



Purchasing Policy

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A. PURPOSE, LEGAL BASIS, AND APPLICABILITY

1. **THE PURPOSE OF THIS PURCHASING MANUAL:**
 - a. Spell out the responsibilities and authority of purchasing
 - b. Promote consistent and fair relations with vendors
 - c. Facilitate uniform action by all staff involved with purchasing
 - d. Standardize routine purchasing procedures
 - e. Provide a full audit trail of purchases
 - f. Allow level competition to set prices
 - g. Control spending within budget limits
 - h. Set a professional standard of organizational behavior
 - i. Limit the possibility of waste
 - j. Create an organized system of checks and balances
 - k. Enhance public trust
2. **LEGAL BASIS:** Chapter 38 of the City of Saco Code provides the authority and legal basis for this policy.
3. **APPLICABILITY:** The City Administrator and staff, to include all departments, agencies, offices and committees authorized by the City Charter and Code will abide by these procedures.

B. POLICY STATEMENTS

1. **PURCHASING POLICY** – There will be a reasonable effort to spend the tax payer’s money on only those items necessary to accomplish the City of Saco’s duties.
2. **SURPLUS PROPERTY DISPOSAL POLICY** – The City of Saco Staff will recoup the best reasonable return for the taxpayers when disposing of surplus property – whether through trade-in, resale or demolition.
3. **DISCRIMINATION POLICY** – The City will not discriminate as to age, sex, sexual orientation (including gender identity and expression), race or color, creed, political affiliation, national origin, religion or physical or mental handicap while doing business for the City of Saco.

C. DEFINITIONS

- **APPROPRIATION** – An amount authorized by the City Council for expenditures or to incur obligation for a specific purpose, such as debt for a capital project.
- **BID BOND** – Protection against a bid offer being withdrawn after opening.
- **BID SPECIFICATIONS** – Conditions set by the City that must be met by the vendor in the type and quality of goods or services offered for bid.
- **BLANKET CONTRACTS** – Agreements that include items, prices, quantities and periods, which have been negotiated with a supplier into a contractual agreement.
- **BUDGET AMMENDMENTS** – An amount authorized by the City Council while the fiscal year is in progress to increase the approved budget for the fiscal year.

- **CITY** – The City of Saco.
- **COMMERCIAL CREDIT CARD** – See Purchasing Card.
- **COOPERATIVE PURCHASING** – A technique whereby one or more cities or towns may collectively purchase goods and services.
- **DOCUMENTATION RETENTION** – The City follows the State of Maine Rules for Disposition of Local Government Records.
- **EMERGENCY** – When an unforeseen event arises or a situation whereby there exists a threat to public health, welfare or safety of the City of Saco, its residents or its employees and failure to act promptly will result in negative consequences.
- **INTERMEDIATE PURCHASES** – Intermediate purchases will include purchases of goods and services with a cost of greater than \$3,000 but less than \$10,000.
- **LARGE PURCHASES** – Large purchases will include the purchases of goods and services the cost of which are \$10,000 or greater.
- **LONG-TERM COST** – Cost of supplies/services needed in maintaining quality of purchase or service after initial purchase.
- **LOWEST RESPONSIBLE BIDDER** – A vendor who bids to provide goods or services on a large purchase and has the following:
 - Ability to perform the bid or provide the service within the time specified without delay or interference
 - Character, integrity, reputation, judgment, experience, and efficiency
 - History of compliance with the laws and ordinances relating to the bids
 - Sufficient financial resources, quality supplies, contractor network, and experience to perform the bid
- **PAYMENT BOND** – A payment bond covers payment of subcontractors, laborers, and materials suppliers associated with the project. Payment bonds are issued for the protection of those supplying labor or materials to a bonded project.
- **PERFORMANCE BOND** – An amount of money or insurance bond provided to the City by the bidder to ensure that a specified service or item is provided in accordance with contract provisions. This serves to guarantee that the contractor makes the required payments for labor and suppliers of material.
- **PURCHASING AGENT** – The City Administrator, Department Head, or individual assigned with authority to perform administration and supervision concerning the purchase of a variety of materials, supplies, services, and equipment for the City
- **PURCHASING CARD (P-CARD)** –City owned commercial credit cards which are issued to selected employees who use them to make official purchases of goods and services for the City.
- **PURCHASE ORDER** – The process of setting aside or obligating funds for an expected commodity.
- **PROFESSIONAL SERVICE** – A service provided by an external provider with a specific set of skills that is not housed within the staff.

