

# County of Passaic

## PURCHASING MANUAL

A GUIDE  
FOR ALL COUNTY DEPARTMENTS, BOARDS AND COMMISSIONS  
IN THE PREPARATION OF REQUESTS  
FOR  
GOODS AND SERVICES

MARCH IS



PURCHASING MONTH

MARCH 2011  
Michael Marinello  
PURCHASING AGENT  
Q.P.A., R.P.P.O.

## Table of Contents

Definitions: used throughout Manual	2
Part One: General Policies	5
Introduction, Policy, Directory	
I. Legal Authorization	6
II. Centralized Purchasing Goals & Objectives	6
III. Price Objectives	7
IV. Methods of Securing Prices	
A. Small Purchase, Petty Cash under \$25.00	7
B. Quotations	8
C. State Contracts	8
D. Blanket purchase Orders	8
E. Bids	9
F. Contract Awards	9
G. Leases	11
H. Co-operative pricing schedules	11
V. Emergency Purchases and Contracts	11
VI. Statutory and Other Requirements	
A. Affirmative Action	12
B. Prevailing Wage Act	12
C. Construction & Other Public Works contracts	12
D. State Contractors Business Registration Program	12A
VII. Vendor relations	
A. General	13
B. Gifts and Gratuities	13
C. Vendor responsibilities	13
D. Selection	14
E. Payment	14
F. Unsatisfactory Vendor performance	14
Part Two: Requisitions	
I. General	15
II. Instructions for Requisitions	15
III. Central Supplies Procedures	
A. Office Supply Catalog Orders (E-way)	17
B. Office Supply Requisitions	17
C. Corporate Express	17
D. Chargebacks	18
Part Three: The Purchase Order/Voucher	
I. Process	19
II. Changes	19
III. Requests for Duplicate Vouchers	19
IV. Partial Payments	19
V. Asset inventory	20
Part Four: Additional Purchasing Functions	
I. Sales tax exemption certificates	21
II. Surplus/obsolete County personal property	21
III. Pay-to-Play Issues	23

**Definitions:**

LPCL - Local Public Contract Law 40A: 11-1 et. seq

RULES - New Jersey Administrative Code N.J.A.C. 5:34-5 et-seq

DCA/DLGS - New Jersey Department of Community Affairs  
Division of Local Government Services

AGGREGATE- The sums expended or to be expended for the provision or performance of any goods or services in connection with the same immediate purpose or task, the furnishing of similar goods or services, during the same contract year through a contract award by a contracting agent.

**COMPETITIVE CONTRACTING -**

The method described in sections 1 through 5 of PL1999, c.440 (c.40A: 11-4.1 through c.40A: 11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or administrator: and the governing body awards a contract to a vendor or vendors from among the formal proposals received.

**CONTRACT-**

Any agreement, including but not limited to a purchase order or a formal agreement, which is a legally binding relationship enforceable by law, between a vendor who agrees to provide or perform goods or services and a contracting unit which agrees to compensate a vendor, as defined by and subject to the terms and conditions of the agreement. A contract also may include an arrangement whereby a vendor compensates a contracting unit for the vendor's right to perform a service, such as, but not limited to, operating a concession stand

CONTRACT YEAR -The period of 12 consecutive months following the award of a contract.

**EXTRAORDINARY UNSPECIFIABLE SERVICE (EUS) -**

Services, which are specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of endeavor. Purchasing Agent must sign off. Resolution required. Contract by County Counsel.

**LOWEST PRICE -**

The least possible amount that meets all requirements of the request of a contracting agent.

## **Definitions (continued)**

### **LOWEST RESPONSIBLE BIDDER OR VENDOR -**

The bidder or vendor; (a) whose responses to a request for bids offers the lowest price and is responsive; and (b) who is responsible.

### **PROFESSIONAL SERVICES-**

Services rendered or performed by a person authorized by law to practice a recognized profession, whose practice is regulated by law, and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training. Professional services may also mean services rendered in the provision or performance of goods or services that are original and creative in character in a recognized field of artistic endeavor. Resolution required. Contract by County Counsel.

