



TOWN OF HARTFORD, VERMONT

PURCHASING POLICY AND PROCEDURE

Version 3

Approved at 8/1/2017 Selectboard Meeting

1.0 INTRODUCTION AND PURPOSE

The purpose of this Policy and the related procedures is to establish an effective purchasing system based upon standard procedures that are utilized by all departments on a consistent basis; to maximize the purchasing value of public funds in procurement; to provide safeguards for maintaining a procurement system of quality and integrity. With a formal system of buying goods and services, the Town of Hartford is clear about what it is purchasing, avoids disputes with vendors, provides a full audit trail of purchases, allows level competition to set prices, controls spending and limits the possibility of waste, creates an organized system of checks and balances, and enhances public trust.

This Policy applies to all contracts for the procurement of supplies, materials, services, and construction, entered into by the Town. It shall apply to every expenditure of public funds of the Town for public purchasing, irrespective of the source of the funds. When the procurement involves federal or state financial assistance, the procurement shall be conducted in accordance with any applicable federal or state laws and regulations in addition to this Policy.

2.0 DEFINITIONS

- 2.1 Bid. The offer or proposal of the bidder submitted on the prescribed form setting forth the prices for the work to be performed.
- 2.2 Bidder. Any person, firm or corporation submitting a bid for the work.
- 2.3 Bonds. Bid, performance, and payment bonds and other instruments of security, furnished by the contractor and his surety in accordance with the contract documents.
- 2.4 Brand Name or Equal Specification. A specification limited to one or more items, manufacturers names, or catalog numbers to describe the standard of quality, performance, and other salient characteristics needed to meet the Town's requirements, and which provides for the submission of equivalent products.
- 2.5 Brand Name Specification. A specification limited to one or more items by manufacturer's names or catalog numbers.
- 2.6 Business. Any corporation, partnership, Limited Liability Company, sole proprietorship, individual, joint venture, or any other private legal entity.
- 2.7 Change Order. A written order to the contractor authorizing an addition, deletion, or revision in the work within the general scope of the contract documents, or authorizing an adjustment in the contract price or contract time.
- 2.8 Contract. All types of Town agreements, regardless of what they may be called, for the procurement of materials, supplies, services, or construction.
- 2.9 Confidential Information. Any information which is available to an employee only because of the employee's status as an employee of the Town, is not a matter of public knowledge, or available to the public on request.
- 2.10 Construction. The process of building, altering, repairing, improving or demolishing any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.
- 2.11 Contract Documents. The contract, including any advertisement for bids, information for bidders, bids, bid bonds, agreements, payment bonds, performance bonds, notices of award, notices to proceed, change orders, plans, specifications, and addenda.
- 2.12 Contract Price. The total monies payable to the contractor under the terms and conditions of the contract documents.

- 2.13 Contract Time. The number of calendar days stated in the contract documents for the completion of the work.
- 2.14 Contractor. The person, firm, or corporation with whom the Town has executed the agreement.
- 2.15 Employee/Official. An individual drawing a salary or wage from the Town; any non-compensated individual performing personal services for the Town or any department, agency, commission, board, or any other entity established by the executive or legislative branch of the Town; and any non-compensated individual serving as an elected or appointed official of the Town.
- 2.16 Invitation to Bid. All documents, whether attached or incorporated by reference, utilized for soliciting sealed bids.
- 2.17 Person. Any business, individual, union, committee, other organization, or group of individuals.
- 2.18 Procurement. The buying, purchasing, renting, leasing, negotiating or otherwise acquiring of any materials, supplies, services, or construction. It also includes all functions that pertain to the obtaining of any material, supply, service, or construction, including description requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.
- 2.19 Project. The undertaking to be performed as provided in the contract documents
- 2.20 Request for Proposal. All documents, whether attached or incorporated by reference, utilized for soliciting proposals.
- 2.21 Responsible Bidder or Offeror. A person who has the capability in all respects to perform fully the contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment, and credit which will assure good faith performance.
- 2.22 Responsive Bidder. A person who has submitted a bid which conforms in all material respects to the requirements set forth in the invitation for bids.
- 2.23 Services. The furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.
- 2.24 Specifications. A section of the contract documents consisting of written descriptions of a technical nature of materials, equipment, construction systems, standards, and workmanship.
- 2.25 Subcontractor. An individual, firm, or corporation having a direct contract with the contractor or with any other subcontractor for the performance of part of the work at the site.
- 2.26 Supplies. All property, including but not limited to equipment, materials, printing, insurances, and leases of real property, excluding land or a permanent interest in land.

