

ADMINISTRATIVE REGULATION

EFFECTIVE DATE: 07/01/05

SUBJECT: GENERAL SERVICES
DELEGATION OF PROCUREMENT
AUTHORITY TOTALING \$4,999.99 OR LESS PER TRANSACTION

SUPERSEDES: 09/25/01

I. PURPOSE:

To promote efficiency in the procurement process and delineate the City's policy and procedures for the delegation of procurement responsibility.

II. DEFINITIONS:

- a. Purchase of Supplies: The purchase of off-the-shelf materials, supplies, goods or commodities for which purchase specifications are not required.
- b. Competition: Two or more quotations from vendors who can supply the materials or commodities to be purchased.
- c. Favoritism: Purchasing all supplies from one or a few vendors each time a department or agency has a requirement to purchase a commodity.
- d. Splitting Transactions: Placing a series of orders with one vendor to remain under the \$4,999.99 limit of purchases.
- e. File Documentation: A record of the purchase transaction that is maintained by the department or agency.
- f. Services: Work accomplished for a department or agency.
- g. Information Technology Supplies: Include major supplies such as peripherals, software, laptop, hand-held and desktop computers.
- h. Qualified Vendor: An individual or company, which can reasonably demonstrate the capability and experience to effectively, provide the materials or required supplies.
- i. Invoice and Packing Slips: Documents provided by a vendor for delivery and payment.
- j. Small Dollar Requisitions: Requisitions for materials, goods, supplies, services or commodities under the \$4,999.99 limit.

III. REFERENCES:

- a. Section 54-33(a), 54-35 and 54-38, Chapter 54, Chesapeake City Code entitled "Public Procurement,"

- b. Administrative Regulation 10.2, Professional Services

IV. POLICY:

The City Manager hereby delegates authority to Department and agency heads to purchase supplies or services from qualified vendors totaling \$4,999.99 or less per transaction, without the direct submission of a requisition to the Purchasing Division of the General Services Department. However, department and agency heads may submit a requisition for Commitment Control (budgetary) purposes to the Finance Department for processing.

V. RESPONSIBILITIES:

- a. Department and agency heads shall:

- (1) Be authorized to purchase materials, supplies, and services totaling \$4,999.99 or less per vendor transaction. The processing of a requisition through the Finance Department may be utilized in order to meet departmental Commitment Control (budgetary) needs. The department and agency heads are the responsible parties for purchases under \$4,999.99, per City Code Section 54-33.
- (2) Attend or require appropriate departmental / agency representative to attend annual training provided by the purchasing division or as otherwise provided on applicable state and local procurement policies and procedures.
- (3) Make first attempt at resolving disputes between vendors and the City involving the purchase totaling \$4,999.99 or less of supplies and services for their department / agency.

- b. The Purchasing and Contracts Manager shall:

- (1) Be responsible for Direct Connect orders and issues. This includes but is not limited to resolving any issues a department might encounter with a Direct Connect order regardless of the dollar amount.
- (2) Be responsible for Item Catalog items, orders and issues. This includes but is not limited to setting up Item Catalog items and resolving any issues a department might encounter with a Item Catalog order regardless of the dollar amount.
- (3) Review audit reports and system information that indicates the extent to which department and agency heads are conducting the purchase of supplies and services in accordance with this regulation and sound business practice.
- (4) On the basis of item (3), above, and in conjunction with the Finance Department, recommend to the Director of General Services and the

Director of Finance corrective action when a department or agency head does not observe the policy and procedures described herein. Subject to City Manager approval, such action may include, but not be limited to revocation of delegated authority.

