

Daniel V. Jerram
First Selectman



Town Hall
530 Main Street
Post Office Box 316
New Hartford, CT
06057

February 13, 2012

To: Boards & Commission Chairmen, Town Hall Departments & Elected Officials

RE: Purchasing Policy/Budget Reminder

To All Town Representatives:

As we prepare for another budget year, I thought I would take this opportunity to touch base with everyone and distribute the Town of New Hartford's approved "Purchasing Policy" so that everyone understands the appropriate procedure to procure goods and/or services on behalf of the Town of New Hartford.

The policy, approved and in place since December 20, 2002, is very specific in nature and outlines what town representatives (elected officials, appointed commissioners or town employees) have the authority to commit town funds and what their specific spending limit is. If you're not familiar with the policy, please review the document (see attached) so that you're aware of how this policy relates to your specific role in the operation of New Hartford's town government.

As always my goal is to work together with all town representatives to operate our town as efficiently as possible while complying with all state and federal regulations as well as all of our own internal policies. If you have any questions on how this policy relates to your board, commission or department, please don't hesitate to contact me.

Please keep in mind that our constituents rely on all of us to provide services as economically as possible. The economy remains depressed and now more than ever funds are in short supply. Everyone needs to remember that just because there are excess funds in some Board, Commission or Department line items, that is not a license to spend. Please recall that we have now had three freak storms that require the Board of Selectman to "find" about \$50,000 in order to rebalance the Town's budget and complete previously scheduled work.

While individual town representatives may have seemingly worthy ideas for projects and/or services, in some cases, the Selectman may have already earmarked funds to help support the rebalancing effort. As always, any and all proposals will be given due consideration. Final approval will ultimately be dependent on the merits of the proposal in relation to the overall financial health of the Town.

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Individuals seeking to gain approval from this office to contract for goods and/or services should develop a scope of work outlining specifically what they believe the town needs to procure. Seeking multiple quotes is helpful in ensuring competitive pricing and all bids will be reviewed for content before gaining approval.

However, when quotes are solicited, town representatives should be extremely careful not to imply guaranteed approval to any one contractor before gaining final approval of a purchase order and/or contract for service from the Selectman's office. Solicitation of a quote is not a guarantee of hire.

Lastly, sufficient time for review of all documentation should be provided.

Thank You,

A handwritten signature in blue ink, appearing to read "D. Jerram", is written over the printed name below.

Daniel V. Jerram
First Selectman

1.0 Purpose

This document has been prepared to provide information and direction to all who have been delegated the authority to commit Town funds through the purchasing function.

2.0 Responsibility

It is the responsibility of all who have been delegated purchasing authority to adhere to the policies and procedures contained herein.

- 2.1 It is the responsibility of the First Selectman to maintain a Spending Authority Matrix, which lists all employees, authorized to commit Town funds, the transaction dollar limits for each employee and the next highest authority who can approve the commitment of funds.
- 2.2 It is the responsibility of the First Selectman to ensure that employees authorized to commit funds read and understand all relevant policies and procedures when first hired.
- 2.3 It is the responsibility of the Town Bookkeeper to maintain this document. It will be revised and supplemented, as required, to meet new needs and conditions. An important part of this updating process depends on the constructive comments, information and suggestions received from the users. Your comments are encouraged.

3.0 Definitions

- 3.1 Purchasing - The Bookkeeping Department plays the role of purchasing service provider by serving as the primary contact between the various functions and its suppliers. The main objective of its purchasing role is the identification of the need for goods and services in all parts of the Town government and the assurance of satisfaction of those needs at the lowest total cost, consistent with the best quality required.
- 3.2 Policies are made for the purpose of giving information and direction. Policies establish basic philosophies and climate, and determine the major values upon which the purchasing function must operate.
- 3.3 Procedures are the prescribed means of accomplishing policy. Their intent is to provide Town personnel with the guidelines and, where appropriate, the specific sequences to ensure uniformity, compliance and control of all policy-related activities.

4.0 Objectives

Since sound practices can contribute to efficient use of Town resources the primary objective of this document is to improve results by assuring that everyone who has been delegated spending authority by the First Selectman makes the maximum contribution.