- **REQUEST FOR PROPOSAL** – A solicitation most often through a bidding process, by an agency or company interested in procurement of a commodity, service or asset, to potential suppliers to submit business proposals
- **RESPONSIVE** – To respond to all the requirements of the contract/bid by not modifying any of the requirements or leaving out any of the requirements.
- **SMALL PURCHASE** – Purchase of incidental materials and supplies with a value of less than \$3,000
- **SOLE SOURCE** – A sole source vendor is a company or person who sells a product or service that meets the unique needs of the purchaser; generally, **sole source** means the one and only source for the product or service. Being a municipality, the City can go directly to the distributors for sole source products.
- **STOCKLESS PURCHASING** – A technique providing for the purchase of a commodity or service in quantity at an agreed price ordered by the City but held by the supplier and delivered to the City when required.
- **SURPLUS PROPERTY** – Materials, supplies or equipment that are no longer used by the city or which have become obsolete but have usefulness left which are put up for sale.
- **UNENCUMBERED BALANCE** – The amount of money remaining in an appropriation against which there are no outstanding commitments, such as Purchase Orders or contracts.
- **UNIT PRICE** – The amount quoted in terms of so much per agreed or standard unit of product or service. RE: sand sold at a unit price of \$10.00 per yard.
- **VENDOR** – The individual or company offering goods or services for sale.

D. PRINCIPLES

These purchasing principles allow the City to use its purchasing power to support ethical and sustainable businesses where possible. In applying these principles, the City has an opportunity to ensure it remains an attractive and affordable place for its citizens.

1. **MINORITY, WOMEN, AND DISABLED BUSINESS ENTERPRISE** – The City is encouraged to use Minority, Women, and Disabled Business Enterprises (MBE, WBE, DBE). The City will avoid favoritism, prejudices and discrimination when implementing purchase, contract, grant, or other processes. The City is also encouraged to use enterprises run by veterans.
2. **CONFLICT OF INTEREST** – The Purchasing Agent and all officers and employees of the City are expressly prohibited from directly or indirectly accepting any gift, rebate or item of value from any person who is or seeks to become a vendor or contractor to the City, unless the gift is given for the use and benefit of the City.
3. **NATURAL RESOURCES** – During the solicitation for products and services, the City will make the effort to conserve natural resources and protect the environment.

E. REGULATIONS GOVERNING PURCHASES

1. **REQUIREMENTS** – The first step in the procurement cycle is when a need arises for goods or services. The department will clearly define the good(s) and/or service(s) needed specifying performance, design manufacturer or other characteristics (or a combination of characteristic) needed. The requirement must be documented and approved at the originator level before the costing step can be taken.
2. **COSTING** – The cost of satisfying the need, and the availability of funds to pay for that cost, must be determined as accurately as possible. Purchasers are encouraged to check vendor's catalogs, internet, and shops when appropriate, factoring in any freight charges. The purchaser must also make the vendor aware that the City is tax exempt and is not to be charged taxes. Finally, the purchaser must double check the budget to ensure there is sufficient funds to cover the cost.
3. **PURCHASE CATEGORIES** – Purchases will be divided into the following categories:
 - a. **SMALL PURCHASES** – Department Heads will approve all small purchases (not to exceed \$3000) for their own departments. Department Heads will periodically review the prices and sources of small purchases made for their departments to ensure a good value for City taxpayers.
 - b. **INTERMEDIATE PURCHASES** – The City Administrator or the Finance Director will approve all intermediate purchases (greater than \$3,000 but less than \$10,000) for all City Departments. Department heads are expected to obtain at least **two (2)** price quotes for intermediate purchases and keep a record of it. The City Administrator may authorize an exception to this as outlined under Purchasing Exceptions, p. 11.