3.0 PURCHASING POLICIES

- 3.1 Purchases shall not be split into smaller quantities or amounts to avoid any of the procedures outlined herein.
- 3.2 Purchases of goods and services up to \$500 in total price shall be purchased by departments directly. A purchase order is not required for such purchases except for employee reimbursement. The Department Heads are responsible for approving all purchases in advance. Department Heads can delegate this authority one level down. Payment will be made by coding and signing the bill when it arrives, and submitting it to the Finance Department for payment. Employee reimbursements regardless of the amount require a purchase order to be prepared through the Finance Software Purchase Order Module.
- 3.3 Purchases of goods and services between \$501 and \$4,000 in total price shall be made by departments directly through the use of the Finance Software Purchase Order Module and is approved by the Department Head. Purchase orders do not have to be submitted to the Finance Department in advance of purchase, although Department Heads are responsible for approving these purchases in advance. Price quotations are not necessary.
- 3.5 Purchases of goods and services with a total price between \$4,001 and \$20,000 require approval on the purchase order by the Department Head, Town Manager and Finance Director prior to order placement. The purchase order shall be supported by three (3) written price quotations. The Department Head shall clearly indicate the recommended vendor. If the lowest quotation is not recommended, attachments to the purchase order shall indicate the reason for the choice.
- 3.6 Purchases of goods and services with a total price over \$20,001 shall be made through Competitive Sealed Bidding (Section 5) or Competitive Sealed Proposals (Section 6).
- 3.7 Waiver of the requirement to submit written price quotations (Section 3.4 and 3.5) can only be made by the Town Manager. Waiver of the requirements for Competitive Sealed Bidding or Competitive Sealed Proposals can only be made by the Select board.
- 3.8 Anything to the contrary herein notwithstanding, Town Departments may purchase through Federal, State of Vermont, neighboring State, VLCT or other municipal competitive sealed bid contracts or competitive proposals where allowed and honored by the vendor in which case all of the above in-house purchasing requirements for Competitive Sealed Bidding or Competitive Sealed Proposals are waived.

4.0 PREPARATION AND PROCESSING OF PURCHASE ORDERS

Purchase orders are contracts between the Town and vendors. When properly completed, purchase orders should clearly convey the particulars of what the Town is purchasing, and what is therefore expected from the vendor.

In order for the Town to receive the benefits that a Finance Software Purchase Order Module provides, all departments shall complete purchase orders prior to purchasing goods or services, except for purchases of goods or services of less than \$500 (exception employee reimbursement re: 3.2).

- 4.1 Purchase orders shall be entered timely and have all necessary supporting documentation attached in the Finance Software Purchase Order Module. If approval of more than one Department Head, Finance Director or the Town Manager is required, these approvals must be obtained prior to submission to the Finance Department. For all new vendors that are providing services to the Town, it is the responsibility of the Department Head to obtain a signed Form W-9, Certificate of Insurance or Non-Employee Work Agreement or Short Form Contract for Limited Services should be obtained as well prior to engaging services.
- 4.2 Purchase orders should indicate the budget account number that the expense is to be charged to. Expenses should be charged to the appropriate expense account regardless of whether an amount was budgeted for that account or not. The Finance Department will review the account number for accuracy before payment and have a discussion with the requestor about the non-budgeted expense.
- 4.3 In order for the Finance Department to process a purchase order for payment, it must be accompanied by an original invoice providing documentation that the goods or services were received. The invoice must also be signed and coded by the person authorizing the purchase of services or goods. These supporting documents need to be attached in the Finance Software Purchase Order Module documents tab.
- 4.4 The Finance Department pays invoices every other week, but checks are not released until approved by the Select board at its next regular meeting. For purchase orders to be processed on a timely basis, all purchase orders must be completed, with all the appropriate supporting documentation attached and authorized, and submitted to the Finance Department no later than the end of the day on Tuesday. Checks are written on alternate Fridays, submitted to the Select board for approval at its Tuesday night meeting, and are available on Wednesday following the meeting. Purchase orders that are not submitted to the Finance Department by the Tuesday deadline will not be processed that week.
- 4.5 For any purchase orders where a department needs to have checks available for distribution prior to the regular release date, the Department Head must receive written authorization from the Town Manager for early release. Such purchase orders shall be designated as “early release” directly on the purchase order prior to submission to the Town Manager.
- 4.6 Emergency purchases may be made by departments only in the event of a real emergency, when the normal operation of the department is in jeopardy, or there exists a threat to public health, welfare, or safety. Every effort shall be made to ensure that such purchases are made

