



Board of Chosen Freeholders

PURCHASING DEPARTMENT POLICY COVER SHEET

TITLE: Purchasing Procedures Policy Manual

SUBJECT: Policy Regulating County Purchasing

SCOPE OF CURRENT REVISION: Revision required due to changes in Department Procedures.

APPROVAL SIGNATURES						
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POLICY REVIEW										
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Reviewed by	Carol Wooten	Kevin Foley								
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PREFACE

The Salem County Purchasing Department has prepared and revised this Purchasing Procedures Policy Manual, which, in conjunction with Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., and Local Public Contracts Law Rules, N.J.A.C. 5:34-1.1 et seq., will serve as the basis for purchasing policies and procedures for the County of Salem.

Revisions to County guidelines and Local Public Contracts Law, as well as a period of nearly ten (10) years since the last Freeholder approved review, precipitated many of the revisions contained herein. In addition, new procedures have been added, and several existing procedures have been updated, in order to insure compliance with the new purchasing regulations, and to provide clear definition of the processes to be followed in specific situations.

Compliance to the legal revisions and procedural policy revisions, brought about by changes in Local Public Contracts Law, is compulsory for the responsible operation of the Purchasing Department.

These procedures shall be consistent with the procurement of quality goods and services needed to meet the standards established by the Salem County Board of Chosen Freeholders. The Purchasing Department's goals shall be to promote the economy and the best interests of Salem County through knowledgeable procurement activities and fair dealings with vendors.

Since promulgation of, and adherence to, purchasing procedures is necessary for the proper operation of a centralized purchasing system, and since it is essential that all who are involved in the purchasing operation be well informed, this manual has been developed and distributed to aid all County employees directly or indirectly associated with the functions of purchasing.

The objectives of the Salem County Purchasing Department shall at all times be as follows:

1. Assurance of continuity of supply to meet the service and supply requirements of the County.
2. Avoidance of overpayment, duplication, and waste through centralization, standardization and aggregation.
3. Maintenance of required standards of quality in goods and services purchased for all County Departments.

4. Maintenance of a cooperative purchasing environment between the Purchasing Department, County Agencies, County Departments, and our Salem County Cooperative Pricing System members.
5. Obtaining maximum savings through aggregation, innovative buying, and the application of value analysis techniques.
6. Administering the purchasing function with internal efficiency and compliance with the various laws, statutes, and rules, and procedures that govern public purchasing.
7. Purchase of goods and services at the lowest responsible price that are consistent with quality performance and delivery requirements.

The Salem County Board of Chosen Freeholders has established the Salem County Purchasing Department to develop and oversee a centralized, countywide purchasing system. This policy manual has been developed to provide a system of procedures for this purchasing system, and is prepared to acquaint County personnel with purchasing procedures and purchasing laws, as directed by the State of New Jersey and the Salem County Board of Chosen Freeholders.

The Salem County Purchasing Department cannot satisfactorily fill the needs of a County department unless all concerned are familiar with the procedures. The following material should therefore be carefully reviewed and followed.

Thank you for your cooperation,

Jessica Foote
Purchasing Agent

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PURCHASING DEPARTMENT

RESPONSIBILITIES AND FUNCTIONS

The Purchasing Department shall be responsible for complying with public purchasing laws as required by the State; administering purchasing policies as approved by the Salem County Board of Chosen Freeholders; approving term contracts less than the bid threshold; consolidation of purchases of like or common items; analyzing prices paid for materials, equipment, supplies, and services; and for generally defining how to generate cost savings and to coordinate the purchasing procedures for the County of Salem.

Pursuant to N.J.S.A. 40A:11-2(30) the Purchasing Agent is the only person authorized by the Board of Chosen Freeholders to make purchases for the County. No department has the right to obligate the County or the Purchasing Agent to buy from a particular vendor even if the purchase is being made from the New Jersey State Contract.

Specific responsibilities, duties, and functions of the Salem County Purchasing Department include the following:

1. Policies and Procedures – The Purchasing Department shall develop purchasing objectives, policies, programs, and procedures for the purchase and acquisition of all materials, supplies, equipment, and services necessary for the continuous operation of the County of Salem.
2. Representation – The Salem County Purchasing Agent shall act as Salem County's representative on all matters pertaining to purchasing.
3. Specifications – In conjunction with the user departments, the Purchasing Department shall prepare quotation, competitive contracting, and public bid specifications in order to obtain the goods and services required for the operation of the County.
4. Consolidation and Bulk Purchasing – The Purchasing Department shall consolidate purchases of like or common items to obtain the maximum economical benefits and cost savings.
5. Surplus Property – After determining that there is no use for any surplus property by any County department, the sale, donation, and disposal of such surplus materials, supplies, and equipment, shall be arranged through the Purchasing Department.
6. Standardization – The Purchasing Department shall work with all agencies and departments to establish standardization of materials, supplies, and equipment, where practical, with the goal of obtaining quality goods and services at the lowest responsible price.
7. Supplier Relations – At all times, the Purchasing Department shall promote good will and positive public relations between the County of Salem and its suppliers, and shall encourage full and open competition.

