

TOWN OF MENDON

PROCUREMENT POLICY

Authority Thresholds, Controls & Procedures

Effective Date: _____ | Resolution No.: _____

1. PURPOSE AND SCOPE

This Procurement Policy establishes tiered purchasing authority, required controls, and documentation standards for the Town of Mendon. It is designed to give Mendon employees the flexibility needed to maintain efficient daily operations while ensuring sound fiscal stewardship, proper budget controls, and compliance with New York State General Municipal Law (GML) §103 competitive bidding requirements.

This policy applies to all Mendon employees. It covers all procurements of goods, services, repairs, and equipment charged to Town of Mendon budget lines (A, B, H, DA and DB accounts).

2. PURCHASING AUTHORITY MATRIX

The following matrix defines the authorization level required by transaction size and category. Where a transaction spans multiple tiers, the total value governs the tier applied.

Purchase Category	Employee Authority	Dept. Head Authority	Town Supervisor or Highway Superintendent	Board Pre-Approval	Required Process
Petty Cash / Incidental Field Supplies	Up to \$250 (departments may approve lower petty cash funds)	N/A	N/A	N/A	Receipt within 2 days; coded to budget line
Routine Parts, Supplies & Minor Services	Up to \$500	\$501 - \$5,000	N/A	N/A	single quote acceptable

Purchase Category	Employee Authority	Dept. Head Authority	Town Supervisor or Highway Superintendent	Board Pre-Approval	Required Process
Major Repairs, Equipment & Contracted Services	None	N/A	\$5,001 - \$10,000	N/A	Min. 2 quotes; budget confirmation required
Bulk Materials, Capital & Large Contracts	None	None	None	>\$10,000	Formal Board resolution; GML §103 bidding required >\$20K goods / >\$35K works
Emergency Purchases (any tier)	Up to \$250	Up to \$5,000	Up to \$20,000	Ratification at next meeting	Immediate written notification to Town Supervisor; Board ratification required

3. TIER DEFINITIONS AND REQUIREMENTS

3.1 Tier 1: Department Head

Authorized personnel: Department Head

Tier 1 covers emergency field purchases, incidental supplies, and small parts necessary to maintain operational continuity without delay. Examples include hardware, small replacement parts, incidental welding supplies, and fuel when departmental accounts are unavailable.

- A receipt must be submitted to the department clerk within 2 business day(s).
- The purchase must be coded to the appropriate budget line at time of submission.
- Monthly aggregate per individual must not exceed \$5,000 without department head pre-approval.
- Purchases must not be split across multiple transactions to avoid exceeding the \$500 threshold (prohibited purchase splitting).

3.2 Tier 2A: Department Head Authority, Standard (Up to \$5,000)

Authorized personnel: Department Head.

Tier 2A covers the majority of routine operational procurement including parts, tires, smaller equipment repairs, contracted labor, and supply orders from standing vendors.

- A single written or verbal quote is sufficient (with signed sole source justification); the Superintendent documents the vendor selected and rationale.
- Confirmation that funds are available in the applicable budget line is required prior to commitment.
- All documentation is retained on file for a minimum of six (6) years per NYS records retention requirements.

3.3 Tier 2B: Department Head Authority, Competitive (Up to \$10,000)

Authorized personnel: Department Head.

Tier 2B covers larger service calls, significant parts or supply orders, equipment rentals, and purchases not covered by an existing annual contract. This range encompasses the \$5,001 to \$10,000 band where competitive discipline is important but Board scheduling overhead would impair operational responsiveness.

- A minimum of two (2) written or verbal quotes must be requested and retained on file.
- The buyer documents the basis for vendor selection if the lowest quote is not chosen.
- Budget line availability must be confirmed prior to commitment.
- Monthly Tier 2B expenditures are reported to the Town Board at each regular meeting.

3.4 Tier 3: Board Pre-Approval Required (Over \$10,000)

Authorized personnel: Town Board via resolution.

All purchases exceeding \$10,000 require prior Town Board approval. This threshold aligns with New York State General Municipal Law §103, which mandates competitive bidding for purchase contracts exceeding \$20,000 and public works contracts exceeding \$35,000.

- The individual prepares a written procurement request specifying vendor, scope, cost estimate, funding source, and necessity.
- The Town Board passes a resolution authorizing the expenditure prior to any commitment.
- All GML §103 bidding requirements apply. Purchases under state contract (OGS or county cooperative) satisfy the bidding requirement and must be documented accordingly.
- Capital equipment purchases require Board approval regardless of dollar amount and must be budgeted in the annual capital plan or a supplemental appropriation.

4. EMERGENCY PURCHASES

An emergency purchase is defined as a procurement required to prevent an immediate threat to public safety, protect public infrastructure from material damage, or restore essential highway services. The department head has emergency purchase authority up to \$10,000 without prior Board approval, subject to all of the following conditions:

- The buyer provides written notification to the Town Supervisor within one (1) business day of the commitment (email acceptable).
- A detailed written explanation of the emergency, the vendor selected, and the cost is filed with the Town Clerk.
- The purchase is presented for formal Board ratification at the next scheduled Board meeting. Ratification may not be withheld for purchases that legitimately qualified as emergencies.
- Emergency purchases may not be used to circumvent competitive requirements for planned or recurring purchases.

5. CREDIT CARD (PURCHASING CARD) POLICY

Town of Mendon credit cards are a convenience tool for low-dollar operational purchases. The following limits apply:

Cardholder	Per-Transaction Limit	Monthly Limit
Department Head	\$2,500	\$5,000
Town Supervisor or Highway Superintendent	\$5,000	\$10,000

All cardholders must:

- Submit itemized receipts with account coding to the appropriate clerk within two (2) business days of each purchase.
- Ensure each transaction is within the applicable Tier 1 or Tier 2A authority limit.
- Never use department credit cards for personal purchases. Misuse will result in immediate card revocation and may result in disciplinary action.
- Card accounts are reviewed monthly by each department and included in each voucher abstract presented to the Board.

6. BUDGET MONITORING AND REPORTING

Budget compliance is a shared responsibility between the departments and the Mendon Town Board. The following controls apply:

- Department heads will review budget-line balances before committing any purchase in Tier 2B or Tier 3.
- A monthly expenditure summary by budget line will be presented to the Board alongside each voucher abstract.
- The department head will notify the Town Board in writing when any individual budget line reaches 75% of its appropriated amount for the fiscal year.
- All budget transfers or supplemental appropriations required to cover unplanned spending require a Board resolution.
- Year-end encumbrances must be reported to the Town Clerk and Board no later than December 15 of each fiscal year.

7. PROHIBITED PRACTICES

The following practices are expressly prohibited and may result in disciplinary action and personal financial liability:

- Purchase splitting: Dividing a single purchase into multiple smaller transactions to avoid a higher authorization tier.
- Personal benefit: Using department purchasing authority or credit cards for personal purchases.
- Sole-source abuse: Restricting specifications or vendor selection to avoid competitive requirements without documented justification.
- Conflict of interest: Purchasing from a vendor in which any employee or their immediate family member has a financial interest, without prior disclosure and Board approval.

8. POLICY ADMINISTRATION AND REVIEW

This policy is adopted by Town Board resolution and supersedes all prior informal purchasing practices. The department lead is responsible for communicating this policy to all department employees and ensuring compliance.

- This policy shall be reviewed annually at the Board's organizational meeting and updated as needed to reflect changes in operational patterns, GML thresholds, or Board priorities.
- Questions of interpretation shall be resolved in consultation with the Town Attorney.
- Exceptions to any provision of this policy require written approval of the Town Board.

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