**PROPRIETARY -** Goods or services of a specialized nature, that may be made or marketed by a person or persons having the exclusive right to make or sell them, when the need for such goods or services has been certified in writing by the governing body of the contracting unit to be necessary for the conduct of its affairs.

**PUBLIC WORKS -** Building, altering, repairing, improving or demolishing any public structure or facility constructed or acquired by a contracting unit to house local government functions or provide water, waste disposal, power, transportation, and other public infrastructures.

### **PURCHASE ORDER -**

A document issued by the contracting agent authorizing a purchase transaction with a vendor to provide or perform goods or services to the contracting unit, which when fulfilled in accordance with the terms and conditions of a request of a contracting agent and other provisions and procedures that may be established by the contracting unit, will result in payment by the contracting unit

### **PURCHASING AGENT -**

The individual duly assigned the authority, responsibility, and accountability for the purchasing activity of the contracting unit, and who has such duties as are defined by an authority appropriate to the form and structure of the contracting unit, and PL1971 c198 (c.90A:11-1 et seq.)

**Definitions (continued)**

- QUOTATION -** The response to a formal or informal request made by a contracting agent by a vendor for provision or performance of goods or services, when the aggregate cost is less than the bid threshold. Quotations may be in writing, or taken verbally if a record is kept by the contracting agent.
- RESPONSIBLE -** Able to complete the contract in accordance with its requirements, including but not limited to requirements pertaining to experience, moral integrity, operating capacity, financial capacity, credit, and workforce, equipment, and facilities availability.
- RESPONSIVE -** Conforming in all materials respects to the terms and conditions, specifications, legal requirements, and other provisions of the request.
- WORK -** Any task, program, undertaking, or activity, related to any development, redevelopment, construction or reconstruction performed or provided pursuant to a contract with a contracting unit.

**THRESHOLDS EFFECTIVE July 1, 2005**

	<b>W/O QPA</b>	<b>WITH QPA</b>	
Quotes	\$3,150	\$4,350	3 written quotes or written justification for lack of quotes shall be filed with the Purchasing Agent. You may be required to solicit quotes under this threshold when your unit is included in the County's total aggregate for the particular commodity or service
Formal Bid & Competitive Contracting	\$21,000	\$29,000	Concept of aggregation applies
State Contract	\$21,000 (+)	\$29,000(+)	Requires resolution
	\$21,000 (-)	\$29,000(-)	Requisition process - quotes required in most cases
Professional Services	\$1.00 +		Requires a resolution
EUS	\$1.00 to \$21,000/29,000		May require resolution - Contact Purchasing Agent for Determination
	\$21,000+	\$29,000+	Requires resolution
Road Contracts	\$15,000	\$15,000	Requires resolution
Pay-to-Play	Threshold is \$17,500.00 in the aggregate and ALL awards in excess of \$17,500.00 require a resolution under Fair and Open.		

## INTRODUCTION

The procedures in this manual apply to all County departments, constitutional officers, agencies, boards and other offices which operate within the framework of the County budget.

The purpose of this manual is to familiarize using agencies with the procedures, responsibilities, and documents required for purchasing goods and services.

## PURCHASING POLICY

No goods or services shall be contracted for or purchased by any department, board, agency or office of the County of Passaic except in accordance with the procedures set forth herein. The County will not be bound by any purchase or contract made contrary to this policy, and any employee or representative of the County who violates the policy may face disciplinary action, as well as personal liability for any costs or obligations improperly incurred.

Purchasing Department  
Procurement Center  
495 River Street  
Paterson, N.J. 07524  
Office 973-247-3300  
Fax 973-742-8295

Business Hours: 8:30 am to 4:30 pm Weekdays

Michael Marinello                      973-247-3301  
Purchasing Agent                      mmarinello@passaiccountynj.org

Cathy Marino                              973-247-3304  
Principal Purchasing Asst            cathym@passaiccountynj.org  
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973-247-3310  
Sheriff's Department issues

Miguel Diaz 973-247-3316  
Warehouse Supervisor

Len LoBue 973-247-3316  
Driver

Musa Shardam 973-247-3314  
Warehouse Worker

## PROCUREMENT POLICIES

### GENERAL

#### I. LEGAL AUTHORIZATION AND AUTHORITY OF PURCHASING AGENT

The Board of Chosen Freeholders in accordance with 40A: 9-30, appoints the Purchasing Agent with the authority to purchase on behalf of the County such goods and services as are required for the proper function of the County.

Pursuant to the LPCL, the bidding threshold effective 7/1/05 is \$21,000. For those expenditures which, one time or in the annual aggregate, are \$3,150. to the bid threshold, quotations shall be secured. The aggregate is applied Countywide. Pursuant to N.J.S.A. 40A:11-3a, a local unit is permitted to utilize an increased bid threshold if the local unit appoints a Qualified Purchasing Agent (QPA) and authorizes the QPA to negotiate and award contracts below the bid threshold. The Board of Chosen Freeholders of the County of Passaic have appointed Michael Marinello as the QPA increasing the bid threshold to \$25,000.

Public funds from any account (grant, dedicated fund, regular O.E.) must be expended in accordance with the LPCL & Rules. The Chief Financial Officer certifies Availability of Funds prior to any obligations being incurred. Confirming orders are a violation of this regulation AND ARE NOT AUTHORIZED.

#### II. CENTRALIZED PURCHASING GOALS AND OBJECTIVES

##### A. Promote Efficiency, Economy and Effectiveness and Full, Fair, Free, Open Competition

To Purchase the: Right Goods (quality)  
in: Right Quantity  
for: Right Price  
from: Right Source  
at: Right Time  
in: Right Manner

in accordance with sound procurement practices and policies; the Local Public Contract Laws and Rules; and other governing statutes and regulations; and

##### B. Balance centralization of the purchasing function against decentralized using agencies. What is needed and when it is needed is best understood by the using agency while the lowest possible cost or greatest net county-wide savings is a function of purchasing control.

##### C. Facilitate Purchasing / Vendor relationships and department / vendor relationships through impartial, ethical standards and behavior.

- D. Administer as Lead Agency, COOPERATIVE PRICING SYSTEM 38-PCCP approved by the NJ Division of Local Government Services on June 25, 2001 and expires June 4, 2011 and renews every five years.

#### IV. PRICE OBJECTIVES

##### A. Factors affecting the lowest ultimate cost:

1. Unless purchasing through State Contracts, or existing County Contracts, already including shipping, a low price paid to a non-local vendor may be outweighed by transportation and packing charges
2. A low price paid for a large quantity may be outweighed by the cost of storage and handling, spoilage or obsolescence.
3. A low price obtained because of inferior materials could easily result in a higher cost due to unsatisfactory service and higher maintenance costs.
4. Poor planning or estimating may result in restocking charges.

##### B. Factors affecting net delivered cost:

1. Price quoted
2. F.O.B. point.
3. Discount; Prompt Payment Bonus.
4. Service offered by Vendor.
5. Delivery Date.

#### IV. METHODS OF SECURING PRICES AND CONTRACTS

##### A. Small Purchases, Petty Cash under \$25.00

Other than Blanket orders based on current quotes or contracts, departments should utilize a Petty Cash Fund. Check with your Department or Finance to confirm availability.

- ##### B. Record of Quotations - Purchases that are single in nature or may in the annual aggregate, reach or exceed \$3,150 shall be supported by quotes. Where written quotations are solicited, they should be sent to Purchasing for the official record. If quotes are solicited by phone, a summary is acceptable (form precedes this section). Signature and date are required on Quotation Sheet.

**Note: NJ Local Government statutes do not recognize "Sole Source" as an acceptable alternative to seeking quotes or bids.**

##### C. State Contracts

The valid contract number, term of contract and authorized commodity and/ or service shall be confirmed prior to issuing a purchase order. State Rules require that the

Governing Body (Freeholders) authorize by resolution State Contract purchases exceeding the bid threshold. This applies to single item or aggregate/ open end annual purchases.

When a vendor submits a competitive price, which is lower than a State Contract vendor, the lower price may be accepted in a "quote" situation. However, where the expenditure (one time or aggregate) exceeds the bid threshold, bidding is required if the State Contract commodity/vendor is not utilized.

