

Record of Ordinances

Ordinance No.: 2017-59

Passed: December 18, 2017

AN ORDINANCE TO IMPLEMENT A NEW VILLAGE OF WEST LAFAYETTE PURCHASING POLICY.

WHEREAS, this council desires to enact a village purchasing policy,

WHEREAS, it is necessary to immediately enact this ordinance to create a village purchasing policy in order to preserve the public peace, property, health and safety, and to provide for all the usual daily operation of the municipal government, and by reason thereof, this ordinance shall take effect forthwith upon its passage; Now, therefore,

BE IT ORDAINED by the Council of the Village of West Lafayette, State of Ohio as follows:

SECTION 1: PURCHASING POLICY

- (A) **PURPOSE:** The purchasing policy of the village is a set of instructions so that the contracting and purchasing functions can be carried out efficiently and uniformly. Adherence to the policy by all departments is essential in accomplishing this goal.
- (B) **PURCHASING AUTHORITY:** Contracting and purchasing authority is granted by the village and this policy to the mayor. The mayor may delegate this function.
- (C) **CERTIFICATION OF FUNDS:** No contract, agreement or other obligation involving the expenditure of money shall be entered into, nor shall any ordinance or resolution be passed, or order for the expenditure of money be issued by the mayor, or be authorized by any officer of the village, unless the fiscal officer shall first certify in writing to the mayor or the proper officer, that the money required for such contract, agreement, obligation or expenditure is in the treasury or in the process of collection to the credit of the fund from which it is to be drawn, and not appropriated for any other purpose, which certificate shall be filed and immediately recorded. The sum so certified shall not thereafter be considered unappropriated until the village is discharged from the contract, agreement or obligation.
- (D) **DEFINITIONS:** For purposes of this policy the following definitions shall apply:
 - 1. "Professional Services" means services that usually require education, training, skill, or expertise of an advanced, specialized or peculiar nature including without limitation, such services as those performed by attorneys, architects, engineers, professional design firms, construction managers, surveyors, accountants, physicians, insurance advisors, third party administrators and professional design firms and services as defined in ORC 153.65.
 - 2. "Purchasing Policy" shall be deemed to cover all purchases and contracts for any property or service for the village.
 - 3. "Real and Present Emergency" – In the event of any crisis, including any breakage or any loss of equipment or other circumstances which could not be reasonably anticipated, whereby any necessary regular village service is about to be interrupted or whereby the village will suffer significant or continuing loss, the administration may enter into a contract

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for the necessary repairs, replacements or other goods or services, or both to restore or maintain such service or to avert or terminate such a loss, without advertising, and in such amount as may in the circumstances be necessary. A full report shall be rendered to council at their next scheduled meeting if the amount exceeds \$3,000.

4. "Split Purchase Orders or Invoices" means dividing purchases into lesser amounts to circumvent dollar ceilings limited by resolution.
5. "Sole Source" means an item or service is only available from one supplier.
6. "Department Head" refers to the mayor, fire chief or assistant fire chief, village administrator, police chief or fiscal officer based on the purpose of the expenditure.

(E) PURCHASING LIMITATIONS:

1. Purchases from \$0 to \$14,999.99: All purchases must be approved by the department head. Purchases between \$1,500 and \$7,499.99 must have a minimum of two written quotations. Purchases \$7,500 or more must have a minimum of three written quotations. Specifications shall not favor a particular vendor or eliminate any qualified vendor. The department will obtain competitive quotes from reliable suppliers who can offer the lowest price and/or the best product available, in the best interest of the village. Upon obtaining quotes, the department will prepare a purchase order and send the quotes along with the purchase order to the fiscal officer. After approval from the department head, mayor and fiscal officer, the item(s) shall be ordered by the department initiating the request. Upon receiving the merchandise, the department head must document on the invoice their approval or disapproval, note the purchase order number and any backordered items then sign and date. The invoice should then be immediately given to the fiscal officer for payment processing.
2. Purchases from \$15,000 to \$49,999.99: Any purchase over \$15,000, other than compensation of employees of the village, must have council's approval. The department wanting to make the purchase shall obtain three written quotations. Specifications shall not favor a particular vendor or eliminate any qualified vendor. Upon obtaining three quotes, the purchase specifications and quotes must be presented to council for approval by motion. After council's approval is obtained, the department will prepare the

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purchase order and send the purchase order accompanied by the quotes to the fiscal officer. After approval from the mayor and fiscal officer, the department may make the requested purchase. Upon receiving the merchandise, the department head must document on the invoice their approval or disapproval, note the purchase order number and any backordered items then sign and date. The invoice should then be immediately given to the fiscal officer for payment processing.

3. Purchases exceeding \$50,000: Purchases exceeding \$50,000, other than compensation of employees of the village, must be authorized and directed by ordinance of the legislative authority of the village. If approved, the department head must advertise the expenditure for bid for no less than two weeks and no more than four weeks in a newspaper of general circulation within the village. The advertisement must include a general description of the item, specify that the bids be sealed and note the requirement to be properly marked as a bid. Specifications shall not favor a particular vendor or eliminate any qualified vendor. The bids must be opened and publicly read at the time, date and location specified in the advertisement. The time and date must reflect a date and time of a regularly scheduled council meeting and the location specified must be council chambers.

(F) BID OPENINGS: Bids will be opened during a regularly scheduled council meeting. After the bids are opened by the mayor, they will be given to the department initiating the request. The mayor has the authority to reject any/ or all bids. No bids may be changed after they have been opened. The original bids and bid tabulations are forwarded to the fiscal officer after the requesting department's bid tabulation.

