



**TOWN OF KNIGHTDALE
PURCHASING
POLICIES AND PROCEDURES**

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I. FORWARD

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

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

The instructions are for the guidance of all personnel who participate in the actions and decisions relating to the procurement and for all other personnel in order to give them a clearer and complete understanding of purchasing and materials management policies, procedures and practices.

It is hoped that the issuance of this manual will serve a two-fold purpose: first, as a basis of uniformity and efficiency in the procurement of supplies and services, and second, as groundwork for training Town personnel both within and outside the Purchasing Office.

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

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

II. NATURE OF THE PURCHASING JOB

The scope of the purchasing agent's responsibilities and activities can be summarized as follows:

To provide at the time and place needed in the proper quantity and of the proper quality: all materials, supplies, tools, equipment and services required for the organization's operations.

To secure such materials, supplies, tools, equipment and services at the lowest possible cost, consistent with prevailing economic conditions, while establishing and maintaining a reputation for fairness and integrity.

To furnish members of management with timely information and to advise them of changing market conditions that could affect future availability of products and services needed.

In essence, the scope of the purchasing process may be defined as providing all materials support efforts that are required by the Town of Knightdale.



PURCHASING PRINCIPLES, OBJECTIVES, AND POLICIES

III. PURCHASING PRINCIPLES, OBJECTIVES, AND PROCEDURES

All purchasing functions have essentially the same fundamental goal: Obtaining maximum value for the tax dollar. To achieve this goal, objectives must be established for the various activities and departments that contribute to the overall goal accomplishment. These objectives are the individual and collective commitments needed both from management and from workers. The Town cannot and will not make purchasing decisions solely on the basis of vendor residence. Rather, the Town of Knightdale will endeavor to encourage local vendors and suppliers to compete for all Town business.

- 3.1 To bring purchasing of goods and services by the Town of Knightdale into compliance with the rules, regulation and laws governing local government purchasing.
 - a. Requires education and training relating to the laws governing Public Purchasing.
 - b. Requires written policies and procedures for the Town of Knightdale.
 - c. Requires the introduction of Standard Operating Procedures for issuing requisitions, quotations, informal and formal bids.
 - d. Requires the cooperation and support of all department heads, as well as employees department heads supervise.
 - e. Requires improved service and support, maximum value for dollars spent.
 - f. Requires effective planning systems and effective controls.
 - g. Requires effective public relations through proper communications.
- 3.2 Standardize the use and purchase of items used by different departments wherever possible.
 - a. Requires an item and usage survey of all departments.
 - b. Requires cooperation between Department Heads to agree on items to be standardized.
- 3.3 To purchase whenever possible and feasible from the State of North Carolina Term Contracts.
 - a. Requires understanding use of contracts.
 - b. Requires informing Department heads of items currently available on contract.
- 3.4 To incorporate better controls over local purchases.
 - a. Requires department head approval prior to any purchase made.
 - b. Requires the use of Local Purchase Authorization.

IV. POLICY

It is the policy of the Town of Knightdale to participate in North Carolina Term Contracts whenever feasible and possible. In addition, it is the policy of the Town of Knightdale to employ the competitive bidding process to procure goods and services not available through the use of Term Contracts or cooperative purchasing in accordance with procedures outlined in this manual. By implementing and following this policy, the materials at the lowest cost consistent with the quality and service required and maintain continuity of supply as needed.

In accordance with the NC General Statutes 143-129, invitation for formal bids will be used for purchases of \$90,000 and greater (\$500,000 and greater for construction and repairs). This includes advertising and receiving sealed bids.

In accordance with NC General Statute 143-131, verbal or written quotes will be used for purchases of \$5,000 to \$89,999 with or without advertising.

In accordance with NC General Statute 143-131, purchases of less than \$5,000 will be made in open market with or without necessary resort to formal invitation for bids or request for quotations. However, every effort will be given to obtain the best price for purchases of less than \$5,000. All supporting documentation should be included with the requisition.