with such competition as is practicable under the circumstances. Every effort shall be made to inform the Town Manager of the need for the purchase, and to obtain his/her approval prior to making the emergency purchase or as soon thereafter as possible. Purchase Cards should be used when possible to avoid this situation. Department heads will be responsible for purchases made under these circumstances.

5.0 COMPETITIVE SEALED BIDDING

The purchase of materials, goods, supplies, services, and all construction work costing in excess of \$20,000 must be made through a competitive bid process. Regardless of the anticipated costs, the Town should use this process whenever it is feasible to do so. Only the Select Board may waive competitive provisions.

- 5.1 An Invitation to Bid shall be submitted to the Town Manager for his/her review and approval prior to public release. The invitation shall include specifications and all contractual terms and conditions applicable to procurement. The invitation shall be sent to known qualified suppliers or contractors. The identification of suppliers or contractors is the responsibility of the requesting department. Public notice shall be given by publication of the Invitation to Bid in a newspaper of general circulation at least ten (10) calendar days prior to the date set forth therein for the opening of bids, supplemented by additional newspapers or trade journals as necessary and appropriate. All public notice shall include the place, date, and time of bid opening. Pre-bid conferences shall be held if they are determined to be necessary and appropriate. Specifications for preparation of the Invitation to Bid are found in the appendix.
- 5.2 Bids shall be accepted up to the time specified for receipt of bids in the Invitation to Bid. All late bids shall remain unopened and shall be rejected. Bids shall be opened publicly at the time and place designated in the Invitation to Bid. In the presence of at least one witness, the Town Manager and witness(es) shall, under penalties of perjury, list the names of all bidders and the amounts of their bids, and declare that the list is complete and accurate. Copies of this list shall be filed with the contract.
- 5.3 Bids shall be unconditionally accepted without alteration or correction, except as herein authorized. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability, such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The invitation to bid shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the invitation to bid. Technical assistance shall be obtained as needed in interpreting and evaluating specifications.
- 5.4 Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be permitted where appropriate. Mistakes discovered before bid opening may be modified if withdrawn by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only to the extent that the bidder can show by clear and convincing evidence that a mistake of a non-judgmental character was made, the nature of the mistake, and the bid price actually intended. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Town or fair competition shall be permitted. In lieu of bid correction, a low bidder alleging a

material mistake of fact may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended correct bid is not similarly evident, or the bidder submits evidence which clearly and convincingly demonstrates that a mistake was made. All decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Town Manager.

- 5.5 The Department Head shall then make a bid award recommendation to the Town Manager, who shall then award the contract to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation to bid. In the event the low responsible and responsive bid for a construction project exceeds available funds, and such bid does not exceed such funds by more than five percent, the Department Head is authorized to negotiate an adjustment of the bid price with the low responsible and responsive bidder, in order to bring the bid within the amount of available funds. Any such negotiated adjustment shall be based only upon eliminated independent deductive items specified in the invitation for bids.

6.0. COMPETITIVE SEALED PROPOSALS

When the Town determines that the use of competitive sealed bidding is either not practicable or advantageous to the Town, a contract may be entered into by use of the competitive sealed proposals method. Competitive sealed proposals allows for consideration of factors in addition to price. Generally, professional services fall into the category of competitive sealed proposals.

- 6.1 Proposals shall be solicited through a formal and written request for proposals. The RFP shall be in a form acceptable to the Town Manager, and shall outline the scope of services to be performed, evaluation criteria to be used in judging proposals, minimum qualifications or professional experience, and other standards. The RFP shall state the relative importance of price and other evaluation factors. Technical assistance shall be obtained as necessary in interpreting and preparing the specifications.
- 6.2 Public notice of the request for proposals shall be given in the same manner as provided in Section 5.1 (Competitive Sealed Bidding). Pre-bid conferences shall be held if they are determined to be necessary and appropriate.
- 6.3 No proposals shall be handled so as to permit disclosure of the identity of any offeror or the contents of any proposal to competing offerors during the process of negotiation. A register of proposals shall be prepared containing the name of each offeror, the number of modifications received, if any, and a description sufficient to identify the item offered. The register of proposals shall be open for public inspection only after contract award.
- 6.4 As provided in the request for proposals, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and conformance to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussion, there shall be no disclosure of the identity of competing offerors or of any information derived from proposals submitted by competing offerors.

- 6.5 Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the Town, taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made.

7.0. EMPLOYEE EXPENSE REIMBURSEMENTS AND ADVANCES

Expenses shall be billed directly to the Town wherever possible, consistent with the Town's Purchasing Policy and Procedures. This can often easily be accomplished through the use of employee purchase cards that have been issued.

- 7.1 For mileage expenses Town purchase cards cannot be used. Expenses claimed for mileage shall be supported by documentation as to the date and purpose of each trip, and the number of miles for each trip.
- 7.2 Other travel and expenses claimed must be approved and allowable under existing Town policy and supported by complete evidence and documentation.
- 7.3 Cash advances will only be granted in special circumstances when there is no other viable option. Cash advance will not be given for regular travel. Employees should utilize their purchase cards. All cash advances over \$500 require approval by the Town Manager and Finance Director.

8.0. CONTRACTOR INSURANCE REQUIREMENTS

Construction contractors with whom the Town does business will be required to carry general casualty insurance of at least \$2 million aggregate and \$1 million per incident. Proof of this insurance must be presented to the Town prior to entering into any work agreement with the contractor. In addition, the Town will be named as a covered party under all relevant contractor insurance policies.

9.0. MISCELLANEOUS

- 9.1 The Competitive Bidding and Proposal processes described above, with a transparent and public opening of those bids/proposals, are the preferred method of soliciting work for the Town of Hartford. Other methods will be used when and if prescribed by the particular funding source.
- 9.2 The Town encourages and supports bids/proposals from local firms as a sustainable way of conducting business. However, if the bidder/proposer is a Town resident and a taxpayer, they must be in good standing.
- 9.3 An allowance of up to 5% in additional cost may be made for local vendors, as defined by businesses having an office, store or agent with the Town of Hartford. Depending on the funding source or the project, this allowance may not be applicable. Competitive bids/proposals must apply.
- 9.4 The Town will request and verify references from bidders/proposers.

9.5 Depending on the nature and location of the work, the Town may require background checks on the bidder/proposer and employees of the contractor and sub-contractors. Unfavorable backgrounds checks may result in disqualification from the work.

9.6 The Town will award work on a lowest cost – technically proficient basis. Although cost is important, it will not be the only factor considered in awarding the work.

APPENDIX I
EXCEPTIONS TO PURCHASE ORDER POLICY

Invoices for the following goods and services do not require a Purchase Order for payment. Employees may choose to utilize a Purchase Order although it is not required.

- Payments on behalf of employees from payroll deduction accounts, including, but not limited to, payments made for federal and state withholding taxes, voluntary deductions for insurance and deferred compensation, and payments to VMERS or ICMA retirement accounts.
- Payment associated with the renewal of property and liability insurance, public officials liability insurance, public officials fidelity bond insurance, and workers compensation insurance.
- Telephone and electric bills
- Debt service payments, including principal and interest on bonded debt and capital lease payments.
- Payment of appropriations approved by Special Articles at Town Meeting.

APPENDIX II
PREPARATION OF THE INVITATION TO BID

1.0 GENERAL CONDITIONS PERTINENT TO THE BID

- 1.1 The Town of Hartford reserves the right to indicate whether equivalents (i.e., items of comparable quality) will be considered and under what conditions. Documentation is required for all substitutions.
- 1.2 The terms of the contract (i.e., effective dates, extensions of contract) shall be specified in the bid.
- 1.3 The delivery mode of the purchased services or commodity shall be determined and specified taking into account prevailing industry practices or customs. In addition, the bid shall specify who pays for the freight, how damaged goods will be returned, what guarantees exist on the product or work to be performed. All shipments shall be FOB the Town. Any other FOB terms are considered exceptions in making the award.
- 1.4 All bidders must identify the product or service on which they are bidding on all envelopes.
- 1.5 Where justified and practical, samples shall be requested to be submitted with the bid at no charge to the Town

2.0 SPECIAL BID CONDITIONS

- 2.1 Bid Bonds. Bid Bonds may be required at the discretion of the Town Manager. Bid security, when required, shall be a bond provided by a surety company authorized to do business in the State of Vermont, or the equivalent in cash, or otherwise supplied in a form satisfactory to the Town. The bid security shall be in an amount equal to at least 5% of the amount of the bid. If a bidder is permitted to withdraw its bid before award, as provided in Section 5 of the Policy (Competitive Sealed Bidding) no action shall be had against the bidder or the bid security.
- 2.2 Performance Bonds. Performance bonds shall be required of all contracts awarded that exceed \$25,000 in estimated value. Bid security shall be a bond provided by a surety company authorized to do business in the State of Vermont, or otherwise supplied in a form satisfactory to the Town. The bid security shall be in an amount equal to at least 100% of the price specified in the contract for the full term of the contract. Based on the nature of the work, the Town Manager can waive this requirement.
- 2.3 Payment Bonds. Payment bonds, for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work provided for in the contract, shall be required of all contracts awarded that exceed \$25,000 in estimated value. Bid security shall be a bond provided by a surety company authorized to do business in the State of Vermont, or otherwise supplied in a form satisfactory to the Town. The bid security shall be in an amount equal to at least 100% of the price specified in the contract for the full term of the contract. Based on the nature of the work, the Town Manager can waive this requirement.

- 2.4 Certificates of Insurance. Certificates of insurance may be required at the discretion of the Town Manager. Certificates of insurance, when required, shall be in a form and amount acceptable to the Town.

3.0 SPECIFICATIONS

- 3.1 Requesting departments should clearly define the minimum quality requirements of the purchase in a fashion specific enough to ensure the desired level of quality, but flexible enough to elicit multiple bids.
- 3.2 Requesting departments should consider performance specifications which allow the bidders relative freedom in terms of designing while ensuring the desired results.
- 3.3 Brand names should be avoided, except in special circumstances.

4.0 QUANTITIES AND PRICE

- 4.1 Unit prices shall be provided and totals extended, including discounts where applicable.
- 4.2 Bidders shall detail reasons for price adjustments in annual contracts.

5.0 PREPARATION OF THE INVITATION FOR BID

The requesting department shall prepare an invitation for bid specifying:

- 5.1 The time and date for receipt of bids, the address to which bids are to be delivered, and the date by which the Town may select a bid and contract with a vendor.
- 5.2 The materials or services being purchased. If a proprietary description is used, the specifications should state that any equivalent product or service meeting the minimum needs of the Town may be bid, and that it is the responsibility of the offeror to demonstrate equivalency of any alternate.
- 5.3 The evaluation criteria, standards, and performance measure by which the acceptability as to quality, workmanship, results of inspections and test, suitability for a particular purpose, and other measures of acceptability will be determined.
- 5.4 All contractual terms and conditions applicable to the procurement, including provisions and expectations for retainage.
- 5.5 Each bidder shall certify on the bid under penalties of perjury that the bid is in all respects bona fide, fair, and made without collusion or fraud with any other person.

If the proposed contract period exceeds one year, the Invitation for Bid shall state:

- 5.6 The amount of materials or services required for the proposed contract period and whether such amount is the actual amount required, or an estimate.
- 5.7 That the Town shall cancel the contract if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal year.

- 5.8 That the bidder shall give a unit price for each material or service.
- 5.9 Whether a unit price must be quoted for the duration of the contract, must be quoted for each fiscal year of the contract, or must be quoted for the first fiscal year and will be adjusted thereafter and what method of adjustment will be used, if any.
- 5.10 How the award will be determined, including how prices will be compared if contractors submit prices for each fiscal year of the contract.
- 5.11 Specific insurance and bonding requirements, with the stipulation that no work shall commence under the contract (by contractor or subcontractor) until all insurance and bonding required by the Town has been obtained and approved by the Town.
- 5.12 If the proposed contract is to contain an option for renewal or extension, the Invitation for Bid shall contain a notice of the provision.

