City of Milford

Purchasing Procedures Manual

As of November, 2019

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CHAPTER 1 **GENERAL INFORMATION**

Intent

This manual defines policy and outlines procedures by which the City of Milford obtains goods and services.

Purchasing Authority

Purchasing authority rests solely with the Purchasing Agent in accordance with the City Charter, Article 5, Section 3 (b), which states:

"...the Purchasing Agent shall purchase all supplies, materials, equipment and other commodities required by any department, agency, board or commission of the city, ...on requisition signed by the head of the department, office or agency or chairman of the board or commission, or a responsible representative appointed by him."

Bids

The Purchasing Agent invites sealed, public bids for any supply, material, equipment or commodity which exceeds $25,000 based on specifications supplied by the requesting department. An award is then made based on the lowest compliant and responsible bidder whose bid best meets the City's need. Professional services need not be bid.

Request for Proposal (RFP)

The Purchasing Agent requests proposals for any project or service for which the scope or limit is not clearly defined and for which the cost is expected to exceed $25,000, based upon design and evaluation criteria supplied by the requesting department. Awards of the contract are made to the firm which best meets these criteria.

Order Division

No order may be divided in an effort to circumvent the competitive bid requirement, especially if the aggregate of individual orders results in the acquisition of anything which is essentially a single unit.

State Bids

The Purchasing Agent may order, without inviting bids, goods or services estimated to cost $25,000 or more provided that they are already bid by the State of Connecticut's Department of Administrative Services and further, that the contract prices and terms have been extended to local political subdivisions (municipalities).

Cooperative Bidding and/or Purchasing

The Purchasing Agent may utilize cooperative bidding and/or purchasing in an effort to maximize cost benefits per Connecticut General Statutes 4a-53 and 7-148v, and Milford Board of Aldermen Resolution (8c) approved April 4, 2017. Cooperative bidding and/or purchasing may consist of, and may not be limited to, bids and/or purchasing contracts initiated by the State of Connecticut, other political subdivisions of the State, the Milford Board of Education, regional purchasing authorities, or other public purchasing consortia.

Federal Uniform Guidance Procurement Standards

Whenever the Federal Uniform Guidance Procurement Standards (FUGPS), as may be amended from time to time, are applicable to procurements made by the City of Milford, the City shall apply the more restrictive of the procurement rules under the City's Charter and Code of Ordinances or those prescribed by the FUGPS. Compliance is required with Code of Federal Regulations (CFR) Sections 200.318 to 200.326.

The City of Milford elected to use the grace period pursuant to the Federal OMB Super Circular which makes this regulation effective July 1, 2018.
Appendix 1 to this procedure manual compares the relevant sections of the FUGPS to the City of Milford's standard procurement regulations.

Bid Waivers

If a department head wishes to acquire an item which costs $25,000 or more without competitive bidding or the use of Cooperative Purchasing Contracts as authorized by Resolution (8c), he or she submits a written bid waiver request to the Mayor. If approved, the Mayor includes it in the Mayor's Report to the Board of Aldermen. If the Board of Aldermen approves, the City Clerk notifies the Purchasing Agent who places the order.

Property Sales and Donations

When authorized by the Board of Aldermen, the Purchasing Agent sells municipal property to the highest responsible bidder, or makes or accepts property donations to/from outside sources.

CHAPTER 2   PROCUREMENT

Requisitioning

The requisitioning department enters a new requisition into the MUNIS Financial System as outlined in MUNIS User Guide, Version 4.0, Requisition Entry. If the "Object" Account being charged is sufficiently funded, MUNIS will accept the requisition and it can then be released into Work Flow for approval and conversion to a Purchase Order. If the "Object" Account is insufficiently funded, MUNIS will reject the requisition and a fund transfer must then be initiated by the requisitioning department or a different "Object" Account utilized.
Appendix 2 to this procedure manual outlines the requisitioning process per MUNIS User Guide Version 4.0.

Upon receipt of the goods ordered or the completion of services contracted for, the City Department for whom the Purchase Order was created will issue a receiver in the MUNIS Financial System and forward the invoice to the Accounting department for processing.

