

City of Harrisburg Purchasing Procedures

Purchasing Procedures

1. Efficient purchasing begins with knowing your operations. What are my anticipated annual purchasing requirements and how does this coincide with my appropriation?
2. Start early. Depending on what you are buying or how much it costs, the purchasing process can be lengthy. An inability to plan ahead does not constitute an “emergency” situation.
3. Familiarize yourself with and understand the city’s purchasing process. Only the Mayor and Controller have the ability to enter into purchasing contracts (purchase orders) with vendors. Doing otherwise exposes yourself and the vendor to risk and liability.
4. If your purchase of goods or services is less than \$1,000 you may make arrangements with the vendor directly without utilizing the city’s purchasing system and procedures.
5. If your purchase of goods or services is \$1,000 or more, you must follow established purchasing procedure:
 - a. Purchases of \$1,000 to less than \$10,300 require three telephone quotes. These quotes along with the specifications for the requested goods or services should be documented in writing. The quotes should be entered into the notes section of the Pentamation system during the requisition phase. These quotes and specifications will be randomly audited by the controller’s office.
 - b. Purchases of \$10,300 to less than \$19,100 require three written bids and should also be documented in the Pentamation system during the requisition phase. Requests for bids should be as specific as possible as to the items or services provided. The three bids should also be maintained in the respective bureau and should contain the name of the vendor, date of the bid, and the contact information of the individual/vendor submitting the bid. Documents related to the specifications for bids should also be maintained. These bids will be randomly audited by the Controller’s Office.
 - c. Purchases of \$19,100 or more (amount adjusted annually on January 1, currently \$19,100 for calendar year 2014) require public bidding. Guidelines for public bidding are very specific and each department should contact the Purchasing Office prior to initiating any contact with vendors. Departments and bureaus will work with the Purchasing Office to create detailed specifications of the goods or services that vendors will bid on. A notice of the public bidding will be advertised in a publication and posted on the City Government Center bulletin board. Sealed bids will be delivered to the Purchasing Office with the public bid opening to be at least ten days after the advertisement.
6. Some exceptions to the item 5(c) above include the following:
 - a. Maintenance and repairs for public works projects, provided they are not for new additions, extensions or enlargements of existing facilities and equipment.
 - b. Services provided by city employees.

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- c. Sole source purchases. This typically means goods or services restricted by patent or copyright. It does not mean vendors in close proximity to the city or vendors that will not do business with the city due to financial constraints. Sole source contracts should be a rarity.
 - d. Purchases of any public utility service.
 - e. Purchases off of state contracts or federal surplus. This exception to the public bidding requirement should be utilized to the fullest extent. Piggybacking off state contracts is highly efficient and cost effective.
 - f. No bid purchases of professional services. These must be approved by City Council. No exceptions. If you don't publicly bid these services, you must contact the administration to have this item placed on City Council's agenda for consideration.
7. After obtaining quotes or bids during the competitive phase of the purchasing process, you should base your award on the lowest responsible bidder. The objective should be obtaining the best product at the lowest price. If you provided sufficient information (specifications) to each vendor (or during the public bidding) to submit an informed quote, this will usually be the lowest bidder. When vendor bids are equal, consideration should be given to a city vendor.
8. Remember that the purchase order is a contract with the vendor and not a formality. The purchase order should always be the official notification to the vendor to begin services or to ship goods. If you make verbal arrangements with the vendor prior to an executed purchase order, both you and the vendor may be subject to liability for incurred costs.
9. Open accounts with vendors. There are infrequent occasions when you can't legitimately project what your product usage will be or when it will occur. You may also not be able to maintain a sufficient inventory of the item(s). These situations may require the use of an open account with a vendor. If this is the case, you should try to establish at least two open accounts with different vendors so that when an order does arise, you can call both vendors to try and obtain competitive pricing. In all instances though, each purchase order should have a not to exceed balance. No checks will be processed where the purchase will exceed the value of the contract.
10. Emergency purchase orders. There are instances where you may need the flexibility to make a purchase outside the policies and procedures established above. These situations include the possible loss of life, property, or jeopardizing an essential city function. These are not situations based on poor planning. If the emergency situation occurs during working hours, you should contact the Purchasing Office to discuss the emergency and obtain authorization. If the situation occurs outside of normal working hours, you should take the necessary actions and notify the Purchasing Office the next day. In both situations, a requisition should be entered the next day.