#### D. Blanket Purchase Orders

It is economical, labor and material-wise, to maintain Open Purchase Orders for routine, recurring items such as hardware supplies, film developing, etc. and other small dollar volume purchases.

To confirm the procedure:

1. Department/division submits a requisition reflecting an estimate of monthly and/or quarterly usage.
2. Contract validity (State Contract, Bid or Quotes) is confirmed.
3. Purchasing processes Purchase Order/Voucher.
4. Using department orders and receives commodity on an as-need basis, matches signed delivery slips and invoices for each individual purchase against the encumbered Purchase Order.
5. Upon exhaustion of the amount encumbered or applicable period (i.e. month) the using department completes Partial Payment Voucher for the Actual amount owed.
6. Department will match invoices to voucher, certify receipts and submit to Finance for payment.

#### E. Bids

The process of formal bidding requires the cooperation and interaction of various County Officials. All bids have one basic "boiler plate" of statutorily required forms and statements and generally preferred instructions. Purchasing prepares the bid package of statutory requirements, forms, proposal and your specifications. Specifications shall be broadly drafted to insure competition yet definitive enough to secure the needed goods or service.

Specification preparation is the responsibility of the using department/division. The specifications must be complete and in final form before requesting advertising for the bids. Quantities requested must be justifiable either through history or usage or specific

pending projects. A separate manual detailing Bidding Procedures is available upon request.

The information following in Section F is included for convenience.

## F. PURCHASING PROCEDURES FOR FREEHOLDERS CONTRACT AWARDS

### 1. The using department must:

- Submit recommendation of award and detailed requisition with all pertinent information to Purchasing. This may be done by e-mail.
- Submit with the above a Resolution Cover Sheet signed by:  
Division Head  
Department Head
- In the case of a State Contract, submit requisition with quote or other detail from the vendor referencing the applicable State Contract. This should be an original, non-confirming order.

### 2. Purchasing will:

- Verify any state Contract number and back up to be available for auditors on demand
- Prepare the resolution.
- Prepare and secure the Certification of Funds.
- Purchasing Agent will certify EUS, if applicable.
- Submit all documents to Clerk of the Board.

### 3. Clerk of the Board:

- a. Items to be considered for the agenda must include the following:
- Resolution Coversheet with all back up attached and Signatures (Sample follows)
  - Resolution
  - Financial Certification of Funds for all contract awards
  - Contracts/agreements/leases

**Only the Board of Chosen Freeholders may execute Contracts, Agreements and/ or Leases. Under No Circumstance is a division to sign any such document except with the expressed consent of the Board. Typical authorized signatories include the Freeholder Director, the Clerk to the Freeholder Board, the Purchasing Agent and County Counsel**

- Backup

Note: all Resolutions May Not Require All Information

b. The above documents must be submitted as follows:

- If a grant is involved, to Grant Coordinator ;
- If EUS, to Purchasing Agent.
- To department head for authorization by 4:30 p.m. the Friday prior to the work/ agenda meeting
- To Clerk of the Board by 3:00 p.m. the Monday prior to the work agenda
- All items not meeting deadlines will carry over to next work agenda meeting. In cases of **emergency** department heads can request, at the work agenda, to add the resolution.

c. Freeholders:

- Adopt Resolution
- Execute contracts, if applicable

d. Clerk of the Board:

- Provides signed copy of Resolution and signed contracts to Purchasing

4. Purchasing:

- Issues Purchase Order/Voucher
- Execute Contracts

G. Leases

Rules concerning duration of contracts, prohibitions and equipment changes are contained in the LPC Rules. However, all leases or service agreements authorized by the LPC shall be subject to competitive bidding if the cumulative amount to be expended during the duration of the multi-year lease exceeds the competitive bid threshold.

H. Co-operative Purchasing—The County of Passaic belongs to several County Co-operatives. Please contact the purchasing department when utilizing Co-op pricing schedules.