- c. **LARGE PURCHASES** – Large purchases will include the purchases of goods and services the cost of which are \$10,000 or greater. **On each large purchase a competitive bid or request for proposal will be sought, depending on the nature of the purchase.** The City Administrator may authorize an exception to this as outlined under Purchasing Exceptions, p. 11.
4. **PURCHASE LIMITATIONS** – No purchase of services, supplies, material and equipment will be made unless the Council, except as otherwise provided in the City Charter, has appropriated the funds.
5. **COMPETITIVE BID PROCESS** – Competitive bids should be used for goods where the amount, type, and specifications are fixed and the only question is about a good value for the tax payers. The following are guidelines to prepare and process Bids.
 - a. **INVITATION FOR BID** – The Purchasing Agent will prepare a written Invitation for Bid specifying:
 - i. Time and date for receipt of bids, the address to which bids are to be delivered, and the date by which the City may select a bid and contract with a vendor.
 - ii. Specifications regarding the supplies and/or services being purchased. Specifications should describe the requirements without being so specific that a sole source vendor is required. In the case a sole source vendor is necessary, see Purchasing Exceptions, p. 11. The specification can state that any equivalent product or service meeting the minimum needs of the City may be bid and that it is the responsibility of the bidding agent to demonstrate equivalency of any alternative.
 - iii. Evaluation criteria, standards, and performance measures by which the purchasing agent will determine acceptability.
 - iv. Reservation of the right to reject all bids, renegotiate any contract and waive any informality, which does not compromise the actual bid.
 - v. Time and date for a bidders meeting (if the project warrants it) to acquaint the bidders with any special conditions that may affect their bids.
 - vi. Additional documents by reference, if it specifies where prospective vendors may obtain the documents.
 - vii. Format of Bid Submission and Special Instructions (See Below)
 - b. **MULTI-YEAR INVITATION FOR BID** – If the proposed contract period exceeds one year, the Invitation for Bid will state:
 - i. That the Purchasing Agent can cancel the contract if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal year.
 - ii. Whether a unit price must be quoted for the duration of the contract, or for each fiscal year.
 - iii. If the proposed contract is to contain an option of renewal or extension.

- c. **RECOMMENDED BID FORMAT & SPECIAL INSTRUCTIONS** – Recommended bid format instructions and items to consider:
- i. Physical Bid – Sealed envelope with the product or service on which they are bidding written on the front (e.g., “Bid for Police Cruisers”)
 - ii. Digital Bid – Blank email with product or service on which they are bidding as the subject line and a PDF of the bid attached to the email titled “Company Name – Product/Service”.
 - iii. Include the Employer ID number, or Tax Exemption Number of the City, on the front page of the bid.
 - iv. If the chosen Bidder is a new vendor to the City, a W9 form must be received in Accounts Payable before any payment is issued.
 - v. If the chosen Bidder is working on City property, then a Certificate of Insurance including Worker Compensation is required.
 - vi. Where justified, ask that samples be submitted with the bid. Be sure to return all samples when the final award is made. Samples will be offered without charge to the City.
 - vii. All contractual terms and conditions applicable to the procurement.
 - viii. A bid and/or performance bond. Labor and materials bonds will also be important when a payment by the contractor must be secured. Although the cost of the bond will be included in the price, it is often the best assurance that the contractor will perform. This is especially important in annual contracts and purchases of major significance.
 - ix. Bid Certification, see pg. 18.
- d. **NOTICE OF BIDS** – The Purchasing Agent will make copies of the Invitation for Bid available on an equal basis. The Purchasing Agent must solicit bids from at least three providers. The Purchasing Agent will also give public notice of the Invitation for Bid. The notice will:
- i. 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.
 - ii. Summarize the product or service desired.
 - iii. Reserve the City's right to reject any bids.
 - iv. Be published at least once, not less than two weeks before the deadline for submission, on the City's Website and at least one of the following:
 1. Newspaper with local circulation
 2. Fixed purchase of ad space on a website of a news organization with local circulation (no bidding platforms)
 3. Televised City Council Meeting during the Administrative Update
 - v. City may charge for physical copies of Invitation for Bid, following fee policy.
 - vi. A log will be maintained listing the companies who were sent bids.