- (5) Assist departments in resolution of disputes between vendors and the City involving the purchase of supplies and services by department and agency heads not otherwise resolved through paragraph c. (3).
- (6) Resolve questions concerning the City's procurement process.

c. The Department of Finance shall:

- (1) In conjunction with the Purchasing Division, recommend to the Director of General Services and the Director of Finance corrective action when a department or agency head does not observe the policy and procedures described herein. Subject to City Manager approval, such action may include, but not be limited to revocation of delegated authority.
- (2) Oversee the Encumbrance Technician to ensure small dollar requisitions are turned into purchase orders in a timely manner.
- (3) Initially assist department or agency heads with resolving disputes between vendors and the City involving the purchases totaling \$4,999.99 or less of supplies and services.

d. The Audit Services Department shall periodically conduct audits of procurement transactions to ensure compliance with this regulation and advise the Director of General Services the Purchasing and Contracts Manager and the Director of Finance of the findings.

e. The Department of Information Technology shall provide approval and product selection assistance for information technology supplies.

VI. PROCEDURES FOR SELECTION OF VENDORS:

a. When materials, supplies, services, and goods or commodities are needed for the conduct of City business, the department or agency head shall contact qualified vendors and request a telephone, fax, or verbal quotation. The department or agency head shall obtain:

- (1) One (1) quotation for the purchase of supplies and services from \$0 to \$999.99 per transaction.
- (2) Where feasible, conduct competition by obtaining three (3) or more quotations for the purchase of supplies and services from \$1,000.00 to \$4,999.99 per transaction.

b. Orders shall not be split or favoritism shown to vendor selection.

- c. Quotations shall be recorded in the accounting system in the requisition notes section or as an attachment to the requisition. Record transactions according to the attached sample. The system notes and/or attachment shall be made a part of the permanent documentation for the transaction.
- d. To locate qualified vendors, assistance is available from:
 - (1) The Purchasing Division's procurement database of registered vendors. New vendors are added constantly to the database.
 - (2) The Yellow Pages under the appropriate heading for the supplies needed.
 - (3) A Procurement Specialist in the Purchasing Division

VII. PROMPT PAYMENT OF VENDORS:

Small vendors depend on the promptness of the City to pay its invoices. To maintain a viable qualified vendor base, it is the policy of the City to promptly pay invoices for delivered supplies.

- a. Immediately upon delivery of supplies, check the order to ensure that the order is complete and there are no discrepancies. If a Purchase Order was used, enter a receipt into the accounting system and mark the receipt number on the original vendor's invoice.
- b. Within three (3) days of receipt of the order (both physically and within the accounting system), forward to the Accounts Payable Section of the Finance Department:
 - (1) Vendor's original invoice
 - (2) Packing slip (Non-PO related items only)
- c. Discrepancies noted shall immediately be brought to the vendor's attention. Request assistance from the Purchasing Division for problems that cannot be successfully resolved at the department level.

VIII. INFORMATION TECHNOLOGY APPROVAL AND PRODUCT SELECTION ASSISTANCE:

- a. The Department of Information Technology (DIT) shall provide approval and product selection assistance through its network of IT Microcomputer Consultants the following major Information Technology Supplies at all dollar levels:
 - (1) Monitors
 - (2) CPUs
 - (3) Printers
 - (4) Scanners
 - (5) Memory
 - (6) Zip Drives
 - (7) Hard Drives

- (8) CDRW Drives
 - (9) Digital Cameras and Video Cameras
 - (10) Laptop Computers
 - (11) Hand Held Personal Computers
 - (12) Software
 - (13) Software Maintenance and Support Agreements
 - (14) Technology Installation and Implementation Services
- b. Minor Information Technology Supplies that may be purchased without Information Technology approval include:
- (1) Mouse Pads
 - (2) Mice
 - (3) Glare Screens
 - (4) Compact Disks
 - (5) Diskettes
 - (6) Computer Books
- c. The primary purpose of approval and product selection assistance is to:
- (1) Ensure compatibility with City operating systems.
 - (2) Maintain accurate accounting of the City's software license agreements to mitigate the City's exposure to illegal license applications on City computer systems.
 - (3) Identify potential supplies and commodities that can be purchased under the City's Information Technology Contract.

IX. PURCHASE EXECUTION:

The department and agency head shall authorize the execution of purchase transactions by approval of the small dollar requisition and/or signing the original invoice.

Dr. Clarence V. Cuffee, City Manager

Date

ATTACHMENTS: