



**Town of Gordonsville, Virginia  
Agenda Item Summary  
October 17, 2022**

<p><b><u>AGENDA ITEM 11b</u></b> New Business <b><u>AGENDA TITLE:</u></b> Consideration of Financial Policy Amendment Regarding Purchases. <b><u>PRESENTER:</u></b> Mayor Robert Coiner</p>	<p><b><u>DISPOSITION:</u></b> <input checked="" type="checkbox"/> Action Required    <input type="checkbox"/> For Discussion <input type="checkbox"/> Consent Agenda    <input type="checkbox"/> Closed Session <input type="checkbox"/> Informational</p> <p><b><u>ATTACHMENTS:</u></b> <input checked="" type="checkbox"/> yes                            <input type="checkbox"/> no</p>
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**BACKGROUND:**

This matter has been placed on Council’s agenda at the request of Mayor Coiner.

Attached for Council’s consideration is a proposed amendment to Section IV of the Purchasing Policy of the Town’s Financial Policies. The amendment as drafted is intended to give the Town more flexibility in selecting a vendor for providing goods or services to the Town.

**MOTION FOR CONSIDERATION:**

“Motion to amend Section IV of the Purchasing Policy of the Town’s Financial Policies, as presented.”

# **PURCHASING POLICY**

## **I. Background**

- A. This Policy shall serve as a guide for consistent purchasing practices.
- B. This purchasing policy shall assist the Town in obtaining high quality goods and services at reasonable cost, in conducting all procurement procedures in a fair and impartial manner with avoidance of any appearance of impropriety, in providing access to the Town's public business for all qualified vendors, and in promoting efficient procurement practices across all Town departments.
- C. This policy establishes means of purchasing materials, supplies, equipment and services by the Town. Unless specifically exempted in this policy is applicable to all departments of the Town and for obligations paid through the Town Treasurer's Department.

## **II. Governing Procurement Functions**

- A. The Town reserves the right to accept, reject or cancel any or all solicitations or parts thereof, to waive informalities, and to reissue solicitations. The Town also reserves the right to award the contract as it deems will best serve its interests. It further reserves the right to award the contract on a lump sum basis, individual item basis, or such combination as shall best serve the interests of the Town. This may include multiple awards if provided for in the solicitation.
- B. No contracts may be awarded or purchases authorized at any level unless adequate funds have been appropriated by the Town Council.
- C. The Town Manager shall have authority to sign all contracts which have been properly awarded, upon authorization by Town Council.
- D. For purposes of this policy, the procedure for award of term contracts shall be determined by the estimated value of the contract for the initial term of the contract. The Town Council shall establish the length of these contracts and the number of renewal terms.

## **III. Delegation of Authority**

- A. The Town of Gordonsville delegates the overall responsibility for ensuring compliance with the purchasing policy to the Town Manager. Town department heads shall be responsible for the purchase of all goods and services for their departments in accordance with this policy.
- B. Any purchase not made in accordance with the applicable laws and this policy shall be deemed an unauthorized purchase for which the Town shall not be obligated.

- C. Any employee who engages in purchasing goods or services in a manner inconsistent with the applicable laws and this policy shall be subject to disciplinary measures to include termination and criminal prosecution.
- D. No obligation shall be made for any purchase in excess of the amount appropriated for that purpose as reflected in the Town budget. Overages up to \$5,000 over the amount appropriated may be considered upon approval by the Town Manager only if such overage does not create an overage within the budget category. Overages in excess of \$5,000 of the amount appropriated must be approved by the Town Council through a budget amendment.
- E. No purchases may be made with funds from contingency or reserves without approval of the Town Council.
- F. Contracts or purchases valued at \$500.00 or more may not be awarded until a Purchase Order has been issued by the Town Manager. Purchase orders shall be submitted to and approved by the Town Manager **prior** to the ordering and purchase of goods and materials in this regard. Purchase orders are not required for payments associated with professional service contracts, utility payments, or for the payment of professional dues.

#### IV. Purchase Procedures

- A. Small purchases of goods or services that range from \$5,000.00 to \$29,999.99 shall include an informal request for at least three quotes. If Town Council feels it is in the best interest of the Town, fewer than three quotes may be acceptable, and with the approval of Town Council, two estimates are sufficient to serve the intent of this policy. Such quotes may be solicited by telephone, mail or email and shall be provided by the respondent in writing by mail or email. Responses to the request for quotes should be documented by the department head and made available for inspection by the Town Manager. Documentation of each quote received shall include date of the contact, company name, point of contact, quote amount, and quote expiration date. It will be the practice to attach all quote information to the winning vendor's invoice for audit purposes.
- B. For the purchase of goods or services valued at \$30,000 or greater, the Town shall endeavor to follow the spirit of Virginia Code Sections 2.2-4300, et seq., pertaining to the process for competitive bidding and negotiation, as appropriate.
- C. The Town shall comply with the provisions cited in Virginia Code Section 2.2-4343(A) (9).

**V. Security, Insurance and Indemnification**

- A. An indemnification provision, bid bond, performance bond, and labor and material payment bond are generally required for contracts expected to exceed \$10,000. Security may be in the form of cash escrow, letter of credit or bond from a surety company authorized to do business in Virginia and in a form acceptable to the Town Attorney.

**VI. Review of Contracts by Town Attorney**

All contracts shall be subject, at the discretion of the Town Council, to review by the Town Attorney, whose duty it shall be to determine if the contract complies with federal and state law and is in such form as will properly safeguard the rights and interests of the Town.

**VII. Ethics**

- A. The Town of Gordonsville officials, management, and staff engaged in procurement activities are subject to, should be familiar with, and shall adhere to the provisions of the Virginia Conflict of Interest Act Code of Virginia §2.2-3100.
- B. No official or employee shall have a personal interest in a transaction or contract with the Town, except if the transaction or contract falls within the official's or employee's off-duty regular course of business. The Town Council shall consult with the Town Attorney, who shall issue a written opinion upon request.

**VIII. Nondiscrimination**

- A. The Town does not discriminate in the solicitation or award of contracts because of race, religion, color, gender, sex, age, disability, status as a veteran, genetic information, or national origin of the bidder. It is the responsibility of Town employees, particularly those employees directly involved in procurement, to ensure that all vendors are permitted equal opportunity and access to participate in the Town procurement opportunities.