Exceptions to these requirements are listed in the detailed outline of procedures for formal and informal contracts.

In order to maintain integrity of the competitive bidding process, all purchases with estimated expenditures of \$500.00 or more may be subject to the informal bidding process. This will insure that the Town always receives the lowest available price for any items and/or services purchased.

It is the policy of the Town of Knightdale to require that purchase orders be obtained prior to entering into any purchase agreement for goods and services in excess of \$100.00. Prior approval of the Department Director is required before a purchase order will be issued. Failure to adhere to this policy will result in the responsible employee being held liable for any funds so committed.

V. LOCAL PURCHASE AUTHORITY

Departments are allowed to purchase items locally in an amount not to exceed \$250.00 (plus applicable sales tax). Any local purchases made within this amount do not require a purchase order to be issued.

This policy shall remain in effect within the guidelines listed below which will insure that the proper control over such purchases is maintained by the Department Director. This is especially important in regards to management of expenditures.

All local purchases by any Town of Knightdale employee must first be approved by the Department Director.

The Department Director should sign and indicate the appropriate General Ledger account number on all invoices/receipts to the Finance Department for payment.

Department Directors and Purchasing Agent shall review pickup purchases periodically to see if certain items are recurring and determine if these items might be suitable for bulk purchase and inventory.

VI. EMERGENCY PURCHASES

Bona fide emergency purchases are understandable when they are made to protect the public health of citizens or when immediate repair is necessary to prevent further damage to public property, machinery, or equipment. The need for expedited purchases because of poor planning, overlooked requirements, inaccurate usage history, and inadequate forecasting, may result in emergency purchasing. Emergency purchasing is not intended to serve as a “crutch” for poor management and elimination of this practice is one of the primary objectives of an effective purchasing agent. Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures should be limited and will be monitored for abuse.

In the case of an emergency, it is sometimes necessary to delegate the purchasing function to a Department Director. Control, however, should not be delegated. After the purchase has been made, it is still appropriate to request the Department Director’s confirmation of the amount, if the total dollar value is an amount that normally requires approval. A confirmation requisition should be forwarded to the Purchasing Agent as soon as possible. After approval, a purchase order will be issued.

Emergency purchases must be kept to an absolute minimum. Remember, emergency purchases will result in higher cost to the Town. This occurs because of (1) insufficient time for suppliers to carefully prepare a quotation or bid to provide the lowest possible price, (2) higher transportation cost to expedite shipments, (3) suppliers’ overtime costs, and (4) special attention required of purchasing personnel.

VII. USE OF TERM CONTRACTS

A Term Contract is a binding agreement between the State of North Carolina and a vendor to buy and sell certain items at agreed contract prices, terms, and conditions. In accordance with the North Carolina Administrative Code, the North Carolina Division of

Purchase and Contract makes these contracts available to non-state agencies (local governments). However, the Town of Knightdale is not obligated to purchase from these state contracts.

It is suggested that the appropriate Department Directors review any and all term contracts applicable to their Departments prior to any decisions being made to become party to that contract. In some cases, it is more beneficial for Local Governments to purchase items through an informal bid procedure than rely on Term Contract pricing.

A complete listing of all items available on Term Contract is available from the Purchasing Agent or the NC Division of Purchase and Contract.



COMPETITIVE BIDDING

VIII. COMPETITIVE BIDDING

Competitive bidding forms the foundation of any successful purchasing program. Used consistently, the Town can be assured of always receiving the lowest available price for any items and/or services purchased. Other factors considered in making an award include guaranteed delivery schedules, services required, warranties/guarantees offered, and value of trade-ins (where applicable). Of course, whenever awards are made on the basis of “lowest available price” (meeting specifications), the objective of “conserving public funds” has clearly been met. Open, competitive bidding also ensures fairness in making award of public contracts and prevents the possibility of collusion when making an award.