8. Budget – The Purchasing Department shall prepare and submit its annual operating budget for the Purchasing Department and shall, when requested, provide departments with estimates and information required for their budget preparations.
9. Purchasing Analysis – The Purchasing Agent shall keep informed of current developments in the field of purchasing, prices, market conditions, and new products; and shall secure for the County the benefits of research conducted in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations having national recognition, and by private businesses and organizations.
10. Purchasing Manual – The Purchasing Agent shall prescribe, develop, maintain, and revise as needed, a standard purchasing procedures policy manual for all using agencies and departments.

POLICIES

The following procedures shall govern the procurement of goods and services for the County of Salem in accordance with existing purchasing policies and regulations and shall apply to all private contractors and all employees, including elected and appointed officials, acting on behalf of the County:

1. All requests for prices or services and all purchases shall be made through and by the Purchasing Department except as otherwise exempted in writing by the Board of Chosen Freeholders. In some instances, the Purchasing Agent may delegate to others the authority to request prices.
2. Acceptance of compensation of a material nature from a vendor or potential vendor by any County of Salem employee or agent acting on behalf of the County of Salem is strictly prohibited. No County employee or agent shall become obligated to any supplier and shall not enter into and/or conclude any County transaction from which they may personally benefit.
3. No employee or agent of the County shall contract on behalf of the County whereby they may derive income or benefits other than those provided as compensation from the County for their employment. However, no employee, agent, or officer of the County shall be prohibited from purchasing, at public auction authorized by law, used goods or materials from the County.
4. Under no circumstances shall any contract, purchase, or group of requisitions be subdivided to avoid bid and quotation requirements.
5. It is unlawful for a County officer, agent, or employee to order the purchase of any materials, supplies, equipment, or contractual services, or make any contract other than through the Purchasing Department. Any purchase arrangement, purchase order, or contract made contrary to the provisions contained herein shall not be approved and the County shall not be bound thereby.
6. The purchase of food is prohibited, unless purchased with grant or trust funds.

7. Clothing purchases outside of the departments required uniforms per the County Policy Manual are prohibited. The cost of embroidery and/or screen printing the County logo on clothing, purchased by the employee, will be at the discretion of the Department Head.

INTERDEPARTMENTAL RELATIONS

Cooperation and understanding between all agencies and departments is essential for effective operation, and the Purchasing Department shall abide by the following:

1. The Purchasing Department will at all times establish and maintain a close liaison with other departments in order to meet their purchasing needs and requirements.
2. In most instances, the using department and not the Purchasing Department shall determine the requirements for a particular purchase.
3. In cases where technical equipment, specifications, plans, or designs are involved, the user department shall indicate their requirements and all purchasing actions will be coordinated with the user department prior to the solicitation of quotations, bids, and prior to the issuance of a formal purchase order or contract.
4. The Purchasing Agent shall conduct a purchasing seminar to be held periodically with various County Departments. This seminar shall aid County personnel in gaining a better understanding of the operation of the Purchasing Department. In addition, the seminar matter shall contain information on State Contract purchasing, established purchasing policy, emergency purchases, flow of requisitions, distribution of purchase order copies, solicitation of quotes, definition of purchasing terms, blanket orders, change orders, Professional Services contracts, Extraordinary Unspecifiable Services contracts, and other purchasing related issues.

VENDOR RELATIONS

In interviews, or during any discussion with salespeople, neither the using department nor the purchasing staff shall commit to preference for any product or service or give any information regarding preference or price.

Any quotations or specific information received from vendors relative to any item under consideration for purchase shall not be divulged to competing vendors before a purchase order for those goods or services has been issued or bids have been opened in public.

All bidders must be afforded equal opportunities to quote so that competition is stimulated and on equal terms.

New sources of supply will be given due consideration as multiple sources for supplies and services are necessary to ensure competition, continuity of supply, and availability of quality materials. The County will buy from any vendor who exhibits adequate financial strength, high ethical standards, a record of adhering to specifications, maintains shipping promises, gives a full measure of service, and meets all other requirements for a particular purchase.

REQUISITION TO PURCHASE

The requisition to purchase serves to inform the Purchasing Department of the needs of the user department and to correctly define the material or service requested. In addition, the signed requisition signifies authority to charge a specific account number and that there are sufficient funds available in the account specified for this purchase.