V. EMERGENCY PURCHASES AND CONTRACTS

- A. No contracts shall be entered into, or funds committed or expended, on an emergency basis pursuant N.J.S.A. 40A: 11-6 unless the circumstances meet all of the following requirements.
1. An actual or imminent emergency must exist requiring the immediate delivery of the article or the performance of the services;
  2. The emergency condition must affect the public health , safety or welfare and require the immediate delivery of the article or performance of the service to alleviate such effect;
  3. The emergency purchasing procedure may not be used unless the need for the articles or services could not have been reasonably foreseen or the need for such articles has arisen notwithstanding a good faith effort to plan the purchase of any articles or services required.
  4. The contract shall be of such limited duration as to meet only the immediate needs of the emergency; and
  5. Under no circumstances shall the emergency purchasing procedure be used to enter into a multi-year contract.

B. Procedure for emergency purchases and contracts:

1. The affected department head must consult the County Administrator to proceed. If satisfied that the emergency exists, the Administrator is authorized to award a contract for said work or labor, materials, supplies or services.
2. A written requisition for the performance of work or labor or the furnishing of materials, supplies or services must be filed with the Purchasing Agent describing the nature of the emergency, the time of its occurrence and the need for invoking an emergency, certified by the department director or designee AND the County Administrator.  
Sample form follows.
3. The Freeholders will confirm the award of emergency contracts in excess of the bid threshold by resolution describing the imminent peril to life or property at the next meeting of the Board.
4. Payments for emergency purchases shall not exceed budget appropriations.

VI. STATUTORY & OTHER REQUIREMENTS

A. Required Affirmative Action Evidence

**NO FIRM MAY BE ISSUED A CONTRACT UNLESS IT COMPLIES WITH THE AFFIRMATIVE ACTION REGULATIONS OF P.L. 1975, C. 127 AS AMENDED FROM TIME TO TIME, AND THE AMERICANS WITH DISABILITIES ACT.**

## 1. Procurement, Professional and Service Contracts

All successful vendors must submit within seven (7) days of the notice of intent to award or the signing of the contract one of the following:

- a. A photocopy of their Federal Letter of Affirmative Action Plan Approval,  
or
- b. A Photocopy of their Certificate of Employee Information Report, or
- c. A completed Affirmative Action Employee Information Report. (AA302  
- Available upon request)

## 2. Construction Contracts

All successful contractors must submit within three (3) days of the signing of the contract an Initial Project Manning Report (AA201- Available upon request) for any contract award that meets or exceeds the bidding threshold.

## B. Prevailing Wage Act

1. Applies to all work \$2,000 and above (quotations, PO, Bid).
2. Pursuant to N.J.S.A. 34:11-56.25 et. seq., successful bidders on projects for public work shall adhere to all requirements of the New Jersey Prevailing Wage Act.
3. The contractor shall be required to submit a certified payroll record. Such certified payroll record must be submitted within ten (10) days of the payment of wages. The contractor is also responsible for obtaining and submitting all subcontractors' certified payrolls in the form set forth in N.J.A.C. 12:60-6.1 ©. It will be the contractor's responsibility to obtain any additional copies of the certified payroll form to be submitted by contracting the Office of Administrative Law, CN 049, Trenton, New Jersey 08625 or the New Jersey Department of Labor, Division of Workplace Standards.

## C. Construction & Other Public Works Contracts

Refer to a separate Manual

## VI. VENDOR RELATIONS

### A. General

The Purchasing Agent promotes a program of fairness with all vendors. Salespeople are received courteously and as promptly as time permits. Appointments are recommended.

Purchasing may arrange interviews between vendors and County personnel when it appears to be to the advantage of the County or when such an interview is requested by an appropriate County employee.

NO County employee is required to place his/her time at the disposal or discretion of salespeople. However, if an interview is to be denied, such will be acknowledged promptly, a reason is given for not granting the interview, and the suggestion offered to see the Purchasing Agent. Courtesy will prevail.

Prices and other specific information received from vendors will be considered confidential. During price solicitation, quotations received from one supplier shall not be divulged to another.

Purchasing may advise unsuccessful bidders as to the disposition of their quotations or bids.

Vendors who wish to be considered for future solicitations should be advised to so state in writing on the firm's formal letterhead.

#### B. Gifts And Gratuities

County employees and offices are expressly prohibited from soliciting or accepting any rebate, money or entertainment, gift or gratuity from any person, company, firm or corporation to which any purchase order or contract, is, or might be, awarded.