Emergency Purchases

–   Emergency purchases are authorized in those instances when departmental operational integrity or public safety and welfare are jeopardized. A department official calls Purchasing, explains the emergency, describes the goods or service required and provides the intended vendor. Purchasing issues an emergency purchase order number and the **department orders the goods or service directly**.

Community Development Grant Purchases

Housing Rehabilitation (Rehab) bids are processed through the Purchasing office but administered through the Community Development office. Purchasing issues a bid invitation, advertises same, receives and tabulates bids and sends the bid tabulation with the cost breakdown detail to the Block Grant officer who reviews them for propriety.

The CDBG Block Grant officer then sends Purchasing an award recommendation and enters a requisition into the MUNIS Financial System.

Block Grant Monies Used On All Other CDBG Projects. The Community Development office requisitions goods or services from the Purchasing Agent via the MUNIS Financial System for goods or services which are used on, in, or for any CDGB project or program. Goods or services which exceed $25,000 must first be bid in accordance with the City Charter requirement.

CHAPTER 3   **PURCHASE ORDERS**

A purchase order is a legal document by which the City commits to pay a vendor, in exchange for goods or services, the dollar amount specified on it. As such, it is signed by both the Purchasing Agent and the Finance Director.

Purchase Order Types

−   A **standard** purchase order covers a one-time acquisition from one vendor.

−   A **blanket** purchase order covers small, non-recurring acquisitions from one vendor. It encumbers funds up to a specified dollar limit against which a department may acquire goods or services on a "draw-down" basis.

Blanket Purchase Orders

The department enters a requisition into MUNIS indicating the account to be charged, the vendor name, the dollar limit, and the instruction:

"Blanket order for items as needed, not to exceed the total below".

The maximum dollar amount for any one blanket Purchase Order is $24,999.00. The department requesting a blanket purchase order must be able to justify the dollar amount requested.

Purchasing converts the requisition to a purchase order in MUNIS if, in the opinion of the Purchasing Agent, it is a reasonable request.

The department uses this purchase order number to obtain required items. Upon receipt of their items from the Vendor, the department creates a receiver in MUNIS and prepares an invoice payment voucher which is forwarded to Accounting along with the vendor invoice for payment.

CHAPTER 4   PAYMENTS

Direct Charges

A "direct charge" payment may be made without a purchase order encumbrance if it is due and payable and for:

- Utility service (electricity, water, natural gas, telephone or other similar services)
- Election Poll Workers
- Recreation Officials
- Recreation Refunds
- Library Fine Refunds
- BBI Copier Services
- Payments to the State of Connecticut
- Exceptions approved by the Finance Director

The department sends Accounting an Invoice Payment voucher with the appropriate "back-up" documentation (invoice, renewal notice, utility bill) to sufficiently substantiate the charge as a payable which qualifies for direct charge processing.

Purchase Order Payments

Partials

A "partial" payment may be made against a purchase order encumbrance when an order is partially received and the department wishes to pay the vendor for that part of the order which was delivered. The purchase order is not closed out - the encumbrance is only reduced by the amount paid.

Finals

A "final" payment is made against a purchase order encumbrance when the order is complete and paid in full. The purchase order is closed out and the encumbrance reduced to zero.

"Direct charges" and "partials" require Invoice Payment Voucher forms; "finals" do not.