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Procurement Guidelines

This page summarizes procurement practices that apply to all city employees

Conflict of Interest: Avoid making, participating in, or attempting to influence any decision if you know or have reason to know that you or a close family member have a financial interest in the outcome of that decision.

Favoritism: Avoid any personal business or professional activity that would create, or appear to create, a conflict between your personal interests and the interests of the city.

Personal purchases: Do not use city purchasing power, or facilities to make purchases of goods or services for yourself or for non-city related activities.

Unauthorized purchases: Do not make purchases you are not authorized to make, and only order goods and services that comply with city policy.

Gratuities: Refrain from accepting gifts, preferential discounts, travel, entertainment, favors or services from current or potential suppliers to the city that might influence, or appear to influence, purchasing decisions.

Anti-Kickback: You must not accept money, commission, valuable objects, offer of employment, or compensation of any kind which is provided or offered, directly or indirectly, by a supplier, contractor or subcontractor in connection with a grant or purchase contract.

Split purchases: Never split a transaction to bypass purchase order and public bidding limits.

Open competition: Encourage competition through open, equitable, and fair dealings with suppliers.

Supplier relationships: Avoid the intent and appearance of unethical or compromising practices in relationships, actions and communications with city suppliers.

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What is a Sole Source?

A Sole Source is a *method of acquisition* and it is not to be used to avoid competition. “Insofar as practicable, all purchases shall be based on competitive bids; however, competitive bidding is not necessary for:

1. Purchases which are clearly and legitimately limited to a single (sole) source of supply; and,
2. Purchases involving special services, or market conditions, in which instances the purchase price may be best established by direct negotiation.” (43.19 RCW)

A "Sole Source" purchase means that only one supplier (source), to the best of the requester's knowledge and belief, based upon thorough research, (i.e. conducting a market survey), is capable of delivering the required product or service. Similar types of goods and services may exist, but only one supplier, for reasons of expertise, and / or standardization, quality, compatibility with existing equipment, specifications, or availability, is the only source that is acceptable to meet a specific need.

Market Survey Defined

A "market survey" refers to efforts to determine whether other qualified sources capable of satisfying the requirement exist. Testing the marketplace may range from telephone to written contacts with suppliers' experts regarding similar or duplicate goods and services. The extent of the market survey depends on what constitutes a reasonable effort under the circumstances to ensure that competition is not feasible. If only one source is identified as a result of the market research, this fact may be used to help justify a noncompetitive acquisition.

Source: <http://f2.washington.edu/fm/ps/how-to-buy/sole-source>

Definition

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. **If a manufacturer has dealers or distributors anywhere, it is not a true sole source; having regional, state, or area dealers or distributors do not constitute sole source.**

Examples

The following are examples of sole source vendors:

1. A new computer software company sells software that they developed and that can only be purchased from them.
2. A piece of equipment the College has breaks down and the required parts and repair service can only be obtained from the one local company authorized by the manufacturer to sell and service in this state/country.