The County will not tolerate circumstances that produce, or reasonably appear to produce, conflicts between personal interests of an employee and the interests of the County. Accordingly, the County will take appropriate action and may terminate, at no charge to the County, any purchase order or contract if it is found that gifts or gratuities were offered to any employee.

The County may also take disciplinary action, including dismissal, against an employee who solicits or accepts gifts or gratuities.

#### C. Vendor Responsibilities

Vendors are urged to read all detailed specifications and all bid documents, to comply with all instructions and required conditions. If a vendor does not fully understand a request, any inquiry must be directed in writing to the Purchasing Agent.

Vendors shall quote firm contract prices only, F.O.B. Passaic County, location of the using agency, or as directed.

Vendor shall submit bid proposals or requests for quotations on forms supplied by the County or as otherwise expressly authorized in writing.

Vendor must assure that an original signature of an authorized representative of the firm is on any written proposal or bid.

Vendors are expected to promptly and accurately provide the proper quality of goods or services at a reasonable and competitive price.

Vendors are encouraged to provide information on new products, processes and materials along with demonstrations and samples when requested.

Suggestions that will help reduce cost, promote efficiency or improve supplier services are welcome. Cost reduction ideas should reduce costs without a corresponding reduction in quality of goods and services.

D. Selection

Vendors are to be selected on a competitive basis. Bids, quotations, and proposals will be solicited in accordance with the law and may be by newspaper advertising, direct mail request to prospective suppliers, in person or by telephone. Purchase Orders or contracts will be awarded to the lowest responsible vendor. All proposals or quotations may be rejected if in the County's best interest to do so.

E. Payment

Vendors may offer a cash discount if their invoices are paid promptly. To take advantage of this policy and to maintain good vendor relations it is important upon completion of the order that all required documents are forwarded to Finance. Upon receipt of goods or services, using departments/divisions should submit all invoices and vouchers to Accounts Payable without delay.

F. Unsatisfactory Vendor Performance

All using agencies shall notify the Purchasing Agent immediately of any failure by a vendor to comply with contract terms and conditions. Notifications shall be in writing on the UNSATISFACTORY REPORT FORM that follows.

## Part Two

### REQUISITIONS

#### I. GENERAL

- A. Each department, board, agency, or office may be able to locate vendors able to fulfill the County's supply or service needs and obtain informal price quotations. Assistance will be provided by Purchasing upon request. The lowest, responsible vendor is to be submitted on the requisition as well as the other quotations on the appropriate screen in the Edmunds System. No order is to be placed or commitment made except by an approved written Purchase Order/Voucher or by the formal emergency purchase procedure.
- B. Proper preparation of the requisition reduces time and paperwork for all concerned, enabling Purchasing to acquire your exact requirements in the most expeditious manner. Omissions of required information often result in a delay in issuing the Purchase Order, which in turn may result in delay in delivery.
- C. The requisition must follow an approval path and should be submitted well in advance (two weeks is desired) of the time the goods and services are needed to allow sufficient time for review and for the solicitation of formal quotations for more difficult purchases. There are also periodic system shutdowns beyond Purchasing's control. Where a requesting department has already solicited quotes, the quotations or forms must be signed and submitted as a record of it. ALL pertinent information must be included in the various screens within the Edmunds system.
- D. Based on the total and aggregate dollar amount of the purchase(s), written specifications and sealed bids, or informal solicited quotations may be required. State approved contract vendors or cooperative pricing system vendors pursuant to N.J.S.A. 40A:11-11 (5) may also be used to fulfill needs.

Before any formal commitment is made to a vendor, a Purchase Order/Voucher must be issued.

- E. All Capital account requisitions require certification of funds by the Chief Financial Officer.

#### II. INSTRUCTIONS FOR REQUISITIONS

- A. If a Purchase Order/Voucher is to be sent to an address other than that where the remittance is to be made, please indicate by attaching the information in the appropriate section of the requisition.

Purchasing maintains the vendor list; changes, additions, and deletions. Please note that when requesting the addition of a new vendor it is necessary to include the company's Federal Tax ID number or Social Security number in the request.