PURCHASING DEPARTMENT'S RESPONSIBILITIES

1. To become acquainted with the needs of all departments and agencies.
2. To aid and cooperate with all departments in meeting their needs for procuring supplies and services at the lowest responsible cost to the County.
3. To assist in the preparation of specifications for all requirements of particular service and supply purchases.
4. To locate sources and availability for the services and products required for the efficient operation of County Departments.
5. To process all requisitions and purchase orders with the least possible delay to insure that the County will receive ordered goods and services in a timely fashion, and so that our vendors may be paid in a timely fashion.
6. To work with the departments and suppliers in correcting, when required, all the steps involved in processing a purchase order.
7. To assist the department with any difficulty after the product has been delivered or service has been rendered.

USER DEPARTMENT'S RESPONSIBILITIES

1. All user department requisitions should contain a clear and accurate description of materials and services to be purchased.
2. If requested, departments shall provide a list of anticipated requirements and future department purchases for development of centralized purchasing strategies.
3. Under no circumstances is the Purchasing Department to be obligated to a vendor for anything except the opportunity to offer for sale any goods or services that the County may wish to purchase.
4. Cooperation with the Purchasing Department by reporting in writing the results of purchases, either favorable or unfavorable. If you have complaints, report them. See Report of Unsatisfactory Materials and/or Services in the collection of Exhibits.

5. Make sure that all requisitions are properly completed as to department, account number, product description, State Contract number, resolution number, contract identity, etc.
6. Insure that funds have been allocated and are available in the proper line account to support purchases noted in the requisition. If sufficient funds have not been allocated and are not available, the Treasury Department's Edmunds Financial Software System will not process the requisition.
7. Insure that the proper line account is charged for each purchase. If the wrong account is used, Edmunds will not allow the requisition to be processed.

WHEN A REQUISITION IS PREPARED

A requisition shall be prepared far enough in advance of required date of delivery to allow sufficient time for deliveries to be made.

WHO PREPARES A REQUISITION

With the exception of certain identified purchases, all requisitions should originate in the using department at the level where the purchase is to be used and shall proceed to the designated approval authority. All requisitions shall be approved (on Edmunds) by the Department Head or their authorized designee. Requisitions not properly completed will not be processed until clarification is submitted to the Purchasing Department.

Requisitions shall be prepared far enough in advance of required delivery date so as not to create emergencies.

If the requisition is incomplete or not properly prepared, the Purchasing Department shall notify the originating department for completion and/or correction.

SPECIAL SITUATIONS FOR A REQUISITION

Requisitions in which special handling is requested for the purchase of materials or services to prevent downtime in any operation of a department, but which may not be strictly defined as emergencies, may be walked through channels in the interest of saving time. These must be held to a minimum and shall be used only in cases of required purchases under the Bid Threshold (see exhibit section for Table of Thresholds).

HOW TO PREPARE A REQUISITION

A properly prepared purchase requisition must contain the following information (see exhibit section):

1. Department - Fill in the assigned user Department number.
2. Date – Edmunds automatically fills in the date.
3. Account Number - Insert the correct account line number to which the purchase is to be charged.
4. Required Delivery Date - Insert the required delivery date on each requisition to indicate the need or desire for delivery within a specified period of time. Requisitions shall be prepared far enough in advance of required delivery dates so as not to create emergencies.
5. Deliver To - Be specific as to the destination of the delivery by filling in the appropriate address number in the "Ship To" area of the requisition.
6. Quantity and Unit - Insert the number required and follow with an abbreviation for those materials that need clarification such as "doz.", "ea.", etc.
7. Description - Give a clear description of the item desired as to size, color, type, grade, etc. If the item cannot be described except in great amount of detail, then a brief description followed by a trade name and model, or equal, will be acceptable.
8. Quotations – Department Heads are reminded that at least two quotes must be solicited for purchases over the Quote Threshold, which is 15% of Bid Threshold (see exhibit section for Table of Thresholds). These quotes must be in writing, and that quotes must be recorded on the Quotation Sheet (see exhibit section) and this sheet must be kept on file in the user Department. When required, the quotes must be included on page two of the requisition.
9. State Contract Requisition – If your purchase is from a New Jersey State Contract vendor, that vendor's five-digit state contract number must be prominently referenced on the requisition. The Purchasing Department shall research the contract and vendor number to insure validity.
Note: Not all products sold by a state contract vendor are on state contract.
10. Requisitions for Contracts – Requisitions for contracts which have been awarded by resolution of the Board of Chosen Freeholders, such as public bids, State Contracts, Professional Services, and Extraordinary Unspecifiable Services, must have the resolution number prominently referenced.
11. PO Type – Change PO type to New Blanket when creating a blanket purchase order.
12. Purchase Type – If applicable, indicate if the purchase is from state contract or a bid. Include state contract number or resolution number as required above.

PURCHASE ORDERS

PURPOSE

A purchase order authorizes the vendor to ship and invoice the materials or services as specified. Therefore requisitions need to be entered so that they are clear, concise, and complete as this is what is printed on the purchase order. This shall be completed so as to prevent any unnecessary misunderstanding and correspondence with suppliers.

