

WASHINGTON TOWNSHIP VENDOR MANUAL



April 6, 2022

WASHINGTON TOWNSHIP PURCHASING POLICY MANUAL

I. POLICY AND PROCESS

A. General

It is the objective of Washington Township to provide purchasing procedures, which will ensure effective control over the encumbrance and expenditure of public funds pursuant to state law and the regulations set forth by the Division of Local Government Services. At the same time, this will allow efficient purchasing operations. To this end, the methods of purchasing in this manual will be employed.

The Township will comply with the New Jersey State purchasing laws and all applicable federal laws. These laws include, but are not limited to the following:

- Local Publics Contracts Law – (N.J.S.A. 40A:11-1 et seq.) This outlines the general purchasing procedures sets bid limits and quote limits. It also identifies the areas of procurement (i.e. professional services, commodities, etc.)
- Pay To Play Law – (N.J.S.A. 19:44A-20.4 et seq.) Requires disclosure from all vendors doing business with the Township in excess of \$17,500. The disclosure shows that no “partner” in the business has made donations to the campaigns or political parties of local governing body members, as well as their county and state counterparts.
- Business Registration Certification (BRC) – (PL 2004 ch 57) Required by the State of New Jersey, Department of Treasury for any vendor doing business with the Township. Without the BRC no items/work can be done by the vendor.
- Equal Employment Opportunity – (N.J.S.A. 10:5-31 et seq. & N.J.A.C. 17:27 et seq.)

Bids for goods, professional service & general service contracts require:

1. Letter of Federal Approval OR
2. Certificate of Employee Information Report

Construction contracts require:

1. Form AA-201 upon notification of award
2. Form AA-202 monthly for duration of contract

Public Works Contracts (N.J.S.A. 34:11-56.25 et seq.) require:

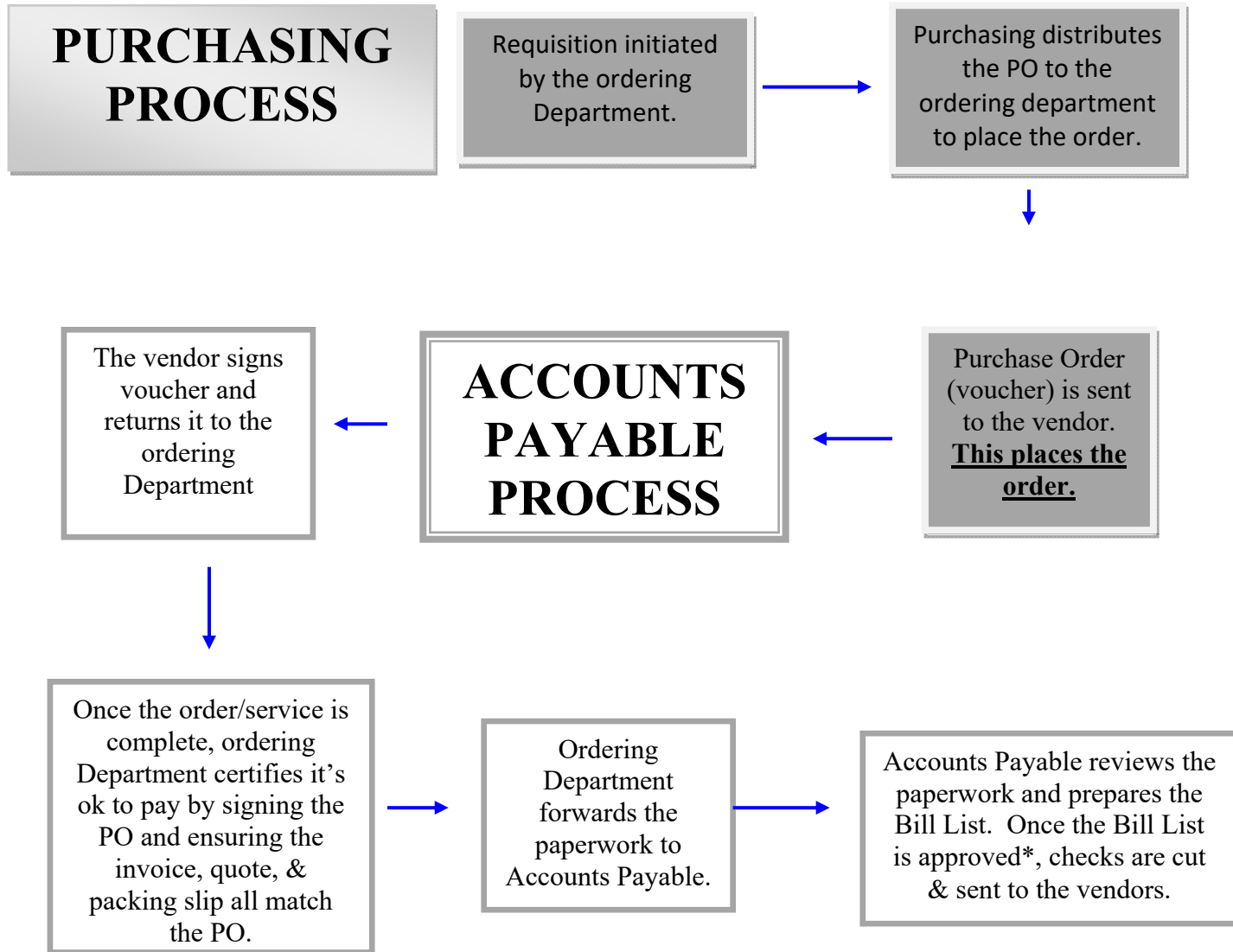
1. Requires prevailing wage for contracts over \$16,263
2. Public Works Contractor Registration (N.J.S.A. 34:11-56.48 et seq.)