Laws that govern all purchasing activities made by Local Governments are governed by North Carolina General Statutes. These laws and regulations are divided generally into two categories: Informal Contracts and Formal Contracts.

Informal Contracts – The informal bid procedure is required on all contracts as follows:

1. Construction or repair work within estimated expenditures of \$30,000 to \$89,999.
2. Purchases (or lease-purchases) of any “apparatus, supplies, materials, or equipment” with estimated expenditures of \$30,000 to \$89,999.
3. The informal bid procedure may be followed on purchases of gasoline, diesel fuel, alcohol fuel, motor oil, or fuel oil regardless of the size of the purchase.

All contracts as listed above may be awarded only after informal bids have been secured.

DIVIDING CONTRACTS OR PURCHASES IN ORDER TO EVADE THESE PROVISIONS IS PROHIBITED (GS 143-133)

Exceptions:

Purchases from the United States Government or from any other governmental unit or agency are exempt from the informal bid procedure requirement. (GS-143-129)

Note: Informal bids may be secured by telephone or in writing. A record of all bids received must be maintained and are open for public inspection at any time.

8.1 INFORMAL BID PROCEDURES

When obtaining bids or quotations, certain requirements must be followed to insure that the bid procedure is fair and open to all qualified bidders and to prevent collusion in the making of an award.

It is standard procedure to obtain a minimum of three (3) bids/quotations for any items/services required. In some rare circumstances, lack of competition may inhibit this procedure. However, if this occurs, then it should be fully documented for audit purposes.

Negotiation is prohibited except in the case of insufficient funds to cover the purchase. In this case, negotiation is allowed only with the lowest responsible bidder and then purchase can be made only if the lowest responsible bidder agrees to sell at the negotiated price.

All bids are to remain confidential until time of bid opening and/or award of contract. At that time, all bids are to remain open for public inspection. Only information noted as “proprietary” is excluded from public inspection.

Questions concerning proper procedure for obtaining informal bids/quotations should be referred to the Purchasing Agent.

8.2 FORMAL BID PROCEDURES

The formal bid procedure is required on all contracts as follows:

- a. Construction or repair work when estimated expenditure is \$500,000 or more.
- b. Purchase or lease purchase of apparatus, supplies, materials, or equipment when estimated expenditure is \$90,000 or more. (GS 143-129)

Exceptions:

Purchase of gasoline, diesel fuel, alcohol fuel, motor oil or fuel oil may be purchased using the informal bid procedure regardless of the size of the expenditure.

Purchases made under a State Contract if the local government has become a party to the contract. (GS 143-49 and -129).

In cases of special emergency involving the health and safety of the people and their property.

Purchases made from the US Government or any other governmental unit or agency within the United States.

Contracts with the North Carolina Department of Transportation for street construction and repair. (GS 136-41.3)

Dividing contracts to evade these provisions is prohibited. (GS 143-133)

Detailed requirements of the Formal Bid Procedure are available from the Purchasing Department. However, it is important to note that the following requirements must be met whenever the Formal Bid Procedure is employed.

- a. The bids must be publicly advertised.
- b. All bids must be sealed (if so specified in the bid).
- c. All bids must be accompanied by a cash bid deposit or a bid bond of at least 5%. (except for purchase contracts)
- d. Bids must be opened in public at a specified time and place.
- e. Bids must be recorded in minutes.

8.3 SPECIFICATION WRITING

All Specifications must do at least four (4) things:

- a. Identify minimum requirements
- b. Encourage competitive bids
- c. Be capable of objective review
- d. Provide for an equitable award at the lowest possible cost.

Specifications shall be as simple as possible while maintaining the degree of exactness required to prevent bidders from avoiding supplying the goods or services required or otherwise taking advantage of their competitors.

All specifications utilizing a "Name Brand" must include the term "or approved equal" to avoid being restrictive and eliminating fair competition from the bidding process.