- e. **ACCEPTANCE OF BIDS** – The Purchasing Agent will accept bids submitted up to the time specified for receipt of bids in the Invitation for that Bid. All late bids will remain unopened and will be rejected. The Finance Director will hold all deposits relating to bids.
- f. **PUBLIC BID OPENING** – The Purchasing Agent will open all Bids publicly at the time and place designated in the Invitation for Bid and record minutes including the following:
 - i. Date, time & place of bid opening
 - ii. All persons in attendance
 - iii. Open bid
 - iv. Read bid amount out loud
 - v. Announce when bid award will be awarded

Bids are honored for 60 days.

- g. **BID CORRECTIONS** – A bidder may correct, modify, or withdraw a bid by written notice received in the office designated in the Invitation for Bid before the time and date set for the bid opening. After bid opening, a bidder may not change the price of any bid provision. The purchasing agent may waive minor informalities, or allow the bidder to correct them. If a clerical or administrative mistake is made, and the intended bid is clearly evident on the face of the bid document, the Purchasing Agent may correct the mistake to reflect the intended correct bid and notify the bidder in writing of the correction.
 - h. **EVALUATION OF BIDS** – The Purchasing Agent may compare prices and terms contained in submitted bids with those available through State contracts.
 - i. **BID AWARDS** – In cases where the Department Head is not acting as Purchasing Agent, he or she should return a recommendation concerning the awarding of Bids. The Purchasing Agent will consider such recommendation particularly as it relates to the responsiveness of the bids and/or the quality of the product or service, and the award will be made to the lowest responsible and responsive bidder or State contract vendor. The Purchasing Agent may also reject any or all bids. The contract will be awarded by written notice to the selected vendor by the date specified for bid selection.
6. **REQUEST FOR PROPOSALS** – The Purchasing Agent may issue a request for proposals if it is determined that the selection of the most advantageous offer requires consideration of factors in addition to price. Generally, professional services fall into the category of a request for proposals. These services include architectural and engineering, auditing, legal services, technology and other similar professional categories. A competitive process should be used to solicit proposals, substantially along the lines described in the Competitive Bid Section of this policy, pg. 8. Proposal specifications which outline the scope of services to be performed, evaluation criteria to be used in judging proposals, minimum qualifications of professional experience, and other standards, including price, can all be

incorporated into the Request for Proposals. The Purchasing Agent must solicit bids from at least three providers. Follow-up meetings for more in-depth review of services, including a final round, are acceptable methods of finalizing the winner of an RFP.

7. **CANCELLATIONS** – The Purchasing Agent may cancel an invitation for bid, a request for proposals, or other solicitation or may reject in whole or in part all bids or proposals when he/she determines that cancellation or rejection serves the best interest of the City. The Purchasing Agent will state in writing the reason for a cancellation or rejection.
8. **COOPERATIVE PURCHASING** – The Purchasing Agent is authorized to combine with other units of government, planning commission, council of governments, or with the Maine Municipal Association for purchasing purposes, in which event such regulations as may be jointly agreed to are applicable in lieu of the regulations in this document.
9. **SPECIFIC BLANKET CONTRACTS** – A specific blanket contract includes items, prices, quantities, and periods that have been negotiated with a supplier into a contractual agreement. It is based upon pre-established prices for supplies, either picked up or delivered to the City. A contract of this type offers major price advantages over small individual purchases made by separate departments. The Purchasing Agent is responsible for bidding or negotiating blanket contracts for appropriate items and for informing all interested parties of these contracts as they are negotiated.
10. **PURCHASE EXCEPTIONS** – The competitive bidding regulations will not be applicable in the following cases:
 - a. **SOLE SOURCE** – Procurement by sole source will be authorized by the City Administrator when he or she decides it is the best solution because of long term benefits or unique City requirements and will be based on the needs of the community, not as a means of avoiding competitive proposals or bids. This is most applicable to real estate, IT, engineering, financial software, equipment compatibility, etc. The Purchasing Agent must put in writing all sole source procurements specifying:
 - i. Each contractor's name
 - ii. The amount and type of each contract
 - iii. The basis for determining that the contractor was the only practical source for the required supply or service, including technical specifications
 - b. **EMERGENCY PURCHASE** – Any specific case determined by the City Administrator to be an emergency. In such cases the City Administrator may make such immediate purchases that he/she determines are of good value for the City, considering the nature of the circumstances. If the purchase price exceeds the unencumbered balance in the department's budget account, the Department Head will immediately notify the City Administrator. If the City Administrator cannot be notified before the purchase, then the City Administrator will be notified as soon after as possible. The City Administrator will notify the City Council regarding large emergency purchases as soon as possible as to:

- i. The steps taken to affect the purchase
 - ii. The emergency that existed
 - iii. The methodology used to assure the best possible price
 - c. **PARKS & RECREATION PURCHASES FOR CAMP** – To purchase tickets and admissions for the camp program during June, July, and August plus the school vacation week in February and April, no purchase orders or dollar limits are required.
- 11. **PURCHASES & BIDS RECORD** – The Purchasing Agent will keep a record of all properly submitted bids, proposals, and all purchases made under Purchase Exceptions without bids, and such records will be open to proper inspection by any interested person on approval of the City Administrator or for at least 6 years.
- 12. **PURCHASE ORDER** – Once the selected vendor is formally authorized to provide the goods and/or service, a delivery schedule and payment terms must be made available.
 - a. **CONTRACT & PURCHASE ORDER** – A formal contract should be signed (for large purchases) and corresponding purchase order submitted to the purchasing system to encumber the necessary funds (large and intermediate purchases). A copy of the contract should be kept on record with the City Clerk’s office. Both contract and purchase order must state:
 - i. The quantity and price of the product/service
 - ii. Description of item or service
 - iii. Any other specifications of the item or services desired

A purchase order is not required for small purchases so long as departmental cost controls are sufficient to ensure expenditures stay within budget.

 - b. **PURCHASE ORDER APPROVALS** – Depend on purchase size:
 - i. Small Purchases – Department Head
 - ii. Intermediate Purchases – Department Head and the Finance Director or City Administrator
 - iii. Large Purchases – Department Head, Finance Director, and City Administrator
 - c. **CONTROL OF CONTRACT/BID EXTENSIONS AND RENEWALS** – If a contract/bid contains an option of renewal or extension, the exercise of the option will be at the sole discretion of the City and will not be subject to agreement or acceptance by the vendor. No option will be exercised unless the Purchasing Agent determines in writing, after reasonable investigation of costs and benefits, that the exercise of the option is more advantageous to the City than other means of procuring comparable supplies or services. Renewals will contain a time limit (e.g., 3 years), with renewal provisions.

- d. **CONTROL OF INCREASE IN PRODUCTS AND SERVICES** – The City may increase the quantity of supplies or services specified in a contract, up to 10% of the original contract provided:
 - i. Purchasing Agent specifies in writing that an increase is necessary to fulfill the actual needs of the community and is more economical and practical than awarding another contract.
 - ii. Parties agree to the increase in writing.
- 13. **CANCELING CONTRACTS** – Any contract may be cancelled for just cause in such cases as the contractor fails to provide promised goods or services in the manner and timeline agreed to by the city. Contracts should be cancelled in writing including the reasons for cancelation with 10 business days’ notice. The city reserves the right to impose reasonable impose fees on contractors where they are found to have violated the terms of the written contract.
- 14. **PURCHASE WITH P-CARD** – The P-Card is used to reduce the time necessary to complete a purchase. It should be leveraged whenever a vendor will accept the purchase card without imposing additional fees or in such cases as the discount terms cover the processing charges.
 - a. Only full-time employees of the City of Saco are eligible to receive a P-Card. Contractors or temporary employees are not eligible. The cardholder is responsible for the security of their card and the transactions made using the card. Only the employee whose name is on the purchasing card may use the purchasing card.
 - b. Each P-Card is issued in the employee’s name but, is the property of the City of Saco and is only to be used for City purchases. It is NOT to be used for personal purchases, cash advances, or any personal travel and entertainment expenses such as airline tickets, hotel accommodations, car rentals or meals. The P-Card is not to be used for employee benefit clothing, boot, or tool allowances. It can be used for business meetings and travel expenses when the travel is authorized. If a spouse travels with the employee, the spouse’s expenses will not be charged to the P-Card. Only an employee’s business travel expenses may be charged to the P-Card. Travel expenses associated with Special Funds, such as Grants, must be preauthorized by the Custodian of Grant.
 - c. Under no circumstances should a transaction be split into two or more separate receipts to bypass the single transaction dollar limit.
 - d. Each card will have:
 - i. A maximum dollar amount per cycle
 - ii. A maximum number of transactions per day
 - iii. A maximum number of transactions per cycle
 - iv. A maximum dollar amount per transaction
 - v. A maximum dollar amount per day