WHEN ISSUED

After determining that funds are available, competitive pricing is received, and after Board approval, if necessary, and after receipt of all required documentation, a computer generated purchase order shall be issued, signed by the purchasing agent, and sent to the appropriate contractor(s).

WHO ISSUES A PURCHASE ORDER

Only the Salem County Purchasing Agent has the authority to issue purchase orders for the County of Salem. The using department will not enter into negotiations with any supplier for the purchase of supplies, materials, or equipment, unless authorized to do so by the Purchasing Agent. All purchase orders shall be forwarded to the supplier by the Purchasing Department.

PURCHASING PROCEDURE

1. Requisition from the using department is forwarded to the Purchasing Department and a purchase order is generated for the materials or services.
2. After approval of all required documentation the Purchasing Agent signs the purchase order and the copies are then distributed as follows:

Page One	Purchase Order/Voucher
Page Two	User Department File Copy
3. The vendor signs and returns the voucher and invoice to the user department who will, after complete receipt of the materials or services, in turn submit those documents to the Treasury Department for vendor payment.

EXPEDITING AND FOLLOW-UP

The ordering department shall make inquiry to the vendor as to the status of an order after a reasonable period of time. The ordering department is also responsible for providing vendors with payment status.

DIFFICULTIES AFTER RECEIPT OF SERVICES OR GOODS

Upon request from the ordering department, the Purchasing Department shall handle any problems or difficulties with received materials or services with the vendor.

PREPAYMENT PURCHASE ORDERS

Goods and services must be delivered and received before payment is made to the vendor. Unless authorized in advance, prepayment is not permitted.

CHANGING A VENDOR'S NAME

Vendor's names are not to be changed. The only way a vendor's name can be changed is if a company with whom we have an open purchase order legally changes its name. A copy of a court document or order showing the name change must be submitted to the Purchasing Department prior to the purchase order being voided and a new one issued.

END OF YEAR ENCUMBRANCES

All orders which a department wishes to charge to the current year budget must be presented to the Purchasing Department prior to the year-end deadline. Any request for purchases after this deadline will be held for encumbrance against the next year's budget. Only emergencies will be accepted for encumbrance after this deadline. The year-end deadline shall be communicated to Department Heads at least two (2) weeks in advance.

TREASURER'S OFFICE PROCEDURES

All approved supporting documents for payment, such as the signed voucher and invoice, must be received in the Treasury Department by the 26th day of the month prior to the month in which the check will be issued. Normally, payments are processed for payment by the Treasurer on the Thursday after the third Wednesday of the month.

All requests for duplicate vouchers to replace lost vouchers should be directed to the Purchasing Department.

BLANKET PURCHASE ORDERS

Create a blanket purchase order by changing PO Type to New Blanket when a requisition is in the open status. All draw downs should be completed on a blue Material/Service Requisition Form (see exhibits). Draw downs do not require vendor signature. Blanket purchase orders should be created for all contracts.

CONTRACTS TO BE AWARDED BY RESOLUTION

All Professional Services contracts, Extraordinary Unspecifiable Services contracts, and all contracts over the bid threshold (see exhibit section for table of thresholds) must be awarded by Resolution by the Board of Chosen Freeholders.

Resolution documents required for the awarding of contracts should be prepared by the Purchasing department and then forwarded to the Clerk of the Board, no less than seven (7) calendar days prior to the Freeholder Meeting at which action on the resolution is expected.

County Counsel will review and approve resolutions before they are adopted and shall review, for legality, all contracts before they are acted upon and entered into by the Board of Chosen Freeholders.

CERTIFICATION OF AVAILABILITY OF FUNDS

All resolutions awarding contracts must have attached an approved Certification of Availability of Funds issued from the Treasurer's Office before being considered by the Board of Chosen Freeholders.

1. The user department prepares the Certification of Availability of Funds (see exhibit section) and provides all pertinent information including the account number against which these funds are to be encumbered and certified.
2. The user department then forwards the Certification of Availability of Funds to the Treasurer's Office where certification against the correct account is completed and the Treasurer then certifies that sufficient funds are available.
3. Once the Treasurer has signed the Certification of Availability of Funds it is forwarded to the Office of the Clerk to the Board where it is attached to the respective resolution and put on the Freeholder Meeting agenda.
4. County Counsel shall review all contractual documents for legality before they are presented to the Board of Chosen Freeholders for action.
5. The contract must be signed by the vendor and forwarded to the Office of the Clerk to the Board no less than seven calendar days prior to the Freeholder Meeting at which action is expected. Once so advised by County Counsel, the Director and the Clerk of the Board of Chosen Freeholders shall be authorized to sign the contract.
6. Upon notification of receipt of all required contract documents by the Office of the Clerk of the Board, the user Department will prepare a requisition and a purchase order will be issued to the contractor(s).