Different methods of structuring specifications include:

- a. Qualified Products on acceptable vendor list (QPL)
- b. Specification by blueprint or dimension sheet.
- c. Specification by chemical analysis or physical properties.
- d. Specification by performance, purpose or use.
- e. Specification by identification with industry standards.
- f. Specification by samples.

Specifications for formal bids must be thorough, accurate and detailed. Failure to write specifications in this manner may result in the bid being rejected, re-advertised and time delayed. For example, it would not be sufficient to request bids on “copy paper”. An appropriate request would include the following information: Quantity needed, paper weight, paper size, paper color, recycled or virgin paper requirements, delivery and packaging requirements, and shipping instructions. Care must be taken in writing specifications so that the bids do not become restrictive and only one vendor and/or manufacturer can comply with requirements. Any brand names and/or model number listed in specifications should be listed only as an aid to the bidder and should only be given to more clearly indicate the quality of the desired item.



THE PURCHASING CYCLE

IX. STANDARD OPERATING PROCEDURE, REQUISITION TO PURCHASE ORDER

THE PURCHASING CYCLE

A purchase order is a contract between the Town and a vendor and is not binding until accepted by the vendor.

1. The need is recognized, perceived, or indicated.
2. Specification or description is developed.
3. Requisition is prepared.
4. Requisition enters Purchasing.
5. Purchasing Agent reviews specifications/descriptions and requisition for accuracy and completeness.
6. If accurate and complete, Purchasing Agent checks to see if available from excess or from required sources of supply (Federal Govt FAR 8.001, NC State Contract, etc.)
7. If not, Purchasing Agent determines method of purchase.
8. Purchasing Agent requests quotations, bids, or proposals.
9. Purchasing Agent evaluates quotations, bids, or proposal and makes award.
10. P.O. and/or Contract is processed.
11. Purchasing Agent administers the contract.
12. The goods or services are received and inspected.
13. The vendor gets paid for goods or services.

A requisition is prepared and sent to Department Director for 1st level approval. After approval, the requisition is forwarded to the Purchasing Agent. If the materials requested are available from inventory, materials are furnished accordingly. If materials are not available from inventory, Purchasing Agent takes the following action: A. Ascertain possible vendors. B. Estimate price. C. Ascertain conditions (delivery requirements, etc.) If material can be purchased on State Contract, then the purchase order is issued accordingly. If materials cannot be purchased on State Contract and the requisition is over \$100.00, but under the formal bid requirement, Purchasing Agent obtains informal bids. Once informal bids are received, award is made based on the lowest responsible bidder. Copy of written bids and/or documentation of verbal bids remain in the purchase

order file. If material cannot be purchased on State Contract and requisition is at or above the formal bid amount, Purchasing Agent obtains formal bids. The purchase order is issued by the Purchasing Agent. The Finance Director approves purchase orders over \$1,000.00.

9.1 PROCESSING

Routine purchase requisitions are normally processed with 2 days after receipt of an electronic purchase requisition. All office supply orders will be placed by 2:00pm Thursdays (in most cases) for delivery on Friday.

Any item costing less than \$250.00 charged on a local account does not need a requisition or approval before the purchase is made as long as the Town has an account set up with them. All receipts must be turned in promptly to the Finance Department. Every receipt must have an account number listed on it and must be signed by the employee who made the purchase and a signature from the Department Director approving the purchase.

See List of Local Accounts at S:/Finance/Purchasing.

Items with an estimated cost of **\$5,000 to \$89,999.99** for construction and repair contracts or the purchase of supplies, materials, apparatus and equipment require **informal bids** and may require a **60 day lead time**.

Items with an estimated cost of **\$90,000 and above** for purchases of supplies, materials, apparatus and equipment or **\$500,000 and above** for construction or repair contracts requires use of the **formal bid** procedure and require a **90 day lead time**. Formal bid procedures also require advertisements and the approval of Town Council.

When will a purchase order be issued?

