed bid is used for major purchases. An invitation to bid must be publicly advertised in the legal paper of record at least fourteen (14) days prior to the date set for opening. Bid specifications require the approval of the Administrator. Formal bids must be received sealed and in writing by a posted deadline. All bids shall be opened before the public at a date, time and place designated in the bid request. This opening shall take place at a regular or called meeting of the Town Council. Late bids will not be accepted. Award of purchase or contract requires the approval of the Town Council. If at least three bids are not received the Town Council may vote to re-bid, but such action is not required.

4. Professional Service Contracts

Either the Request for Proposal (RFP) or the Request for Qualifications (RFQ) process (or a combination) may be used. The primary difference between the two processes is that in the RFP process a specific proposal is received and evaluated. The proposal includes a scope of work and a cost proposal. In the RFQ process, Statements of Qualifications (SOQs) are received and selection is made upon those qualifications. In this process, a mutually acceptable scope of work and contract amount is negotiated with the successful bidder.

The RFP/RFQ must be approved by the Town Administrator, must be in writing and must be posted in the town's official posting place, and publicly advertised in the legal paper of record at least fourteen (14) days prior to the date set for opening. Proposals or

SOQs must be submitted to the town in a sealed envelope marked with the name of the request as indicated in the instructions.

Proposals shall be opened before the public at a date, time and place designated in the RFP. All proposals shall be opened by the Town Administrator and Mayor. The proposals shall be analyzed (based upon the “best overall value” to the town) and documented including staff recommendation. All proposals shall be presented to Council. Final award of contract shall be made by a majority vote of Town Council.

5. Public Auction

With the approval of the Town Administrator, purchases may be made through public auction. The department must provide to the Town Administrator in writing, quotes from like products in order to provide a realistic price comparison. Upon receiving this information, and verifying budget availability, written authorization indicating the amount “not to exceed” may be granted allowing the department head or their designee to attend the auction and bid on that particular product.

If a purchase is made through a public auction, all documentation must be retained and submitted to the Finance Department.

6. Cases not Requiring Bidding Procedure

The Town Administrator may approve a purchase order without bid under the following conditions:

- a. Item is to be purchased under State or Federal Bid lists
- b. Only one known source of purchase, and there is no comparable substitute product or service; Written documentation supporting the sole source must be provided
- c. Specific type or brand of supply or part necessary for acceptable operation of a machine or device, or as required by warranty or contract on the machine or device; written documentation supporting the purchase of a specific brand or part necessary for acceptable operation of a machine or device must be provided.
- d. An item or service that is required on an emergency basis
- e. An item previously awarded within the past twelve (12) months;

7. Emergency Procurements

Emergency Procurements Definition: Emergency procurements may be made when there exists a threat to public health, welfare or safety, provided that such emergency procurement shall be made with such competition as is practical under the circumstances.

In case of an emergency requiring immediate purchase of materials, supplies, equipment or services, the Town Administrator hereby authorizes the Department Heads to approve

such emergency purchase if the situation permits. The Town Administrator shall be notified as soon as possible as to the emergency and the associated purchases. A written determination for the basis of the emergency and for the selection of the particular contractor or vendor shall accompany the purchase order . This information shall be forwarded to the Mayor as soon as possible. The PO and check will be executed by the Mayor and two Council members. As soon as is practicable, standard purchasing procedures will be reinstated.

8. Artificial Division Prohibited

Purchases shall not be artificially divided so as to create lower purchase amounts and therefore avoid some requirements of this policy. This section should not be interpreted as prohibiting this practice in legitimate circumstances. Whether or not a proposed purchase constitutes artificial division shall be determined by the Town Administrator and Mayor.

9. Exceptions

The companies and services listed under “Schedule A” shall not require the use of monthly purchase orders and the accompanying signatures. However, they shall be issued one purchase order at the start of each fiscal year in order to facilitate record keeping.

10. Local Advantage

The Town of Williamston will make every effort to purchase from businesses located within the Williamston area if the purchase fits into the category of “best overall value.” It must be noted that The Town of Williamston employees have a responsibility to the taxpayers of the Town to ensure that bids are awarded to vendors offering their products or services at the “best overall value” to the Town.

11. Cancellation and Rejection of Bids

An invitation to bid, request for proposal, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or part, as may be specified in the solicitation when it is in the best interest of the Town. The reasons shall be made part of the formal bid file.

12. Pre-qualifications of Suppliers

Prospective suppliers may be pre-qualified for particular types of supplies and technical and construction services.

A “Request for Qualifications” will be solicited and advertised in order to establish a pre-qualified vendors list. Upon establishment of a pre-qualified vendors list, requests for proposals or requests for quotations may be submitted to individuals or companies on the list.