- B. Quantity - It is essential quantities be indicated to eliminate any confusion as to just how much of anything is required. When items are requested in units customary to the trade (i.e. cans, pails, drums, cartons, bottles, oz, lbs., etc.) the pack must also be shown in parenthesis following the description, i.e. (4 per carton)
- C. Credits and discounts cannot be put on a request as a line item. You must net out the credit with one of your line items and show the math in the item description.
- D. Description - When the correct nomenclature is not used in describing items required, or sufficient details such as stock number, model numbers, size, color, capacity, dimension, etc. are not given, Purchasing must contact the originator for further information. Careful preparation of the original request with as much detail as possible to describe items completely will avoid delays.

Other reasons for delay are:

1. Lack of sufficient information in a number of areas: account codes, vendor information, incomplete description of the goods or services requested, lack of quotations.

In the case of memberships, the names of the individuals, the term of the membership, membership number or i.d. that is pertinent to identification must be submitted with the req. In the case of subscriptions, the same criteria applies.

When registering for a class, conference, seminar or other meeting, not only should the individual be identified, but the name of the event, the date and location should also be included. If a confirmation # has been assigned due to a phone registration, that number should appear on the requisition.

Requisitions are further delayed if not annotated with the appropriate State Contract #, County Contract/resolution #, or other co-op i.d. as in the case of the Morris County Cooperative Pricing Council which should be noted as "MCCPC" and the contract number. All County Contracts (prior year and to date) are listed on the County website. All state contracts can be accessed at the State Web site - Purchase Bureau.

If requisitioning on the basis of an invoice, some description must be made, generic terms are acceptable, of what the goods and services are and/or the program/event for which they were secured.

A number of divisions utilize catering services for various meetings and functions. These need to be itemized, and the event identified. Purchasing customarily checks such requests for sales tax charges, which must be deleted.

2. Missing quotations are another source of delay. If quotes have been secured, they must be forwarded to Purchasing via the Edmunds System. If not, the req. will be held for receipt of the quotes.

### III. CENTRAL SUPPLIES PROCEDURES

#### A. Office Supply Catalog Orders

When ordering items from the current catalog enter the item number and quantity on the form.

#### B. Chargebacks

At the end of each month all charges for supplies received are charged against the using divisions budget.

## Part Three

### THE PURCHASE ORDER/ VOUCHER

#### I. PROCESS

Purchasing generates the numbered PO/Voucher after all approvals are secured. Unless otherwise requested, as in the case of a "pick up", Purchasing mails the PO and any required enclosures to the vendor.

On receipt of the Purchase Order, the vendor performs accordingly in providing the goods or services directly to the using department. The vendor returns the signed voucher and original, itemized invoice(s) to the requesting division.

\*\*\*Please Note—The County of Passaic or any of its offices and divisions shall not complete a credit application as a result of contract(s) resulting from bid awards or State Contract purchases.

The Department/Division Head authorizes payment of the voucher by signing the receiving certification and forwarding required documents to Accounts Payable in Finance.

#### II. CHANGES

In Edmunds, additions, deletions and changes to prices or units must be done on an item level basis. If you want to change a PO you must identify what item is changing and what about it is changing (units, pricing, ...etc) Changes must be sent to the Purchasing department with explanation.

If you need to change pricing or quantities, identify the new price is or what the new quantity is for the specific item.

If you need to add something, describe the item, quantity, price, & account string for each item.

If you need to delete something, identify which item and if it is full quantity or partial quantity.

If you want to cancel the whole PO or the remaining balance of a blanket PO, identify the purchase order number. This is the only change that can be made on a total document basis. In the case of the remaining balance, please also note the amount you are canceling.

#### III. REQUESTS FOR DUPLICATE VOUCHERS

All requests for duplicate vouchers must be sent the Purchasing Department.

#### IV. PARTIAL PAYMENT

Partials are a separate procedure, which must be coordinated with Finance.

Any questions concerning payment should be referred to the Finance Office for proper determination and resolution.

#### V. ASSET INVENTORY NUMBER

If the purchase price of any single acquisition exceeds \$5,000 an asset # is issued and a sticker must be affixed to the item.