Code of Federal Regulations (CFR) Section Number and Summary	City Regulation
	The City's procurement ordinances are established by the City Charter Article V, Section 3 (b)(1) and (b) (2). The City's Purchasing Procedures Manual defines the procurement process and provides guidance for City Departments.
200.318(a) - The City must follow its own purchasing policies.	
200.318(b) - The City must provide oversite of its contractors.	The Purchasing Agent, Department Heads and Supervisors shall oversee contractors in the ordinary course of business.
200.318(c)(1) - The City must have written standards covering conflicts or interest.	Code of Ordinances Chapter 2 Administration, Division 2, Section 2-27, Conflicts of Interest.
The City must have written standards governing the performance of its employees engaged in the selection, award and administration of contracts.	Code of Ordinances Chapter 2 Administration, Division 2, Section 2-27, Conflicts of Interest.
The City must not solicit nor accept gifts.	Code of Ordinances Chapter 2 Administration, Division 2, Section 2-27, Conflicts of Interest.
The City may define what gifts are of a nominal value.	
The standards of conduct must provide disciplinary actions for violations.	Code of Ordinances Chapter 2 Administration, Division 2, Section 2-28, Penalties.
200.318(c)(2) - The City's conflict of interest policy must cover relationships with related parties.	Code of Ordinances Chapter 2 Administration, Division 2, Section 2-27, Conflicts of Interest. The City shall use the UGPS standards when applicable, if they are more restrictive than the City's standards.
200.318(d) - The City must avoid purcasing unnecesssary items.	The City avoids purchasing unnecessary items, but it is not specifically addressed in the Charter or Code of Ordinances.
The City should consider bundling or unbundling procurements and analyze purchase alternatives to achieve the most economical outcome.	The City considers the bundling or unbundling of purchases, but it is not specifically addressed in the Charter or Code of Ordinances.
200.318(e) - The City is encouraged to use cooperative purchasing agreements.	The City may use cooperative puchasing agreements when deemed advantageous.
200.318(f) - The City is encouraged to use Federal surplus in lieu of purchasing new.	The City does consider Federal surpluse when deemed applicable, but it is not specifically addressed in the Charter or Code of Ordinances.
200.318(g) - The City is encouraged to use value engineering.	The City shall include value engineering clauses in contracts for construction projects above the Simplified Aqusition Threshhold.
200.318(h) - The City must award contracts only to responsible contractors.	The City shall use the UGPS standards when applicable.
200.318(i) - The City must maintain procurement records.	The City maintains such records for at least as long as the State of Connecticut Librarian prescribes.
200.318(j)(1) - The City may only use time and material type contracts in very limited circumstances.	The City shall use the UGPS standards when applicable.
200.318(j)(2) - The City must set a ceiling price and provide a high degree of oversight on time and material type contracts..	The City shall use the UGPS standards when applicable.
200.318(k) - The City is responsible for settling contract disputes with vendors.	The City shall address contract resolution language when drafting contracts with vendors.
200.319(a) - The City must avoid all practices that would discourage open competition.	These items are not specifically mentioned in the Charter or Code of Ordinances. However, in practice, the City develops specifications and bid requirements that encourage free and open compitition. The City shall use the UGPS standards when applicable.
200.319(b) - The City is generally prohibited from using local vendor preference.	The City does not have a local vendor preference rule.
200.319(c) - The City must have written procedures which ensure that solicitations have clear descriptions for the goods and services that are sought which do not inhibit competition.	These items are not specifically mentioned in the Charter or Code of Ordinances. However, in practice, the City develops specifications and bid requirements that encourage free and open compitition. The City shall use the UGPS standards when applicable.
200.319(d) - The City must ensure that there are enough qualified vendors to ensure maximum open and free competition.	The City shall use the UGPS standards when applicable.
200.320(a) - Purchases of $3000 or less ($2000 or less for construction) may be awarded without competitive quotes. Federal OMB raised the limit for micro-purchases to $10,000 on June 20, 2018.	The City shall use the UGPS standards when applicable.