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- **NEW** Prohibition on Dealings with Russia or Belarus-associated Businesses – (P.L. 2022 c. 3) Prohibits the award, renewal, amendment, or extension of State and local public contracts for goods or services with persons or entities engaging in prohibited activities in Russia or Belarus. A certification that the vendor or contractor is not on the Department of Treasury’s list of entities engaged in prohibited activities in Russia or Belarus, nor in Iran pursuant to P.L. 2012, c.25 will be included when purchase orders are generated. Purchase Orders will still be provided electronically. Should there be a need to mail a P.O., be sure to print it double-sided.

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B. PURCHASE ORDER PROCESS



** Township Committee Meetings are on the 3rd Monday of each month. All fully signed POs are due the Tuesday prior to that meeting in order to be included in that month's bill list.*

II. PURCHASING REQUIREMENTS AND PROCEDURES

A. Methods of Purchase

- Request for quotes are generally made to a group of selected providers with the purpose of comparing prices and other basic sales terms for purchases between \$6,600 and \$44,000. In some cases another approved method (such as cooperative pricing) is used.
- Competitive bidding is a common procurement practice that involves inviting multiple vendors or service providers to submit offers for any particular material or service. It allows transparency, equality of opportunity and the ability to demonstrate that the outcomes represent the best value. Washington Township's bidding threshold is \$44,000, above which the town shall advertise for and receive sealed bids
- Required documents (see appendix for more info):
 - Required documents for all vendors:
 - W-9
 - Business Registration certificate
 - Purchases above \$17,500 also require Equal Employment Opportunity documentation from vendors.
 - Bids for goods, professional service & general service contracts:
 - Letter of Federal Approval OR
 - Certificate of Employee Information Report
 - Construction contractors:
 - Form AA-201 upon notification of award
 - Form AA-202 monthly for duration of contract
 - Public Works Contracts (N.J.S.A. 34:11-56.25 et seq.):
 - Requires prevailing wage for contracts over \$16,263
 - Public Works Contractor Registration (N.J.S.A. 34:11-56.48 et seq.)
 - Required documents for bids
 - Unless exempt under the Local Public Contracts Law or acquired through other permissible means such as cooperative purchasing, purchases over \$44,000 are bid. Bids include, but are not limited to, the following requirements:
 - Bid Guarantee – Third party assumes liability via bid bond, certified check, bank check, etc. for 10% amount of the bid, not to exceed \$20,000. Attorney approval advised.
 - Surety Certificate – Underwriting; ensures that the bidder will be able to obtain a performance bond if the contract is awarded.
 - Statement of Corporate Ownership/Stockholder Disclosure or Certification – Certificate the bidder supplies naming who owns/controls 10% or more of the company.
 - Listing of sub-contractors
 - Acknowledgement of Addenda

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- Prices and other specific information received from vendors will be considered confidential. During price solicitation, quotations received from one supplier shall not be divulged to another.

B. Gifts And Gratuities

- Township employees and offices are expressly prohibited from soliciting or accepting any rebate, money or entertainment, gift or gratuity from any person, company, firm or corporation to which any purchase order or contract, is, or might be, awarded.
- The Township will not tolerate circumstances that produce, or reasonably appear to produce, conflicts between personal interests of an employee or volunteer and the interests of the Township. Accordingly, the Township will take appropriate action and may terminate, at no charge to the Township, any purchase order or contract if it is found that gifts or gratuities were offered to any employee.
- The Township may also take disciplinary action, including dismissal, against an employee who solicits or accepts gifts or gratuities.

C. Vendor Responsibilities

- Vendors are urged to read all detailed specifications and all bid documents, to comply with all instructions and required conditions. If a vendor does not fully understand a request, any inquiry must be directed in writing to the Purchasing Agent.
- Vendors shall quote firm contract prices only, F.O.B. Washington Township, location of the using agency, or as directed.
- Vendor shall submit bid proposals and quotes for purchases estimated between \$17,500 and \$44,000 in writing on forms supplied by the Township or as otherwise expressly authorized in writing.
- Vendor must assure that an original signature of an authorized representative of the firm is on any written proposal or bid.
- Vendors are expected to promptly and accurately provide the proper quality of goods or services at a reasonable and competitive price.
- Vendors are encouraged to provide information on new products, processes and materials along with demonstrations and samples when requested.
- Suggestions that will help reduce cost, promote efficiency or improve supplier services are welcome. Cost reduction ideas should reduce costs without a corresponding reduction in quality of goods and services.
- **NEW** - Vendors and contractors must provide certification they do not engage in prohibited dealing with Russia, Belarus and Iran on prescribed forms before any bid will be awarded. For other purchases, the certification is incorporated into the Purchase Order.

D. Selection

- Vendors are to be selected on a competitive basis. Bids, quotations, and proposals will be solicited in accordance with the law and may be by newspaper advertising, direct mail request to prospective suppliers, in person, by telephone or on the Township website.

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- Purchase Orders or contracts will be awarded to the lowest responsive, responsible vendor.
- Competitive contracts and RFP's will be reviewed by an evaluation team to determine if they satisfy the Proposal Requirements, determine if a proposal should be rejected and evaluate the proposals based upon the evaluation criteria. The highest-ranking respondent will then be recommended to the governing body for award of contract, based on price and other factors.
- All proposals or quotations may be rejected if in the Township's best interest to do so.

E. Payment

Vendors may offer a cash discount if their invoices are paid promptly. To take advantage of this policy and to maintain good vendor relations it is important upon completion of the order that all required documents are forwarded to Finance. Upon receipt of goods or services, using departments/divisions should submit all invoices and vouchers to Accounts Payable without delay.

F. Non-payment of Penalties and Interest on Overdue Bills

- State Law requires that public funds be used to pay only for goods delivered or services rendered.
- Washington Township will not pay penalties and/or interest on overdue bills.
- No employee is authorized to sign a letter of credit or any other document that represents a legal commitment on the part of the Township to pay additional fees.