- e. All changes require the written approval of the Department Head and Card Administrator.
- f. Sales tax should not be paid on any purchases made with the P-Card due to the City's municipal exempt status.

15. **DELIVERY & RECEIPT OF GOODS OR SERVICES** – When goods or services have been received, the receiver should be assured satisfaction with the condition of the material or services, noting whether full or partial receipt has been made. This notation can be made right on the printed copy of the purchase order as well. Department heads will be responsible to institute adequate procedures for the storage and distribution of purchased goods or services. The Department Head or designated employee is responsible for signing for delivery. Inclusion of the packing slips and vendor's invoice in the departmental requisition for payment is sufficient notice to the Finance Department and Purchasing Agent that the delivered commodity meets specifications. When a shipment does not conform to the purchase order, the Department Head may seek independent testing of a commodity before payment. The Department Head will immediately notify the vendor of any concealed damages in a shipment and hold the goods for inspection. Samples may be required as part of a Bid or tests conducted before delivery of a purchased item. The City reserves the right to reject an item if it does not conform to specifications.

16. **PAYMENT**

- a. A Requisition for payment using the form itself or the requisition for payment stamp is created by the requisitioning department and submitted to the Finance Department for payment. The requisition for payment includes the purchase order number, the invoice and packing slips. The accounting records are updated automatically when the requisition for payment is entered into the computer system.
- b. Invoices cannot be paid on multiple POs. In the case where an invoice applies to multiple POs, the Department Head should request separate invoices per PO. Exceptions will be taken on a case by case basis.
- c. If the material supplied is a fixed asset, an entry is made to the fixed asset records to record the history of the purchase.
- d. Each Purchasing Card monthly statement is submitted to Accounts Payable with the corresponding receipts attached to the individual's purchasing card statements in order. In cases where a receipt has been lost, the cardholder should submit a memo specifying the purchase amount, date, and that the purchase was made on behalf of the City.
- e. Individual cardholder statements and receipts are compared to the master monthly statement by Accounts Payable.

17. **PREPAID** – If a vendor does not accept credit cards or purchase orders and demands payment up front, the Department Head will get an invoice from the vendor, do a

requisition for payment, and attach a note to Accounts Payable stating date needed and the request "Return check to Department".

F. REGULATIONS GOVERNING SALE OF CITY PROPERTY

1. **SALES UNDER \$10,000** – The Purchasing Agent may conduct the sale of any municipal supplies, materials and equipment no longer required by the City, of value less than \$10,000 unless otherwise prescribed by state law.
2. **SALES \$10,000 OR MORE** – City Council must authorize the sale of any municipal supplies, materials and equipment greater than \$10,000 and the sale of any real estate. If such sale is authorized, the City Council may elect to follow the procedures outlined in this document for competitive bid **or may authorize a contracted sellers' agent in such cases where it is believed that such an agent will achieve a superior result.**
3. **SALES EXCEPTIONS** – The procedure in this subsection will not apply to
 - a. Re-conveyance to the former owner of property taken on tax or sewer lien (Chapter 81 of the City's Code).
 - b. Trade-in on municipal vehicles and equipment where the trade-in value is used to reduce the price of a replacement

G. LEASE OF CITY REAL ESTATE PROPERTY

All leases of real estate property belonging to the City of Saco will be approved by City Council. On the effective date of the lease, the City Clerk at City Hall will file a copy of the executed lease, where it will be kept together with all other current leases of real property belonging to the City. The Assessor and Finance Director will have a copy of the lease. The leases will be a permanent record of the City of Saco. The Finance Department will be responsible for timely collection of all lease payments.