Purchasing provides inventory forms with asset tags attached. The white copy of the form is to be returned to Purchasing with all pertinent information filled in; sn#, model # essential. The Division keeps the pink copy of the form.

Part Four  
ADDITIONAL PURCHASING FUNCTIONS

I. SALES TAX EXEMPTION CERTIFICATES

By virtue of being a government unit, the County is exempt from sales tax on all purchases (with the exception of Natural Gas). However, some vendors want the County to provide a sales tax exemption certificate (NJ Form ST-4). A copy, which can be photocopied, is located in this section. The County's Tax identification number is 22-6002466 and is printed on the Purchase Order.

II. SURPLUS/OBSOLETE COUNTY PERSONAL PROPERTY

A. All such property is presumed to have some sale value or to be determined to have only scrap value. As such, N.J.S.A. 40A:11-36 requires that, upon Resolution of the Freeholders authorizing same, the County must attempt to sell most surplus or unneeded equipment by public sale.

Items purchased by grant fund must be separately identified.

No employee of the County may legally sell such equipment, except as provided by this statute.

If the estimated fair value of the property to be sold exceeds \$3,150.00 in any one sale, it shall be sold at a public sale to the highest bidder.

Notice of the date, time and place of the public sale together with a description of the items to be sold and the conditions of sale must be published in a newspaper.

A private sale can be authorized by Freeholder Resolution only in the following cases:

1. Sale to any political subdivision.
2. Sale to a person submitting a bid pursuant to a public sale, where all bids have been rejected, provided such sale is not for less than the highest bid rejected and subject to the same terms and conditions.

All proceeds from the sale of unneeded equipment are submitted to Finance for appropriate accounting.

The Purchasing Agent will announce periodic sales to all departments when appropriate.

B. A routine sealed bid auction requires four months to plan and execute.

## SEALED BID AUCTION SCHEDULE

For orderly processing of paperwork and surplus slated for either sale or disposal, a deadline is set for delivery to a specified location. For assistance in transporting items for sale, contact the Purchasing Department.

Appropriate paperwork for movement of inventory must be sent to Purchasing. This to assure that all departments and Co-op agencies have an opportunity to "transfer" assets prior to public notice. A special preview is held for in-house transfers and co-ops. No items will be removed from the sale after that preview.

<u>ACTIVITY</u>	<u>DATE</u>	<u>ITEM EXPLANATION</u>
List of items compiled	(to be assigned)	Cut-off for additional items
List of items complete		Clerk of the Board cut-off
Authorized Sale		Agenda
Resolution Adopted		Meeting
		News Release from Public Info
Advertise/Legals		List posted on County Website
		The Record
		The Herald & News
		Mailing List
Final Legal		
All Agency Deliveries to designated location		Deadline
Inspection:		
Saturday		7:00am-2pm
Monday		7:00am-2pm
Tuesday		10:00am -All Bids due to Purchasing
Sale Bids Opened Wed		10:00AM – Procurement Center
Bidders need not be present		
Purchasing:		
1. Returns deposits to unsuccessful bidders		
2. Reconciles deposits/amounts due from successful bidders		
3. Informs successful bidders		
4. Drafts report to Director of Finance & Administrative Services		
a. CC's to Clerk of the Board, Comptroller, Public Information and appropriate parties		
b. Schedules next auction		
c. Confirms availability of Conference Room		

### III. Pay to Play Issues

The County of Passaic has opted to be a “Fair and Open” County. As such all procurements will be made in accordance with NJSA 19:44A-20.4 et seq. and NJSA 19:44A-20326. A “Local Unit Pay to Play Ch. 19 Decision Tree is attached hereto as an exhibit.

Generally speaking, ALL contracts in excess of \$17,500.00 will be awarded in a “Fair and Open” process. Please note that while an item or items may be exempt from public bidding, they may not necessarily be exempt from pay to play compliance. For further details, please contact the Purchasing Agent, Michael Marinello.

Some contracts may be awarded in a “Non Fair and Open” manner by authorization of the Board of Chosen Freeholders by resolution.

This manual is a living document and will be revised from time to time. Please keep your manual current with any and all changes approved by the Board of Chosen Freeholders.