200.320(b) - The OMB increased the Simplified Acquisition Threshold to $250,000 on June 20, 2018.	The City's standards are more restrictive than the UGPS.
200.320(c) - In sealed bid procurements, the City should award the contract to the lowest responsible bidder.	Purchases over $25000 must be made by sealed bid or consortium negotiated contracts.
200.320(c)(1) - The City should use sealed bidding whenever complete specifications are available, two or more responsible bidders are able to compete, and selection of a successful bidder can be made principally on the basis of price.	The City uses sealed bidding whenever appropriate.
200.320(c)(2) - The City must publicly advertise the ITB, solicit bids from an adequate number of known suppliers, and give them sufficient time to respond. The ITB must adequately define the items being sought. The bids must be opened in public at a pre-determined time and place. Discounts, transportation costs and life cycle costs must be considered in determining the lowest responsive and responsible bidder.	These items are not all specifically mentioned in the Charter or Code of Ordinances. However, in practice, the City develops specifications and bid requirements that encourage free and open compitition. The City shall use the UGPS standards when applicable.
200.320(d) - The City must use an RFP process when sealed bids are not appropriate. The City must advertise the RFP, have a written method for evaluating proposals, and award contracts to the firm whose proposal is most advantageous to the program.	The City shall use the UGPS standards when applicable.
200.320(e) - Not used.	
200.320(f) - The City may procure goods without competitive proposals only when the item is available only from a single source, in times of public emergency, the Federal awarding agency expressly authorizes noncompetitive proposals, or competition is determined inadequate.	The City shall use the UGPS standards when applicable.
200.321(a) - The City must take steps to utilize small and minority businesses, women's business enterprises and labor surplus area firms.	The City shall use the UGPS standards when applicable.
200.221(b) - Describes the actions needed for small and minority businesses, women's business enterprises and labor surplus area firms.	The City shall use the UGPS standards when applicable.
200.322 - The City must follow standards in sourcing certain materials over $10,000 to ensure a high level of recycled/ recovered materials.	The City shall use the UGPS standards when applicable.
200.323(a) - The City must estimate the cost of a procurement in excess of the Simplified Acquisition Threshold.	The City shall use the UGPS standards when applicable.
200.323(b) - The City must negotiate profit for sole-source procurements.	The City shall use the UGPS standards when applicable.
200.323(c) - Estimated costs are only allowable when they comply with Federal Cost Principles.	The City shall use the UGPS standards when applicable.
200.323(d) - The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.	The City shall use the UGPS standards when applicable.
200.324(a) - The City must make technical specifications for procurements available upon request by Federal awarding agency.	The City shall use the UGPS standards when applicable.
200.324(b) - The City must make pre-procurement review and procurement documents available upon request by Federal awarding agency in a number of circumstances.	The City shall use the UGPS standards when applicable.
200.324(c) - The City may self-certify its procurement system to avoid some pre-procurement reviews.	The City shall use the UGPS standards when applicable.
200.325 - The awarding agency may accept the City's bonding requirements if it determines that its interest is adequately protected. If the awarding agency does not accept the City's bonding requirements, then 200.325 a, b and c would apply.	The City shall use the UGPS standards when applicable.
200.325(a) - The City must require a bid guarantee of 5% of the bid price.	The City shall use the UGPS standards when applicable.
200.325(b) - The City must require a performance bond for 100% of the contract price.	The City shall use the UGPS standards when applicable.
200.325(c) - The City must require a payment bond for 100% of the contract price.	The City shall use the UGPS standards when applicable.
200.326 - The City must include the Federal contract provisions in its contracts per Appendex II, Part 200 - Contract Provisions for non-Federal Entity Contracts Under Federal Awards.	The City shall use the UGPS standards when applicable.

City of Milford

MUNIS User Guide

Requisition Entry – Training Manual

Version *4.0*

As of June 3, 2018

VERSION HISTORY

Outlined below provides an overview of when changes were made to the training manual

Version Number	Implemented By	Revision Date	Approved By	Approval Date	Description of Change
1.0		*May 3, 2018*			*Initial Document*
2.0	J. Ziplow	May 21, 2018			Changes to screen print outs
3.0	J. Ziplow	May 31, 2018			Changes to screen print outs
4.0	J. Ziplow	June 3, 2018			Changes to screen print outs

How to Login to Munis

1. Click on the Munis icon on the desktop:

2. At the login screen:

   Client Type: Dashboard (Preset)

   Select Environment: grayed out, option given to select after logging in.(Preset)

   Username: All usernames must start with 5008, then first initial, last name

   Password: Enter your MUNIS application password.

3. Internet Explorer will open automatically and show 3 environments to choose from. For training, always select Train.

   Select: the appropriate "environment" you want to work in:
   > **Live -**   Used for all day-to-day actions, use this for all production tasks and activities
   > **Train -** Used for training or testing features, procedures before applying in Live
   > **Test –** Do Not Use
   > **Impl –** Do Not Use

4. Tyler Dashboard (Munis Home Screen): From here you can access everything from the short-cut menu on the left (favorites), or by clicking Tyler Menu on the far right. Users can create their own "Favorite" menu options as they like.

5. For this example go to the Tyler Menu option (far right) and click on that link. The following screen will appear.
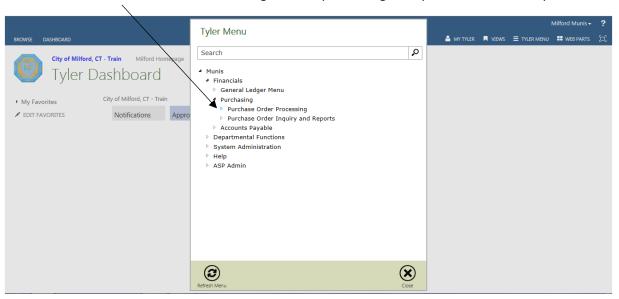
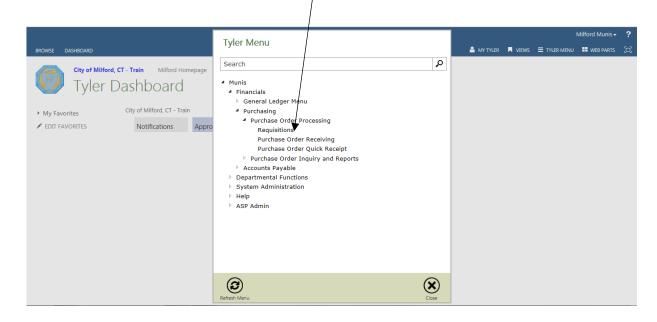6. Click on the "Financial" menu option to expand the selection options.

7. Next click on the "Purchasing" menu option to expand the selection options.

8. Next click on the "Purchase Order Processing" menu option to again expand the selection options.

9. To enter a Requisition for approval, next click "Requisitions" on Tyler menu (Purchasing > Purchase Order Processing > Requisitions).

10. You could also go directly to the requisition screen by using the short-cut option on the initial dashboard on the left hand side. Again, users must create their favorite short cuts.

11. For first time users, under the "Custom Interfaces" users must select the City of Milford Requisitions option. The City of Milford has created a custom requisition screen to minimize the number of fields that need to be completed during the requisition process. This is a one-time option and once set, will not need to be re-configured again.
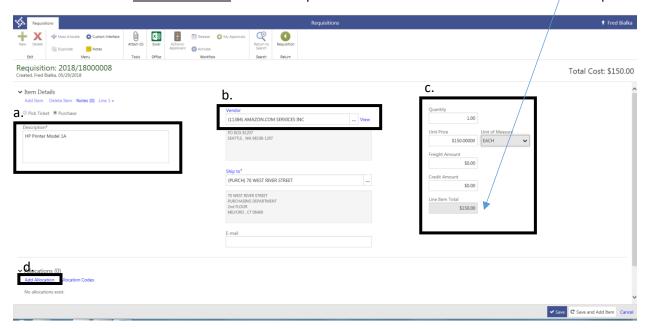

12. In the new screen, you can search for existing requisitions or create a new one. To create a new requisition click on the ➕ New at the top of the page.
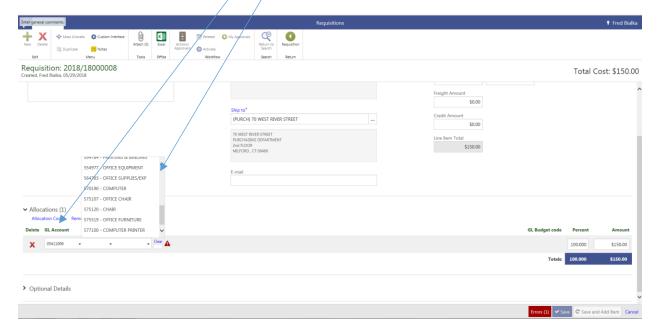
13. The fields for Fiscal Year, Requisition Number, Created Date, and Department are all pre-populated. Enter a short description of what the PO is for, then click "Add Item"

14. On the Add Item Screen enter the following information into the appropriate fields:
    a. Description: detailed description & information of the item being requested
    b. Vendor: Enter the vendor name and a list of vendors will appear. Select the appropriate vendor. You can also enter the vendor number.
    c. Quantity and Unit Price: Enter the quantity and unit price. The "Line Item Total" will automatically update.
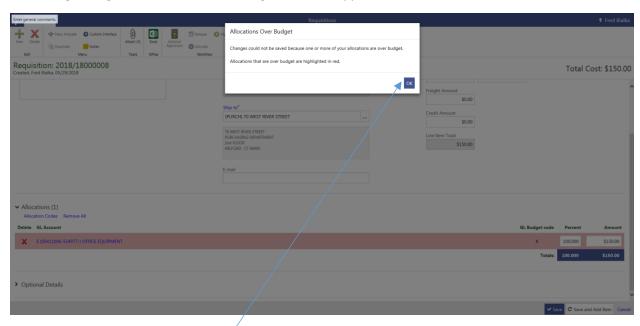   d. Allocation Code: Select this option to enter the account information for the requisition.

15. To enter the General Ledger account information perform the following
   a. Click on the arrow, right above the "GL Account". This first account information is the "Org" representing the fund and department that will be used for budgeting purposes. This will typically be defaulted based on the department of the user.
   b. The second account field is the "Object" representing the type of requisition expense. This field is mandatory. Scroll down the list of potential expenses and select the one that is most appropriate for this expense
   c. The third account is the "Project" representing a requisition purchase for a specific Milford project. This field is optional.
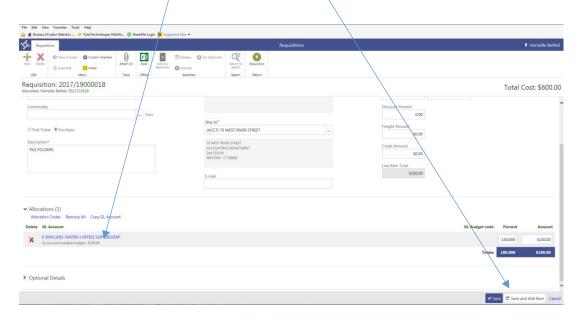

A list of both objects and projects will be handed out separately.

16. MUNIS automatically checks the budget balance of each line item when it is entered. If there is not enough budget available, the following screen will appear.
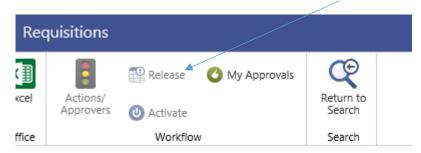

If this occurs the user can "click OK" and reenter a different expense account number or call the Purchasing agent to identify the best way to handle this over budget situation.
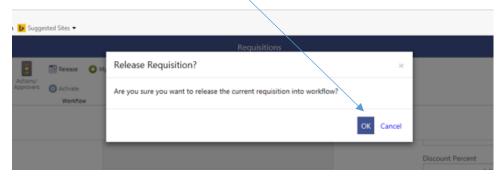
17. After entering the account information, click outside the box, or hit Enter. The account number and description will appear in blue. The amount will automatically populate based on the Line Item Total above. Click "Save" to save the Requisition or "Save and Add Item" to continue adding items to the Requisition. When finished entering items, click "Save".

18. To send the requisition out for approval, click on "Release" at the top of the page.

19. Once release is selected, the system will confirm that you want to release the requisition to the automated workflow process. Select OK.

If Release is gray, the Requisition has already been sent for approval or it is not saved. After clicking Release, the Traffic light "Actions/Approvers" button will light up to be able to view the approval order and status.

16. Once the requisition has been released, it will typically follow the following approval process:

    a. Department Head
    b. Mayor
    c. Finance Director
    d. Purchasing Agent

17. If the requisition is rejected, it will be sent back to the originator with comments to be adjusted accordingly.