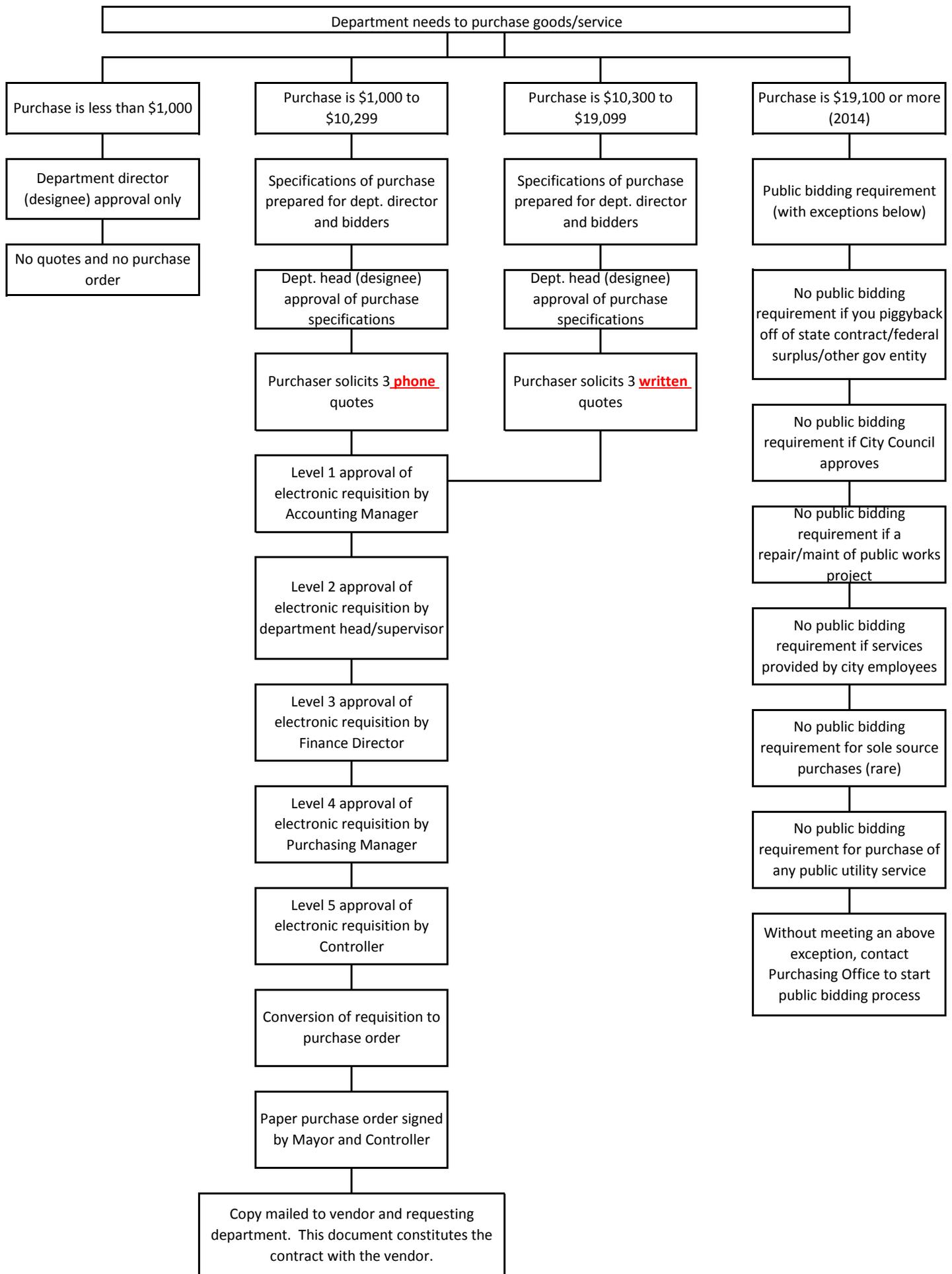
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Documentation

Any knowledge of or justification for using a "sole source" vendor must be noted on the requisition for consideration by the Procurement Department. If technical specifications are the justification, note them in detail for comparison to existing products and sources. If possible, attach the following documentation to the requisition:

- sole source letter from manufacturer
- descriptive literature
- photographs
- diagrams
- technical data, etc.

Source: <https://www.cpcc.edu/procurement/procurement-manual/designating-a-sole-source-vendor>



**CITY OF HARRISBURG
PURCHASE REQUISITION REQUEST FORM**

REQUISITION DATE: _____

THIS FORM AND ANY RELATED SUPPORTING DOCUMENTATION SHOULD BE USED TO REQUISITION GOODS OR SERVICES. IT SHOULD BE MAINTAINED FOR ONE YEAR AND IS SUBJECT TO INSPECTION BY CITY OFFICIALS.

REQUESTERS NAME: _____

DESCRIPTION OF GOODS OR SERVICES BEING REQUISITIONED (ATTACH DETAILED SPECIFICATIONS IF NECESSARY):

FUNDING SOURCE:

BUDGET UNIT: _____

ACCOUNT CODE: _____

QUOTES SOLICITED (THREE REQUIRED). ATTACH BACKUP FOR WRITTEN QUOTES TO THIS FORM:

QUOTE 1

VENDOR NAME: _____

CONTACT: _____

EMAIL OR

PHONE: _____

AMOUNT: _____

QUOTE 2

VENDOR NAME: _____

CONTACT: _____

EMAIL OR

PHONE: _____

AMOUNT: _____

QUOTE 3

VENDOR NAME: _____

CONTACT: _____

EMAIL OR

PHONE: _____

AMOUNT: _____

DEPARTMENT HEAD (OR BUREAU CHIEF DESIGNEE) APPROVAL: _____

DATE: _____

NOTE:
