**RESOLUTION NO. 2018-8.5  
OF THE GOVERNING BODY OF  
THE BOROUGH OF BLOOMINGDALE**

**A RESOLUTION ESTABLISHING A PURCHASING POLICY & PROCEDURE**

**WHEREAS**, the Borough of Bloomingdale seeks to implement a Purchasing Policy & Procedure guide to govern their purchases of goods and services; and

**WHEREAS**, the Mayor, Chief Financial Officer and Borough Treasurer have reviewed the proposed purchasing policy attached hereto, developed to increase accountability and clarify the purchase procedures; and

**NOW, THEREFORE, BE IT RESOLVED** by the Governing Body of the Borough of Bloomingdale that it does hereby approve the Purchasing Policy attached hereto.

**Record of Council Vote on Passage**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Councilman | aye | nay | Abstain | Absent | Councilman | aye | nay | Abstain | Absent |
| Sondermeyer | X |  |  |  | Dellaripa |  |  |  | X |
| D’Amato | X |  |  |  | Costa | X |  |  |  |
| Hudson | X |  |  |  | Yazdi | X |  |  |  |

I hereby certify that the foregoing is a true copy of a Resolution adopted by the Governing Body of the

Borough of Bloomingdale at an Official Meeting held on Tuesday, August 21, 2018.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Breeanna Calabro, R.M.C.

Municipal Clerk, Borough of Bloomingdale



**Borough of Bloomingdale**

**Purchasing Policy and Procedures**

The following explains the basics of the purchasing process, from the initial requisition through payment. It is not meant to address every situation but rather those that we deal with most frequently. The most important item to always keep in mind is that all purchases of goods or services, by whatever procurement method, require approval before the purchase is made or service is rendered. Failure to obtain pre-approval is grounds for discipline. Purchase Orders are a binding contract assuring the department and the vendors that funds have been set aside, and that once goods & services have been rendered, payment will be provided.

**Requisitions**

The process to procure goods or services always starts with the purchase requisition, although this can take varied forms as is further explained below. For most items, you will need to complete a purchase requisition via the Edmunds Finance System.

Information needed - Requisitions require as much information as possible, including appropriate explanations of the need for the good or service and proper documentation such as vendor proposals. Explanations may be entered under notes in the Edmund’s system or may be attached to the requisition form.

Quote Requirements - The quote threshold amount is $6,000. For requisitions above this amount, quotes are to be solicited and should accompany the requisition. Generally, the low quote will be selected unless there are extenuating circumstances. It should be rare when the required multiple quotes cannot be supplied and the reasons why they could not be supplied must be set forth in writing and attached to the requisition.

Items to complete - The Purchase Type box in the Edmunds System must be filled out. When requesting a Blanket Purchase Order, it should be checked off under Purchase Order type, and it should be noted under notes.

Process - Requisitions with the appropriate backup are to be submitted to the Finance Office and then forwarded to the Mayor for his signature.

Purchasing for Professional Services or for items over the Bid Threshold - Requisitions for professional services or for items over the bid threshold (currently $40,000) require a resolution of the Governing Body. Purchasing for these items must be discussed with the Mayor prior to contacting any vendors as additional requirements, such as pay to play regulations, insurance coverages, prevailing wage and affirmative action certifications, may apply.

**Blanket Purchase Orders**

Blanket Purchase Orders are used to procure goods or services needed on a repetitive basis when a contract is not required by Resolution of the Governing Body. Competitive quotes still need to be obtained.

Information Needed – Vouchers should contain the information necessary for every individual order, such as invoice number, item number, materials or service, unit price, amount, and budget code.

Process – Blank vouchers should be sent to the vendor when the Blanket Purchase Order is issued. The vendor should then complete a voucher, sign and date it and send it to the using department along with their invoice for payment. Once received, it should be reviewed, and if everything is in order, signed by the department head. Once all of the above is completed vouchers should be sent to Finance. Providing all the paperwork is complete, the payment will be processed on the next bills list approved by the Governing Body.

**Emergencies**

An emergency is defined as a circumstance in which any delay in the ordering of a good or service would negatively impact the health, safety or welfare of the public or unduly disrupt the provision of the Borough’s services and program. It expressly does not include situations that result from a lack of planning or foresight. By its very definition, emergencies are rare and shall not be used to circumvent the encumbrance process.