1. Purchases over \$250 for local vendors.
2. Purchases over \$100 for non-local vendors, with no exceptions.
3. When a purchase order is required by a vendor even if the amount is not over \$100.00.

When the requisition process has been completed, a Purchase Order will be issued. In most cases, the Purchasing Agent will place the order with the vendor. Purchase orders may be faxed, mailed, emailed, or phoned in. A copy of all Purchase Orders will be sent to Accounts Payable in the Finance Department. Purchase order copies will be supplied to the departments upon request.

Table 1. North Carolina Local Government Contracts Subject to Competitive Bidding

	Contracts for the purchase of apparatus, supplies, materials, or equipment	Construction and repair contracts
Formal bidding (G.S. 143-129)	\$90,000 or above	\$500,000 or above
Informal bidding (G.S. 143.131)	\$30,000 to less than \$90,000	\$30,000 to less than \$500,000
Competitive bidding not required	Less than \$30,000	Less than \$30,000

9.2 AUTHORIZATION

All computer related purchasing inquiries are to be directed to the Information Technology Administrator, who, in turn, will forward all needed information to the Purchasing Agent. Your order **will not be placed** or an invoice **will not be paid** if you do not have prior approval from IT.

9.3 RECEIVING AN ORDER

All orders will be received by Staff in the Finance Department. Orders will be checked in the same day they are delivered. The order should be checked carefully to insure that it agrees with the purchase requisition. Once items have been received and checked in, Finance will contact the Department that their items can be picked up in the Finance Department. When an item is purchased and is too big to be delivered to the Finance Department, it is the responsibility of the department receiving the goods to forward to the Customer Service Clerk a completed receiving form.

9.4 FORMS

All forms can be found at S:\common\forms.

Quote Form (to record quotes obtained from vendors)

Check Request Form (to request a check for various items such as dues, training, etc.)

Petty Cash Request Form (to request petty cash for occasional small purchases unable to charge)

Travel Reimbursement Forms (to request reimbursement for travel expenditures)

Request for Quote Form (to request quotes from vendors)

Receiving Memo Form (to notify Customer Service Clerk of arrival of goods)

Credit Card Template (to record purchases on the town credit card)

9.5 CREDIT CARD PURCHASES

The Town Manager, Department Directors, and the Purchasing Agent all have credit cards issued by Wachovia. All purchases made on town credit cards are to follow the same procedures as follows:

- a. Anything over \$100.00 must have a purchase order issued before you can secure your purchase.
- b. All purchases made on the Town credit card must have a credit card form filled out with receipt attached and turned in to Accounts Payable for reconciliation of the credit card statement.

Local store credit cards may be obtained from the Finance Department for the following vendors: Lowe's Home Improvement, Home Depot, Office Max, Wal-Mart, Advance Auto, and Northern Tool and Equipment.

- a. All credit card receipts should be turned in to Accounts Payable at the end of each month attached to the statement.
- b. The Department Director should initial the receipt and note the account number to which the purchase should be charged.

9.6 CHANGE ORDERS

At times, it becomes necessary to amend or cancel purchase orders for various reasons. This is most effectively done through a change order. It is not necessary to complete a requisition form in order to initiate a change order. If a change in quantity, price, ship to location, etc. is required, the Purchasing Agent should be notified immediately. At that time, the Agent will issue a "Change Order", with a copy forwarded to the Department Director and Finance. To cancel a Purchase Order, notify the Purchasing Agent as well. The vendor should be notified immediately of the cancellation and Purchasing will notify Finance of the cancellation.

Change orders will not be allowed:

- a. That would alter the procurement procedures that were used in the original process. (i.e. from informal to formal).
- b. After the scope of services have been rendered or materials have been received.
- c. Would increase a blanket purchase order.

9.7 CONFIRMING ORDERS

Certain situations require that emergency verbal orders be issued before the actual purchase order can be written. If this situation occurs, the following procedures should be observed:

- a. Employee must report the problem to the Department Director or the next responsible officer immediately.
- b. If the department official deems it an emergency, the Purchasing Agent is contacted. (or authorizes the employee to do so)
- c. Provide the Purchasing Agent with the following information: Suggested vendor name, estimated cost, location, equipment, account number, and items requested/services rendered.
- d. Purchasing will then issue a purchase order.
- e. Purchasing will call vendor, or, if circumstances warrant, will authorize the department to do so.
- f. A “confirming requisition” should be forwarded to Purchasing as soon as possible. The requisition should be completed and should also indicate the purchase order number that was given verbally by the Agent. This will insure that no duplication occurs.
- g. Upon receipt of the confirming requisition, the Agent will issue a “Confirming Purchase Order” to the appropriate vendor.

Should a bona fide emergency occur outside normal working hours, the department may secure the materials or services needed, provided:

1. The department director or his/her designee gives approval.
2. A purchase requisition must be submitted to purchasing on the first working day following the emergency purchase.

Emergency purchases are costly. Some emergency purchasing results from the failure to anticipate needs, or from unnecessary delay in submitting a requisition. “Preventable” emergencies must be avoided. Purchasing will question all emergency purchases.

CONFIRMING PURCHASE ORDERS ARE ONLY TO BE DONE IN EMERGENCIES.



SPECIAL PROCEDURES AND VENDOR SELECTION

X. VENDOR SELECTION

Vendors will be selected on a competitive basis. Formal bids, informal bids, or telephone quotations will be solicited by the Purchasing Agent unless the Agent gives permission to the ordering department to participate. Bid awards, purchase orders and/or contracts will be issued to the lowest responsible bidder as outlined in purchasing process rules and regulations.

Good vendor relations are valuable business assets established through mutual confidence and satisfactory business relationships between buyer and seller. An important contribution toward promoting and preserving these relations is a clear understanding of the method of contract between buyer and seller.

The Purchasing Agent maintains a vendor file for recording the performance of vendors the Town engages in business. Should a department experience difficulties with or have a complaint with a particular vendor, document your concerns on a Vendor Performance Evaluation form. A memo to the Purchasing Agent with your concerns will also suffice. Be as specific as possible, detailing the circumstances, dates, personnel involved (including titles) and phone numbers. This information will be helpful in determining if the vendor shall remain on the vendor list.

Departments do not have the authorization to commit in writing, or verbally, future Town business to vendors. If a department wishes to add a specific vendor or contractor to the bidder's list, the Purchasing Agent must be contacted.

XI. SPECIAL PROCUREMENT PROCEDURES

The Purchasing Agent will issue blanket purchase orders for contracts and to selected vendors for the procurement of large volume items. Blanket purchase orders should not be used for items normally carried in stock and will not be issued for items that can/should be purchased.

Requests for blanket purchase orders must, in addition to the required information, indicate the following: items covered by the blanket purchase order, a Not to Exceed (NTE) amount in the appropriate column, and an attached listing of all personnel approved to purchase from the Blanket Purchase Order. The issued BPO will instruct the vendor that unauthorized purchases will not be allowed. It is the responsibility of the individual authorized to purchase under a blanket purchase order to insure that an unspent balance remains to cover the purchase to be made. **Any purchase that exceeds the funds available under a blanket purchase order will be classified as an unauthorized purchase without prior approval.**

Any purchases made by personnel not authorized by the blanket purchase order request will be classified as a personal expense and will be paid by the employee.

XII. SERVICE CONTRACTS

All service contracts for which the contractor will perform work while on Town property, must be accompanied by a standard contract form. (Found on the S drive) The contract must follow all signature procedures and contain all necessary insurance and payment options. The completed and signed contract must be forwarded to the Purchasing Division prior to the release of the requisition to the purchase order.

XIII. PURCHASE ORDER CUT-OFF DATES

Purchase requests for materials, supplies, services and equipment (not included in blanket purchase orders or contracts) for the ending current fiscal year must be turned in to the Purchasing Agent by the date authorized by the Finance Director/Purchasing Agent. In most cases, this date will be on or around June 10 of said year. Purchase requests of a routine nature that could have been scheduled prior to June 1, and are not critical, will be returned to the department for disposition in the new fiscal year. This procedure affords the Purchasing and Finance Department the opportunity to complete fiscal year end activities in a timely and proper manner.

XIV. SOLE SOURCE SUPPLY

In the event there is only one vendor capable of providing a particular good or service, the competitive pricing procedures outlined in this manual may be waived by the Department Director and/or the Purchasing Agent. Whenever a Department Director or his/her designee determines to purchase goods or services from a "sole source", he/she shall document on the request why only one company or individual is capable of providing the goods or services required. The provisions of G.S. 143-129 will be followed.

XV. STATE OF NORTH CAROLINA PURCHASE CONTRACT

The Purchasing Section may utilize the State of North Carolina Department of Administration Purchase and Contract Division whenever possible for procurement of capital and non-capital items. This system expedites the purchase of goods, offers pricing compatible with quotes received from formal and informal bids, and satisfies North Carolina General Statutes. Examples of goods on state contract are: law enforcement vehicles, office furniture, copiers, janitorial supplies, copier paper, and office supplies. Contact the Purchasing Agent with questions about which goods are on State Contract.

XVI. PROFESSIONAL SERVICES

Normal competitive procedures cannot be utilized in securing professional services such as attorneys, planners, engineers, and other professional people who, in keeping with the standards of their discipline, will not enter into a competitive bidding process. Purchase orders are not required for professional services.



DELIVERY, PERFORMANCE, INSPECTION AND TESTING

XVII. DELIVERY AND PERFORMANCE

A completed and accepted purchase order by the parties concerned must produce the intended results or objectives before it can be considered successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies or equipment.

Delivery requirements will be clearly written and fully understood by all vendors. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is necessary to clearly indicate the delivery location on the Requisition Form.

Some purchase orders may list several items. It is possible the vendor may complete timely delivery on some items, which are referred to as "partial deliveries". Please document accordingly.

If a vendor fails to meet any requirements of the specifications or terms and conditions of the contract or purchase order, the vendor can be cited for non-performance. The seriousness of non-performance will be evaluated based upon the circumstances of each violation.

17.1 INSPECTION AND TESTING

Successful operation of expensive equipment and supplies may depend upon how well a purchased item meets the design and performance specifications. Goods and materials should be checked at the time of receipt for damages or defects. The inspection shall include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) shall be rejected.

17.2 REJECTION

In order to protect the Town's rights in the event of rejection, for whatever reason, the vendor shall be informed immediately. Reasons for the rejection must be documented in memo form, attached to a copy of the purchase order and forwarded to Purchasing in a timely manner. Purchasing will notify the vendor of the reason for the rejection.

17.3 DAMAGED GOODS

One of the major reasons for immediately inspecting the goods or materials upon receipt is to detect any visible damage. When it is apparent that the extent of the damage causes the goods to be worthless, they will not be accepted. It is

necessary that all damage including evidence of concealed damage shall be documented by memo, attached to a copy of the purchase order and forwarded to the Purchasing Agent.

XVIII. AFTER THE ORDER

The procurement function is not accomplished by simply placing an order with a supplier. Satisfactory delivery must also be made. To insure delivery will be made when required, follow up is necessary.

Follow up or expediting delivery of an order is part of the purchasing process and can be more efficiently handled by the purchasing party. The Purchasing Agent shall on a regular basis review outstanding purchase orders to determine if vendors are delinquent in shipping the items requested. The Purchasing Agent shall contact these vendors concerning the delinquent delivery.

The Purchasing Agent shall contact vendors concerning invoice discrepancies and shall have the authorization along with the Accounting Manager to approve or disapprove invoice amounts.