- 4.1 The overall goal is to maintain at all times and under all conditions, a continuous supply of goods and services necessary to support approved functions of the Town. The purchasing function gives prime consideration to the Town's interests while seeking to maintain and enhance long-term, win-win, ethical supplier relationships. Some segments of this responsibility are:
 - 4.1.1 Comply, in all respects, with state statutes and with all other applicable laws without qualification or evasion.

- 4.1.2 Purchase materials and services for the Town's use at the maximum end-use value per dollar spent.
- 4.1.3 Provide leadership in the standardization of materials, supplies, equipment, services and procedures.

5.0 Ethics / Confidentiality / Conflict of Interest

- 5.1 It is recognized that most of the transactions relating to the purchasing function are of a confidential nature - especially with regards to the Town's suppliers. It is considered unethical as well as damaging to the Town's competitive position to allow one supplier's quotation to be passed on to another supplier.
- 5.2 Purchase Orders and contract files are to be maintained in an up-to-date and confidential manner in the Town Bookkeeper's office. Access to those files shall be restricted to those authorized by the First Selectman.
- 5.3 Employees may not purchase through the Town any materials or services purchased or used by the Town.
- 5.4 The Town will not purchase any goods or services from any Town employee or close relative of a Town employee without prior consent from the First Selectman.
- 5.5 No Town employee shall accept gifts, personal loans, entertainment or other special considerations from an individual or business organization doing business with the Town, which exceeds nominal value or token social exchange.
- 5.6 The policy of the Town is to prohibit the loan or use of any materials or equipment, which is property of the Town for other than Town business without the written consent of the First Selectman.
- 5.7 The policy of the Town is to maintain and practice the highest possible standards of business ethics, professional courtesy and competence in all dealings with suppliers. At all times, applicable law must be scrupulously observed. In this regard, the following should be adhered to when dealing with suppliers:
 - Provide equal opportunity for all suppliers to make price and specification quotations.
 - Remain free from obligations from any supplier.
 - If for any reason, one supplier is allowed to re-quote, his competitors will be given the same opportunity.
- 5.8 Town employees authorized to engage in the purchasing function are expected to be free of interests or relationships which are actually or potentially harmful to the best interests of the Town, and shall not engage or participate in any commercial transaction involving the Town in which they have a significant undisclosed financial interest.
- 5.9 Any authorized employee engaged in the purchasing function who has assumed, or is about to assume, a financial or other outside business relationship that might involve a conflict of interest, must immediately inform the First Selectman of the circumstances involved. This information is to be reviewed at an appropriate level for decision on whether a conflict of interest is present and, if so, what course of action is to be taken.

**TOWN OF NEW HARTFORD
SPENDING AUTHORITY MATRIX**

EMPLOYEE	POSITION	\$ LIMIT	NEXT HIGHER APPROVAL AUTHORITY	EFF. DATE
TOWN				
Jerram, Dan	1st Selectman	none		
Malanca, R	Land Use Adm.	500	Jerram, Dan	
Hart, D	Reg.of Voters	200	Jerram, Dan	
Tuxbury, Lila	Reg.of Voters	200	Jerram, Dan	
Hayward, C.	Adm.Asst.	1000	Jerram, Dan	
Janco, D & Strolis, R.	Police	500	Jerram, Dan	
LaPlante, D.	Town Clerk	500	Jerram, Dan	
Paul, E.	Assessor	500	Jerram, Dan	
Sheffield, L.	Tax Collector	500	Jerram, Dan	
Spencer, D.	Highway Foreman	500	Jerram, Dan	
Minor, D.	Rec Director	500	Jerram, Dan	
Witte, A.	Town Bookkeeper	0	Jerram, Dan	
Barnicoat, J.	Senior Director	0	Jerram, Dan	
Porcelli, J.	Building Inspector	0	Jerram, Dan	
Baldwin, B.	Fire Marshal	0	Jerram, Dan	
Archer, L	Animal Control	0	Jerram, Dan	
Boards & Commissions	various town	0	Jerram, Dan	
BOARD of ED.				
O'Reilly, P	Superintendent	none		
Instructions:				
Listed employees may commit Town funds up to their stated per-transaction \$ limit without first obtaining a signature by their next higher approval authority. Purchases exceeding the employee's \$ limit must be approved by their next higher approval authority prior to committing Town funds. This approval is indicated by the next higher approval authority's signature on the face of the purchase order.				
Please Note:				
Purchase orders without a spending authority(i.e. Boards and Commissions) must be signed by the First Selectman prior to an order being placed.				