OPEN-END CONTRACTS

An open-end contract is one in which a contract is made with a particular vendor who has given the lowest responsible price for goods or services that will be ordered on an as needed basis with no minimum or maximum quantity guaranteed to be purchased.

This purchase order may be issued on a monthly, yearly, or on an as-needed basis, indicating an amount not to be exceeded. The user department will monitor all deliveries and invoices for accuracy and at the end of the specified period the vendor will be paid.

Certification of Funds that may be required for certain open-end contracts may either be issued for the entire contract and purchase order amount or they may be issued with each purchase order issued against the contract, at the discretion of the Treasurer and the Purchasing Agent.

PARTIAL DELIVERIES

In the case of goods or services obtained by purchase order being only partially received, the order must be shipped and received complete before the vendor shall be paid. Payments may be set up for monthly or quarterly payment basis for lease agreements, service agreements or supply agreements.

EMERGENCY PURCHASES

Local Public Contracts Law 40A:11-6 states that "Any contract may be made, negotiated or awarded for a contracting unit without public advertising for bids and bidding therefore, notwithstanding that the contract price will exceed the bid threshold, when an emergency affecting the public health, safety, or welfare requires the immediate delivery of goods or the performance of services".

1. Emergency purchases are to be initiated only when property, equipment, or life is endangered through unexpected circumstances.
2. The need for emergency purchases may only be authorized by the official in charge of the agency, or their designee, wherein the emergency occurred.
3. The official in charge of the agency or his authorized designee shall notify the Purchasing Agent and shall supply information as to the nature of the emergency. The Purchasing Agent, if satisfied that an emergency exists, shall award contracts as may be necessary to respond to the emergent needs.
4. The Emergency Declaration Sheet (see exhibit section) must be completed and filed with the Purchasing Agent as soon as is practicable.
5. If an emergency occurs during a time when the Purchasing Agent is unavailable, the Department Head, or their designee, shall secure necessary services or materials to correct the emergency. All purchase documents such as requisitions, invoices,

delivery slips, counter receipts, etc. must be attached to the Emergency Declaration Sheet and delivered to the Purchasing Department on the next work day following the date of the purchase.

6. The department will make emergency purchases at the best possible price. Emergency purchases are costly and should be kept to a minimum. They are usually hurried, completed without competitive pricing, and therefore expensive. Vendors will usually charge a premium when supplies must be obtained on an immediate basis
7. True emergencies such as acts of nature or unforeseen circumstances will always occur and will always be addressed and remedied, but negligence, lack or absence of planning, non-anticipation of normal needs, or project deadline dates, shall not constitute an emergency. The Purchasing Agent may reject claims of emergency and related requisitions if there is reason to believe that no true emergency existed at the time of purchase.
8. Emergencies must invoke N.J.S.A. 40A:11-6 by completely filling out the emergency document supplied in the exhibit package. This statute is very restrictive as to the definition of an emergency and shall be treated on that restrictive basis by the Purchasing Department.

CANCELLATION OF PURCHASE ORDERS

Cancellation of a previously issued purchase order shall be initiated by completing the "Notice of Purchase Order Cancellation", included in the exhibits, and then immediately forwarding that cancellation notice to the Purchasing Department.

The user department issuing the cancellation notice shall alert the effected vendor as to the cancellation of the purchase order and shall indicate on the completed cancellation form forwarded to the Purchasing Department the date, time, and name of the person spoken to, while communicating such cancellation notice.

If a department issues a "Notice of Purchase Order Cancellation" for a purchase order that has already been submitted for payment, then the issuing department must immediately notify the County Treasurer's office to insure that a check is not mistakenly issued to the vendor noted in the cancellation order.

QUOTATIONS, BIDS, AND COMPETITIVE CONTRACTING

Quotations solicited for purchases up to the Quote Threshold may be either written or oral, at the discretion of the Purchasing Agent. Quotations solicited for purchases estimated to cost between the Quote Threshold and Bid Threshold (see exhibit section for table of thresholds) may either be written or oral, but a written record of those quotations must be maintained by fully completing the Quotation Request form (see exhibit) and attaching it to your requisition. A minimum of two (2) quotations for each item or group of items required must be solicited.

Sealed formal Requests for Quotations (RFQ) may also be solicited, at the discretion of the Purchasing Agent, and such RFQ's shall be opened at a pre-determined date and time.

Departments are hereby notified that Prevailing Wage, Insurance, Affirmative Action, Contractor Registration, and other requirements may pertain to quotations for certain projects. Questions concerning the requirements for quotations shall be discussed with the Purchasing Agent before any solicitation occurs, if authorized.