13. Check Signatures

All checks issued by the Town shall bear the signature of three individuals; one Councilmember, The Mayor or Mayor pro tem, and the Assistant Clerk In cases where an absence of any one individual makes such procedure impractical, the Mayor pro tem may sign in their place. In extenuating circumstances where two are absent, a council member may sign with provided his/her name was not on the PO.

14. Ethics in Public Purchasing and Contracting

It shall be unethical for any Town employee involved in making procurement decisions to have personal investments in any business entity that will create a substantial conflict between their private interests and their public duties.

It shall be unethical for any person to offer, give, or agree to give any Town of Williamston employee, or for any Town of Williamston employee to solicit, demand, accept, or agree to accept from any vendor or business, a gift or gratuity in any amount in connection with any decision, approval, disapproval, or recommendation concerning a solicitation.

Inexpensive advertising items, bearing the name of a vendor, such as pens, pencils, paper weights, cups, candy, calendars, T-shirts, jackets, etc., are not considered articles of value or gifts in relation to this policy.

Failure to comply with the provisions of this policy will result in disciplinary action.

15. Authority

These policies are adopted by the Town of Williamston to better facilitate the management of the Town's financial affairs and their authority over expenditures.

16. Supplemental

Failure to follow this Purchasing Policy by an employee may result in discipline, up to and including immediate termination in accordance with the Town of Williamston's Employee Manual. In addition, employees may be personally responsible for any improper expenditure and required to reimburse the Town for such expenditure.

SCHEDULE A

(Revised 02/15/11)

LIST OF VENDOR INVOICES NOT NEEDING CHECK REQUISITIONS

Utilities:

- Anderson Regional Joint Water System
- AT&T
- Big Creek Water
- Duke Power
- Earthlink / Deltacom
- Fort Hill

- All Payroll and payroll related deductions
- Anderson County Municipal Association
- Any required payments to other Gov. Agencies or contractual payments
- Arthur J. Gallagher (U.S. Specialty Insurance Co.) (Liability & Tort insurance)
- BB&T Governmental Finance
- Boyd Green
- Bunton Exterminating
- Charter Communications
- Chemicals needed for WWTP
- CINTAS uniforms
- Clerk of Court
- CSI Hosting (Town Web Site)
- Diamond Springs Water
- Employee Insurance Program (State Health plan)
- Ford Motor Credit
- Greene, Finney, & Horton
- Health related expenses – Employee reimbursements
- Key Risk Insurance Company (Workers Comp)
- Mansfield Oil
- McDonalds (inmate food)
- Motorola – Palmetto 800
- Palmetto Family Medicine Center
- Pitney Bowes / Purchase Power
- Postage for mailing water bills
- Rusty Burns
- SC DHEC
- SC Employment Security Commission
- SC Retirement Systems
- State Municipal Association
- State Treasurer – police fines
- Thompson & King
- Town of Williamston Victims Rights
- Water charged to Town
- Water refunds
- Xerox

SCHEDULE B

NEPOTISM/EMPLOYMENT OF RELATIVES

People in the same immediate family may not be employed or continue to be employed if one directly or indirectly supervises another or interacts with another in the handling of money or compensation. Immediate family is defined as spouse, parent, child, grandparent, grandchild, brother or sister, parent-in-law, grandparent-in-law, brother-in-law and sister-in-law. The immediate family is also considered to include step-parents, step-children, step-brothers and step-sisters when the employee and the step-relative have lived together regularly in the same household. Unrelated employees residing together or otherwise engaged in a close personal relationship (such as domestic partner, co-habitant or significant other) are treated as being within the immediate family of each other for the purposes of this nepotism policy. Members of the immediate family of elected officials of the Town of Williamston are not eligible for Town of Williamston employment.

If employees become related by marriage and create a situation prohibited by this policy, one of the employees may be asked to give up his position. If the employees cannot choose which of them it will be, the employee having the lower budgeted annual compensation may be removed, however, the final decision will be based on the totality of the circumstances including the needs of the Town. The removed employee may be considered for other positions within the Town of Williamston for which he is qualified.

Situations not specifically addressed in this policy which, in the Town of Williamston's opinion, create a conflict of interest or give the appearance of a conflict of interest, will be handled in the Town of Williamston's discretion.

CONFLICT OF INTEREST

Employees of the Town of Williamston are covered by state ethics laws which prohibit public employees from using their public position for their own personal gain or to benefit a family member or business associate. State law also prohibits employees from making governmental decisions on matters in which they or their family or business associates have an economic interest. Employees must notify their supervisors in writing of any matter in which they, their family or business associates have an economic interest and in which they must act on behalf of the Town of Williamston. The supervisor must send the notification to the Mayor for review. If the Town of Williamston determines a potential conflict or appearance of conflict of interest exists, the matter will be reassigned to another employee.

Violations of this policy may result in termination.