6.0 PUBLIC NOTICE

Copies of the Invitation for Bid shall be available on an equal basis. Public notice of the Invitation for Bid shall be given no less than ten (10) calendar days prior to the date for the opening of the bids. The notice shall:

- 6.1 Indicate where and when an Invitation for Bid may be obtained, where and by what date bids must be submitted, and where and when bids will be opened.
- 6.2 Describe the product or service desired.
- 6.3 Reserve the Town's right to reject any and all bids.
- 6.4 Remain posted for at least ten (10) days in a conspicuous place until the time specified in the Invitation for Bids, or receipt of bids.
- 6.5 Be published at least once, not less than ten (10) days prior to the time specified in the Invitation for Bid for receipt of bids, in a newspaper of general circulation, and other publications deemed appropriate.

APPENDIX III

Purchase Card Program

1.0 Introduction and Purpose

The purpose of this Policy and the related procedures is to establish an effective Purchase Card (P-Card) system based upon standard procedures that are utilized by all departments on a consistent basis.

The P-Card program is necessary to streamline and simplify the Purchasing and Accounts Payable functions by significantly reducing check requests, reduces transaction costs, and expedites timely acquisition of materials and supplies. In addition it automates data flow for accounting purposes and offers controls to ensure proper usage.

The Purchase Card Program is not intended to avoid or bypass the Town of Hartford's Purchasing Policy. Rather the Program complements the existing internal controls. The card is a MasterCard credit card that is issued by BMO Harris Bank. Accurate and consistent recordkeeping is required to ensure the proper use of the P-Card. Proper recordkeeping and supporting documentation is required for all purchases.

This Purchase Card Policy includes the following:

- Allowed and Disallowed Purchases
- Travel Expenses
- Purchasing Procedure
- Recordkeeping Process and Procedure
- Responsibilities of Cardholders
- Sales Tax Exemption
- Declined Transactions
- Card Revocation

The cardholder is responsible for the security of their card and the transactions made against the card. Each user will be required to sign the Purchasing Policy and Procedure Agreement annually in order to participate in this program.

2.0 Allowed and Disallowed Purchases

Each Cardholder is responsible for every transaction charged their purchase card unless it is stolen.

Purchase Cards have a threshold limit of \$2,000 per transaction and a \$4,000 maximum credit limit per card. Transactions in excess of these limits will be rejected. Finance does have the ability to increase limits in the event of emergencies or special circumstances.

Disallowed Transactions:

The purchase card will be revoked and subject to disciplinary action including termination.

- Personal Expenses unrelated to the Town of Hartford without prior authorization
- Cash Advances

- Gasoline for an employee's personal vehicle. Mileage is reimbursed according to the Federal mileage rate which is set to include the cost of gasoline.
- Usage at Casinos, Pawn Shops, Escort Services, etc.
- Alcoholic Beverages
- Entertainment expenses not directly related to conference or convention
- Manipulation of splitting purchases to circumvent the limitations of the Town of Hartford Purchase Policy
- Any other purchases that do not benefit or relate to the Town of Hartford

Allowed Transactions:

- Seminar / conference fees and related costs
- Plane, train, or bus tickets
- Airport, hotel, or conference parking
- Tolls
- Hotels
- Transportation from airport to hotel
- Reasonable Meals (Please refer to Section 408 of the "Town of Hartford- General Personnel Policy")
- Other miscellaneous expenses specifically related to travel or seminar attendance

3.0 Purchasing Procedure

The Purchase Card can be used to make purchases in person, by telephone, by fax, by mail or online with any merchant who accepts MasterCard. As is the case with every purchase made on behalf of the Town of Hartford, employees are required to obtain the best value for the Town.

Please inform all vendors and merchants that the transaction is tax-exempt and for a municipality with a request to have all available discounts applied. All non –in person purchases should include proper shipping and billing addresses, confirmation, and all proper contact information. When making purchases in person obtain a copy of the charge slip along with any sales receipt or other information related to the purchase. Code and initial the receipt prior to recording it on your Purchase Card Tracking Form (See Attached).