The Purchasing Department shall request either open competitive bidding or competitive contracting on purchases exceeding the Bid Threshold. For competitive bidding, advertisements shall be published at least one (1) time in the official newspaper. The Purchasing Department shall solicit bids from responsible prospective suppliers obtained from, publications, catalogues, suggestions from department heads, previous suppliers, etc. The Purchasing Department shall attempt to secure as many bids as is practicable.

A tabulation of all bids received shall be available for public inspection in the Purchasing Department during regular business hours.

The Purchasing Agent, with the advice of County Counsel, and in accordance with applicable law, shall have the right to reject all bids and request that the entire transaction be re-bid.

Competitive contracting may be used in lieu of public bidding for certain purposes. Competitive contracting is a request for proposal process that follows a specific procedure and allows for contract award based upon price and other factors and shall be used as prescribed by law.

RESPONSIBILITY FOR SPECIFICATIONS

The preparation of specifications for use in public bidding and competitive contracting shall be the joint responsibility of the Purchasing Department and the using department. Specifications shall be written to encourage competition. In general, specifications should define the level of performance required rather than a specific brand name. For the benefit of vendors and the department, specifications must be clear and concise. The Purchasing Department reserves the right to alter or revise specifications in order to comply with all purchasing regulations and to promote open competition.

REVIEW OF SPECIFICATIONS

Prior to solicitation of quotations or bids, the Purchasing Agent may review the specifications for certain commodities and services with other knowledgeable departments within the County to assure open competitive bidding and up to date specifications.

BID INVITATIONS

The invitation to bid shall be sent or placed in the hands of prospective bidders. Notice of Bid shall be advertised and posted in the official newspaper, according to law. Bid opportunities may also be advertised on the County Website.

BID BONDS AND DEPOSITS

Bidders may be required to provide Bid and/or Performance bonds with their bids. Unsuccessful bidders shall be entitled to the return of such bonds as required by law.

DISPOSITION OF BIDS

Bids shall be opened in public at the time and place stated in the public notice. No bids shall be accepted after the time and date designated for bid opening.

A tabulation of all bids received will be made and be available for public inspection.

All bids requiring Board approval shall be submitted with a recommendation to the Board for final approval.

AWARD OF CONTRACTS

In determining the lowest responsible bidder, the following shall also be considered:

1. The ability, capacity, and skill of the bidder to perform the contract.
2. Whether the bidder can perform the contract within the time specified without delay or interference.
3. The sufficiency of the financial resources to perform the contract obligations.
4. The quality, availability, and adaptability of the supplies or contractual services to the particular use required.
5. The ability of the bidder to provide future maintenance and service when applicable.
6. The number and scope of conditions attached to the bid.

WAIVER OF IRREGULARITIES

The Board of Chosen Freeholders shall have the authority to waive any and all irregularities in any and all formal bids, should it be deemed to be in the best interest of the County to do so, as allowable by law.

TIE BIDS

The County of Salem reserves the right to make an award at their discretion to any bidder in the case of a tie bid.

CONTRACTS

Whenever required, the successful bidder shall promptly execute a formal contract to be approved by the County Solicitor, as to its form, terms, and conditions and shall be signed by the proper authority. When required, such bidder shall also execute and deliver to the Purchasing Department a good and sufficient performance bond in the amount specified in the invitation to bid. Any bidder who has a contract awarded to them and who fails to promptly execute the required contract, may forfeit their bid bond. The certified checks of unsuccessful bidders shall be returned. A certificate of insurance must also be submitted when required by the specifications.

VENDOR COMPLAINTS AND DISPUTES

Salem County encourages prompt and fair handling of all complaints and disputes with the business community. In order to resolve disputed matters in an equitable manner without fear of retribution on the part of the vendor, the following procedures have been adopted:

1. The Purchasing Department shall forward a notice of the intended award recommendation to all bidders.
2. Any bidder adversely affected by the decision or intended decision must file a written notice of protest. This notice must be delivered to the Purchasing Department and must contain all information concerning their objection to the award.
3. Upon receipt of a formal written protest the Purchasing Agent will establish a time and date to discuss the matter and attempt to resolve the dispute within fourteen (14) consecutive days of the formal written protest date.

INVOICES

An invoice is a document that itemizes charges for the purchase of supplies, materials, equipment, or services that have been furnished. It is the means by which the supplier informs the County of its obligations and should contain the same basic information as the purchase order.

Prompt processing of invoices for settlement of obligations is very important because it may have a favorable or unfavorable effect on the relationship between the County and its suppliers.

An invoice should contain the following information:

1. Purchase order number.
2. Date of order.
3. Date of delivery.
4. Terms.

5. Itemized list of rendered services or materials.
6. Destination of delivery.
7. Quantities, prices (unit and total), terms, and any other charges contained in the purchase order.
8. Delivery and cartage should be listed separately from the materials and supplies.
9. Invoices should be submitted to the user department along with a signed voucher for same.