H. INVENTORY

A fixed asset inventory is an important area in which information can be valuable to the purchasing function. **Every purchase of a furnishing, vehicle or piece of equipment with a value of \$10,000 or more will be carried in a fixed asset inventory.** Information about cost, date of acquisition, condition and other pertinent information about the piece of equipment are important to maintain. Information on projected replacement is needed for proper planning and values are critical for insurance purposes. Each department will give the Finance Department any new information on old and new assets. The Finance Department keeps track of the Fixed Assets in the City's Fixed Asset computer program.

All Department Heads will have charge of the storage of supplies and materials purchased by their departments under \$10,000 and will keep proper inventory records thereof. He/she will keep informed and maintain records as to the sources of supply for all classes of purchases, price trends, and other related matters.

I. GRANT DISBURSEMENTS

All recipients of grant disbursements by the city should be classified as contractors or sub-recipients.

1. **CONTRACTORS** – Contractors are paid by the City to provide goods or services necessary to fulfill initiatives related to the grant. Contractors are hired by the City based on the guidance previously detailed in the Purchasing section, starting p. 7. General indicators of a contractor:
 - a. Provides goods and services within normal operations
 - b. Provides similar goods and services to many purchases
 - c. Competes with other similar contractors
 - d. Provides goods and services that fulfill some part of, but not the entire, grant initiative
2. **SUBRECIPIENTS** – Sub-recipients are awarded grant money by the City to fulfill initiatives as they have proposed in some form of written application. General indicators of a subrecipient:
 - a. Determines who is eligible to receive assistance
 - b. Makes programmatic decision making about grant expenditures
 - c. Uses grant funds to carry out a program of the organization, rather than a specific good or service
3. **PASS-THROUGH ENTITY RESPONSIBILITIES** – in such cases where the City has awarded grant money to a subrecipient, the City has become a pass-through entity and is therefore responsible for subrecipient monitoring. The following should be completed annually for each subrecipient:
 - a. Review the Certified Annual Financial Reports and audit findings
 - b. Follow-up on identified deficiencies from the annual audit
 - c. If the sub-recipient is identified as high-risk, perform an on-site review
 - d. Withhold further grant revenue in situations of non-compliance

J. OVERALL DEPARTMENT RESPONSIBILITIES

The specific responsibilities for various aspects of purchasing are shared by the Administration Department, the Finance Department, and each Department Head as follows:

1. **PURCHASING DEPARTMENT** – the Purchasing Department is designated per City Charter Section 5.03 Necessary Departments, Offices, or Agencies and City Code § 4-12. Division of Administrative Service as under the authority of the City Administrator. **If no one employee is designated the role of Purchasing Agent, responsibilities of the Purchasing Agent fall to the Department Head making the purchase.**
2. **ALL CITY DEPARTMENT RESPONSIBILITIES** – City Departments are expected to follow the guidance and procedures laid out in this purchasing policy and to play the role of Purchasing Agent when no one employee is designated in that position.

3. **FINANCE DEPARTMENT RESPONSIBILITIES** – The Finance Director receives and reviews all intermediate and large requisition for purchase orders from the Purchasing Agent for availability of funds; authorizes or rejects intermediate requisition for purchase order, and forwards to Accounts Payable for conversion to purchase order. For large purchases, the Finance Director approves and forwards the purchase order to the City Administrator for authorization then sends to Accounts Payable for conversion. The Finance Department is responsible for the following:
- a. Creates General Ledger Accounts as needed
 - b. Opens mail and forwards invoices to the respective departments
 - c. Holds all required vendor documentation, such as IRS W9 forms
 - d. Receives and process the requisition for payments, making sure all required documentation is received before payment is made to the vendor
 - e. Has Internal Auditor review all processed requisition for payments
 - f. Oversees the distribution of payments to vendors
 - g. Oversees the Purchasing Card program, making sure all receipts for purchases are attached to the purchasing card statements and post to the general ledger accounts monthly

City of Saco Bid Certification

The undersigned certifies under penalties of perjury that this bid is in all respects bona fide, fair, and made without collusion or fraud with another person. As used in this section the word "person" means any natural person, joint venture, partnership, corporation or other business or legal entity.

(Signature)

(Print Name & Title)

(Date)

(Company)

