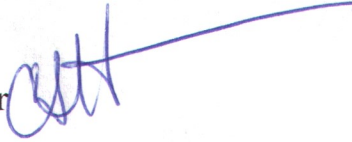


**TOWN OF OCEAN VIEW**  
**DELAWARE**

February 28, 2024

TO: Mayor and Council

FROM: Carol S. Houck, Town Manager



SUBJECT: Recommended update to Town Policy Manual – Section 25  
Purchasing Procedures

**BACKGROUND**

Our recent experience with the need to order/purchase transfer switches for the new natural gas generator (fully outlined to Council in recommendation format) led to my determination that our existing Town Policy Manual does not adequately provide for a professional response to emergency needs of the Town, without risk of the Manger overstepping procedure or hesitating to react in the best interest of the Town.

While emergencies are contemplated they are more specifically linked to a Federal or State of Delaware declared emergency. This is insufficient to react to the many forms of emergency that local governments may need to address.

Please find the attached Purchasing Procedure section from the Town's Policy Manual with a new section added (in yellow highlight) to incorporate an expanded emergency contract and purchase allowance.

**RECOMMENDATION**

It is therefore recommended that the Mayor and Council authorize the addition of this expanded emergency contract and purchase allowance to provide clear guidance to the Town Manager and staff and facilitate our ability to proactively address emergency needs of the Town.

## **TOWN OF OCEAN VIEW PURCHASING PROCEDURES**

1. Town employees may not make any purchase in excess of \$1,000 without prior authorization. The Town Manager, Chief of Police, and Town Administrative Official may verbally approve purchases under \$1,000.
2. Whenever an employee makes a purchase under the \$1,000 threshold, he/she must obtain a receipt and forward the original to the staff accountant. All packing slips should be saved and forwarded to the staff accountant.
3. If the purchase exceeds \$1,000, a purchase order request must be prepared and submitted to the staff accountant. This request must contain the budget line-item account that will be charged for this purchase. If this is the first time a purchase will be made from the vendor, the vendor's address and phone number must be included on the request. If in doubt, please include this information. Requests may be made by email.
4. The staff accountant prepares a purchase order (P.O.) as soon as possible after receipt of the request for same. Once prepared, the purchase order must be signed by the Department Head. The purchase order is then forwarded to the Finance Director.
5. The purchase order is reviewed by the Finance Director for funding availability and appropriateness of the budget line item(s) to be charged; he/she signs the purchase order as approved and returns the same to the staff accountant.
6. Two copies of the P.O. are made by the staff accountant after approval signatures are obtained. One copy is returned to the Department Head and the original is filed in the P.O. binder until the invoice(s) are received for final payment.
7. The appropriate department should order the materials and/or non-professional services only after the purchase order has all necessary approval signatures. This policy also applies to purchases that will be charged to the Town credit card and local merchant charge accounts.
8. For any purchase of materials and non-professional services in excess of \$7,500 but less than \$22,500, the procedures outlined in Chapter 40 of the Town Code must be followed. For all purchases of materials and non-professional services in excess of \$22,500, the competitive bidding process as required by the State Procurement Act, 29 Del. C Chapter 69, Subchapters III and IV, shall apply.
9. The following purchases are exempt from the purchasing procedures outlined above:
  - ◆ Material and services purchased in the Town's response to a Federal or State of Delaware declared emergency.
    - The following procedures should be followed for these emergency purchases under \$7,500, which affect the health, safety, and welfare of the public or property:
      - Purchase must be approved by the Department Head or designee.



- The Town Manager must be notified as soon as possible.
  - Funding must be available.
- ◆ Award of contracts for professional services in any amount; the Town Manager, however, shall advertise the intention to negotiate professional service contracts greater than \$7,500 in accordance with Chapter 40 of the Town Code, 1A(1) above.
  - ◆ Where there is a sole source vendor or provider of materials or services and more than one proposal is not available, the same shall be documented in written form by the Department Head, signed and submitted with the original request to purchase.
  - ◆ Expenditures for mandatory Federal and State payroll taxes, authorized payroll deductions, investments of Town funds and utility expenses.
  - ◆ Purchases made under provisions of a State contract administered by the contracting unit within Government Support Services in the Office of Management and Budget, State of Delaware.
  - ◆ **Emergency contracts and purchases limited authorization:**

In case of accident or an emergency not subject to State or Federal Emergency notifications, the Town Manager may, with the consent of the council, award contracts and make purchases for the purpose of repairing damages caused by accident, meeting the public emergency; or addressing matters of the Town where delays could increase burden or expense to the Town, but he shall promptly file with the council written correspondence outlining the emergency and the necessity for such action, together with an itemized account for all expenditures and the identified funding source(s). Said correspondence should also be placed on the next regular meeting of Council agenda for full awareness of the community.

Such an emergency purchase may not exceed the value of \$22,500 or more when necessary if delay could cause a threat to public health, welfare or safety or otherwise injure the Town financially or otherwise. Such emergency procedures will be made with competition if practical for the circumstances.

10. Contracts funded with federal grant or loan funds must be procured in a manner that conforms with all applicable Federal laws, policies and standards, including those under the Uniform Guidance (2 C.F.R. Part 200).

*Original: DV 06/10/2013*

*Reviewed with updates: DMP 04/01/2020*

*Revised with additions: CSH 02/28/2024*