The using department receives all invoices from suppliers and contractors. The using department will then match the invoice with the voucher. After all paperwork is received by the user department, it shall be forwarded to the Treasurer's Office for vendor payment.

RECEIPT OF GOODS AND SERVICES

The using department is charged with the responsibility of inspecting all supplies to determine quality, quantity, and conformity with specifications and the purchase order.

The Purchasing Department shall have the authority to question, examine, or test the quality and kind of materials requested by the using departments.

After receipt of materials and after inspecting and/or testing, the user departments should sign packing slips presented by the vendor. Any variation in quantity shall be noted on the delivery receipt. If the quantity does not agree with the supplier's delivery ticket, the user Department shall notify the Vendor of the discrepancy. If the materials are not in conformity with the specifications and are not acceptable to the using department, they shall notify the Purchasing Department at once of the reasons for withholding acceptance.

The importance of adequate testing and inspection cannot be over emphasized. Not only does inspection prevent the direct loss of occurring from acceptance of and payment for defective materials, it also has a salutary effect on vendors since the knowledge that materials will be carefully inspected and tested deters the shipment of inferior goods. It identifies those manufacturers and suppliers whose products consistently conform to specifications and those who habitually take full advantage of the maximum tolerances permitted. Finally, adequate inspection brings to the attention of the vendor faults in their products which they must remedy before future purchases are made.

Sign-off on the receiving report by the department head signifies that the items have been properly received, inspected, and accepted.

REPORT OF UNSATISFACTORY MATERIALS OR SERVICES

The Report of Unsatisfactory Materials or Services, included with the exhibits, can be utilized to inform the Purchasing Department of any difficulties due to poor service on blanket purchase orders, contracts, or quality of materials that do not meet specification requirements.

A properly prepared Report of Unsatisfactory Materials or Services must contain the following information:

1. Date.
2. Vendor name and address.
3. User department and contact person.
4. Purchase order number.
5. Department head signature.
6. Brief and exact statement of the problem and why the product or service is unacceptable.
7. All available documentation shall be attached.

The Report of Unsatisfactory Materials or Services shall be forwarded to the Purchasing Department who will then send a complaint to the vendor for their response.

The user department shall be notified as to the vendor's response and any action taken by the Purchasing Department.

PROFESSIONAL AND EXTRAORDINARY UNSPECIFIABLE SERVICES (EUS) CONTRACTS

Local Public Contracts Law defines Professional Services as "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 prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship or training...and 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."

Extraordinary Unspecifiable Services means "services which are specialized and qualitative in nature requiring expertise, extensive training, and proven reputation in a field of endeavor."

The Division of Local Government Services narrowly construes the application of Extraordinary Unspecifiable Services in favor of open competitive bidding, and further does not support the assertion that the service can only be provided by a single contractor by a claim of sole source.

The following processes shall be followed when requesting a Professional or Extraordinary Unspecifiable Services contract award:

1. All requests must be made to the Purchasing Department.
2. All such contracts must follow New Jersey Pay-to-Play provisions (see exhibits area).
3. All such contracts must be awarded by resolution of the Board of Freeholders.

4. All such contracts must have the availability of funds for contract payment certified in writing by the Treasurer.
5. Award of either type of contract must be published in the official newspaper.
6. When in excess of the bid threshold, contractors awarded either type of contract must produce proof of compliance with Affirmative Action requirements.
7. Competitive quotations must be solicited for Extraordinary Unspecifiable Services contracts, unless deemed impracticable by the Purchasing Agent, but are not required for Professional Service contract awards.

CHANGE ORDERS

Local Public Contracts Law Rules, N.J.A.C. 5:30-11.2(a) states that "A change order is a properly prepared document authorized by the governing body which directs and authorizes a contractor, consultant, or other vendor performing work for, or supplying materials and supplies to a local unit pursuant to a contract, to change the quantity or character of work, service, or materials to be performed, rendered or furnished, from that originally specified or estimated and to correspondingly change the payment due therefore."

Change orders are subject to the following:

1. All change orders must be in writing and must be consecutively numbered.
2. No change order shall nullify the effect that may have been achieved by a competitive determination.
3. Availability of all funds for a change order must be certified in writing by the Treasurer.
4. All change orders must be authorized by resolution of the Freeholder Board and no work shall be performed until that resolution has been adopted.
5. All change orders, even those that reduce or have no impact on the amount of original contract, must be signed by the Department Head completing the Change Order form (see exhibits) and forwarding it to the Clerk of the Board, who will review and determine appropriate action. If approved by the Clerk of the Board, the Department Head shall be directed to forward a requisition to the Purchasing Department for vendor payment.
6. Change orders shall not be held by the Department Head until or near the completion of a project.
7. Special procedures apply to any change order that exceeds 20% of the contract amount. Departments are instructed to confer with the Purchasing Agent concerning those procedures.