To obtain approval for an emergency purchase, the requestor shall contact the Mayor by phone or e-mail. Then the Finance Department should be emailed. In the case of verbal requests, same shall be documented via e-mail as soon as practical. This e-mail must then be attached to the purchase requisition and the normal process explained above shall be utilized for payment. If the Mayor is unavailable, a chain of command is in place for emergencies. In the event of a water and sewer emergency the DPW Superintendent is to be notified. If he/she is unavailable, then the Assistant Superintendent is to be notified. For other emergencies, the notification chain of command is the Chief Financial Officer, the Chief of Police, the Borough Treasurer and the Borough Clerk.

**Purchase Orders**

The following describes the process and requirements from the receipt of the requisition to the time of payment. Please note that the following procedures are for routine purchase orders only. The process for contracts, blanket purchase orders and emergencies will vary slightly.

Process

1. Once a requisition and purchase order are generated, they are approved by the Mayor.
2. The Purchase Order will then be sent from Finance back to the requesting department for handling. It will consist of the department’s green copy and two white Purchase Order copies, which are to be mailed to vendor. For Boards and Commissions without dedicated clerical support, Finance will continue to place orders on behalf of those agencies.
3. The department will place the order by mailing the Purchase Order and voucher copies to the vendor. It can be faxed before mailing to start the process but it will need original signatures to be paid.
4. When the Purchase Order is returned by the vendor to the department it must contain the vendor’s signature and the invoice must be attached.

5. The Department Head should then sign the purchase order confirming that the goods or services were received. All backup materials including quotes and the invoice should then be attached to the Purchase Order. At this point the purchase order package may be sent to Finance for payment.

6. All payments need to go on the Bills List. The Bills List is closed by 12 noon the Wednesday before the following Council Meeting. This means that the paperwork must be to Finance **completed** for it to be processed. Council Meetings are usually on the 1st and 3rd Tuesday of the month. Check with the Borough Clerk for the specific meeting schedule.

7. Once bills are approved for payment, Finance will print checks and mail to the vendors.

Requirements

The Purchase Order will contain only the information that the requisition has provided, so make sure it is complete. The Purchase Order provides the vendor with the Purchase Order number to show on their invoice, making it easier to process requests and payments. It should also indicate under “ship to”, which department is placing the order, so the signed Purchase Order can be returned to the right department from the vendor. The same information under description and in the invoice box will be printed on the checks. This tells all the parties involved what is being paid.

If there are any attachments that have to go out with the check, attach a folded copy to the front of the Purchase order with message on a post-it note.

**Other Matters**

Legal Requirements

Certain purchases below the bid threshold, especially those related to services on capital projects, will often require the same adherence to pay to play regulations, insurance coverages, prevailing wage and affirmative action requirements as for projects above the bid threshold. The Mayor should be consulted early on in the project planning process to determine which requirements will apply.

Business Registration Certifications

Business Registration Certifications (BRCs) issued by the state of New Jersey, are required in order for vendors to be paid. If the proposed vendor is new, the BRC and the W9 should be attached to the purchase requisition so Finance can record it in the system.

Purchases via an Employee’s Credit Card

Generally, the use of an employee’s credit card to purchase goods for the Borough is not authorized. However, the Borough realizes that it may sometimes be necessary. The Mayor should be contacted for guidance in any situation where use of a credit card is sought.

Checking on Vendor Payments

Periodically vendors may contact your department inquiring about the status of particular payments. The procedure to follow if you do not know when a particular bill will be paid is to first check the purchase order status in the Edmunds system. If the status remains open, the bill has not yet been scheduled for approval at a Council Meeting. If the status shows ‘received’, the bill will be scheduled for approval at the next meeting of the Governing Body. If the vendor wants more information on a particular payment, contact Finance to obtain the information and then transmit the information to the vendor. This will help ensure that both you and the vendor are aware of the payment status.

Questions regarding the Purchase Order process can be directed to the Finance office. Questions regarding other procurement issues should be directed to the Mayor.

Approved: Issued: 08/21/2018  
Jonathan Dunleavy, Mayor