For returns and exchanges that are made in person, make sure you obtain a credit receipt and a new charge slip if the item is being replaced by the vendor. For other returns and exchanges, contact the vendor for return instructions, and obtain a credit receipt. As the cardholder you are responsible for verifying on the statement that proper credit has been issued for the returned item.

4.0 Recordkeeping Process & Procedure

When a purchase is completed the receipt should be maintained, coded, and initialed by the cardholder. Each cardholder will record these receipts on a Purchase Card Tracking Form which will continually be updated when purchases are completed.

Every two weeks (COB on Tuesday), the form(s) and receipts will be forwarded to the Finance Department for processing within the Accounts Payable.

5.0 Responsibilities of Cardholders

Each cardholder is responsible for every transaction charged to their purchase card. Cardholders will be held responsible if they use the card for any unauthorized or fraudulent charges. Using the card for personal charges could be considered misappropriation of Town of Hartford funds and could result in corrective action including termination or criminal charges.

Each cardholder will be required to sign a Purchase Card User Agreement (See Attached) annually in order to participate in the Purchase Card Program.

Security of purchase cards is the responsibility of the cardholder. Lost or Stolen cards should be reported immediately:

Toll Free Calls from U.S.A. or Canada	800-361-3361
Outside U.S.A or Canada	416-232-8020
MasterCard Global Service	314-542-7111

6.0 Sales Tax Exemption

The Town of Hartford is exempt from all sales taxes. It is the cardholder's responsibility to ensure that sales tax is not charged when making a purchase. If you are charged tax in error, you must request a credit from the vendor as soon as possible after discovering the error.

7.0 Declined Transactions

If the card is declined for a purchase that is within your credit limit please contact the Finance department. The Finance department will contact to the bank to determine the reason for your purchase being declined.

8.0 Card Revocation

The Purchase Card will be revoked if the cardholder

- transfers to a different department with in the Town
- is terminated or changes employment status
- for making a disallowed purchase
- failure to adhere to all Purchasing and Purchase Card Policies and procedures

APPENDIX IV

Town of Hartford, VT Purchasing Policy and Purchase Card Program Agreement

You are being entrusted with the Town of Hartford, VT funds to make purchases of services and goods within the regular course of operation that are necessary and benefit the Town.

It is not an entitlement nor reflective of title or position. Your purchasing privileges may be revoked at any time without your permission. Your signature below indicates that you have read and will comply with the terms of this agreement.

1. I understand that I will be making financial commitments on behalf of the Town of Hartford and strive to obtain the best value for the Town of Hartford.
2. Purchases made through Accounts Payable or with my Purchase Card must be for business purposes as defined in this policy.
3. I will maintain and protect my Purchase Card with the same level of care as if it were my own personal card.
4. I have read and will follow the Purchasing Policy and Procedure. Failure to comply with the policy or this agreement may result in either revocation of my purchasing privileges or other corrective action including termination or criminal charges.
5. I understand that under no circumstances will I use the Purchase Card for personal purchases, either for myself or others. Using the card for personal charges could be considered misappropriation of Town Hartford funds and could result in corrective action including termination or criminal charges.
6. I agree that should I violate the terms of the Purchasing Policy and Purchase Card Program Agreement for personal use or gain that I will reimburse the Town of Hartford for all incurred charges and any fees related to the collection of those charges.
7. The Purchase Card is issued in my name and I am responsible for any and all charges against my card.
8. The Purchase Card is Town property. As such, I understand that I am required to comply with internal control procedures designed to protect the Town of Hartford's assets.
9. If my Purchase Card is lost or stolen, I will immediately notify the Town Finance Department and BMO Harris Bank (800)361-3361.
10. I agree to review, verify and provide my Purchase Card Transactions every other Tuesday to the Town Finance Department.
11. I agree to surrender my Purchasing and Purchase Card privileges immediately upon termination of employment, whether from retirement, voluntary or involuntary reasons.

Employee Name (Print)

Date

Employee Signature

Last 4 digits of Purchase Card #

Date

Finance Director