8. Copies of all change order documentation shall be retained by the Department requesting the change orders.
9. Any questions concerning the procedures for change orders shall be immediately directed to the Purchasing Agent.

FIXED ASSETS

All personal property having a useful life of more than one (1) year and an acquisition cost greater than \$5,000 must be reported to the Purchasing Agent. Department Heads must complete a Fixed Asset Inventory Control Entry Form (see exhibits) and forward it to the Purchasing Agent anytime a fixed asset is purchased, traded in, disposed or transferred. A copy of the purchase order and all back up documents used to purchase the property shall be included with the form. Each fixed asset will be assigned a unique number and a report of these items will be kept on file in the Treasury Department. It will be the responsibility of the Department Head to review their unit's list of fixed assets on an annual basis and report any changes.

SURPLUS AND OBSOLETE PROPERTY

Surplus, such as worn out or obsolete materials and equipment which are not needed or which are not suitable for public use, shall be disposed of as the need arises. Miscellaneous items such as raincoats, gloves, broken tools, minor small articles either worn-out or having no useful value shall be disposed of by the individual departments.

Surplus, worn-out, or obsolete materials and equipment which have no further practical use may be disposed of in any of the following ways:

1. By transferring to another department.
2. By trading in on new equipment.
3. By advertising for sealed bid sale.
4. By selling as scrap.
5. By sale at public auction as arranged by the Purchasing Agent, Buildings and Grounds Department, Road Department, and the Treasurer's Office.

Each department shall report its surplus or obsolete stock, equipment, or materials to the Buildings and Grounds Department.

Prior to disposition of property, the items shall first be offered to other County Departments.

All items that are requested to be picked up by the Buildings and Grounds Department that are considered fixed assets (items over \$5,000.00 in value) must include on the pick-up request the make, model, serial number, and any other identification number attached to the item so that it can be removed from the fixed assets inventory.

If the surplus is to be sold it will be done by the Purchasing Department upon precise specifications concerning the items and upon an order of sale approved by the Purchasing Department in the following manner:

1. Public auction.
2. Advertise for sealed bids on specified surplus materials and equipment in accordance with state statutes.

Use of Online Auction Sites

The Division of Local Government Services has authorized a number of vendors for local contracting units to contract with for the purposes of selling surplus personal property online without having to first obtain Division approval, as long as certain procedures are followed. All approved vendors are listed on the Division's E-procurement webpage.

Local units that contract with one of the approved vendors are reminded to forward to the Division copies of resolutions approving the sale of surplus property. Use of vendors other than those on the approved list for selling surplus property online must first be approved by the Division. A sample resolution for selling surplus property online may be downloaded from the Division's website.

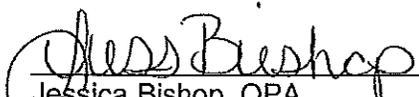
Final acceptance of the sale and conditions of the sale will be made with the Purchasing Agent reviewing all bids, selecting the successful bidder, and preparing sales orders for items under \$100,000.00. All sales over the bid threshold shall require approval of the Board of Chosen Freeholders.

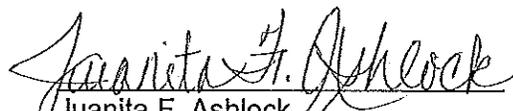
The Purchasing Agent, with the assistance of various departments, shall decide, in the best interest of the County, if items should be sold, traded, or transferred to another department.

SUMMARY

The information contained in this manual is designed to assist departments in acquiring needed goods and services and is by no means all-inclusive. Failure to comply with Purchasing Policies will result in disciplinary action. Failure to obey this policy manual may result in discipline up to termination and conviction as a misdemeanor.

The Purchasing Department strives for quality service in a timely manner. In this respect, we are available for inquiries, suggestions, or any other assistance, which can be provided within our scope of services. Please feel free to contact us at any time.


Jessica Bishop, QPA
Purchasing Agent
856-935-7510 x 8601


Juanita F. Ashlock
Assistant Purchasing Agent
856-935-7510 x 8401

EXHIBITS

TABLE OF BID THRESHOLDS

EDMUNDS REQUISITION

PURCHASE ORDER

BLANKET PO DRAW DOWN – BLUE MATERIAL/SERVICE REQUISITION FORM

CERTIFICATION OF AVAILABILITY OF FUNDS

NOTICE OF PURCHASE ORDER CANCELLATION

REPORT OF UNSATISFACTORY MATERIALS OR SERVICE

CERTIFICATION OF REQUEST FOR EMERGENCY PURCHASE

CHANGE ORDER FORM

QUOTATION REQUEST FORM

NJ PAY-TO-PLAY CHART

FIXED ASSETS INVENTORY CONTROL ENTRY