(G) AWARD OF BID: The requesting department will review all bids and make a recommendation to the mayor as to the best/ lowest bidder. Based on this recommendation, the mayor may award the contract to the best/ lowest bidder. All contracts must be in writing and must be followed as to its terms and conditions. An adequate number of copies of the contract shall be prepared. An original will be kept on file in the fiscal office. The contracts must be fully executed by all parties concerned, certified as to funds by the fiscal officer, approved as to form by the village solicitor, approved by the mayor and accepted by the vendor. A purchase order must be issued at the time of the contract and for the full amount of the said contract. This encumbrance of funds will protect the village's appropriations and ensure that ample funds are available and reserved for the expenditure.

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- (H) **EXCEPTIONS TO OBTAINING QUOTES OR COMPETITIVE BIDDING:** In the following circumstances quotes or sealed bids/proposals are not necessary:
1. Purchases available only from a sole source supplier where the products or services may be met by only one supplier.
 2. Cooperative purchase contracts where the price for an item or service has been established by the State of Ohio or another government entity. Noncompetitive purchases using federal resources may also be subject to restrictions as stated in 2 CFR § 200.320(f) in effect as of the date of purchase.
 3. Any real and present emergency.
 4. Purchases of used equipment or supplies at an auction open to the public or at a sale where used equipment or supplies are sold.
 5. Purchase of utilities such as natural gas, telephone or electric services.
- (I) **CHANGE ORDERS ON CONTRACTS:** Change orders must be made for any changes throughout the term of a given contract. Change orders amounting to ten percent or more above the original request will require council's authority prior to work commencing except in the case of an emergency defined in Section 1 (D)(3). In the event that dollar amount exceeds the ten percent threshold and an emergency exists, the department head should notify the mayor, council and fiscal officer as soon as possible after the fact. Approval of all change orders at the end of any contract is required by council regardless of the percentage or size.
- (J) **STATE PURCHASING CONTRACTS:** Department heads are authorized to participate in contracts with the State of Ohio, Department of Administrative Services. The fiscal officer will maintain the master contract file. Items on the state contract may be sent out to bid, but do not need to be bid or advertised if purchased through the state contract. If a local vendor is able to meet or beat the state contract price, the item may be purchased from the local vendor without utilizing the formal bid process. The item being purchased from the local vendor must equal or exceed the specifications on the state contract. It is the department head's responsibility to maintain supporting documentation. A copy of the supporting documentation must be provided to the fiscal officer.
- (K) **SUPER BLANKET PURCHASE ORDERS:** Super blanket purchase orders are encouraged for specific expenditures that are repetitive and reasonably predictable. Examples are found in the Village Officer's Handbook. Super blanket purchase orders are closed at the end of each year.
- (L) **SALE, TRADE-IN OR OTHER DISPOSITION OF PROPERTY:** The mayor shall conduct all sales of real or personal property which council may authorize to be sold as having become unnecessary or unfit for village use. The mayor shall

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choose the method of sale per his discretion. Any employee may only purchase items for sale from an auction or bidding process.

- (M) **EQUIPMENT LEASES:** The total dollar amount of the equipment lease determines the purchasing limitation noted in Section 1(E).
- (N) **RELATED PARTY TRANSACTIONS:** Related party transactions are governed by the Ohio Revised Code. A related party transaction is a transaction between parties (for example, a buyer and a seller) in which one party to the transaction is able to control or substantially influence the action of the other.
- (O) **PUBLIC CONTRACTS AND CONFLICT OF INTERESTS:** A public official or employee is also prohibited from having an interest in a public contract with their public entity, or an agency with which they are connected, even if they do not participate in the issuance of the contract. A public official or employee is prohibited from having a financial or fiduciary interest in a public contract. A public contract includes any purchase or acquisition of goods or services, including employment, by or for the use of a public agency. A public official or employee is prohibited from authorizing, voting or otherwise using the authority or influence of their office to secure approval of a public contract in which the official, a family member, or a business associate has an interest in the investment. It is the responsibility of each village employee and public official of the village to assure that the village does not knowingly enter into any purchase commitments which could result in a conflict of interest.
- (P) **FIXED ASSET:** Any item costing \$2,500 or more with a useful life of more than one year is considered a capital asset of the village. Any expense meeting this criteria should be charged to a capital outlay account.
- (Q) **EMERGENCIES:** Emergency contracts for the operation and maintenance of any municipal government are authorized by Section 735.051 of the Ohio Revised Code. Council must approve any emergency expenditure exceeding \$3,000 by two-thirds vote at their next regularly scheduled meeting. Emergency contracts do not require the competitive bidding process and may be granted to the vendor based on their ability to immediately fulfill the emergency need of the village. In emergency situations, when obtaining written quotations would result in an unusual delay and therefore cause hardship for the citizens of the Village of West Lafayette, verbal quotations may be accepted. The date, time, name of vendor, the quoting individual's name and the verbal quote specifications must be properly documented. Payment of any invoices will not be authorized until written confirmation of the quotations signed by the department head is received by the village.
- (R) **PURCHASE ORDER & EXPENDITURE REQUIREMENTS:**
 - 1. All purchase orders must be itemized specifying the proper account number for each expenditure, assigned the correct purchase order number and include the correct vendor name, address as well as phone number. A miscellaneous line item may not be used.

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2. The department head is responsible for obtaining W-9 forms required by the IRS.
3. The department head is responsible for the approval of all purchase orders invoices and receipts. The department head must ensure that all items are received as ordered prior to authorizing payment of invoices and receipts.
4. There shall be no "split" purchase orders to avoid the limits set by resolution.
5. There shall be no purchase of any items or service without a purchase order outside of a justifiable emergency subject to council's approval.
6. A signed release from the department head and fiscal officer is required prior to the utilization of a super blanket purchase order to ensure sufficient funds are available.
7. No changes may be made to approved purchase orders or approved invoices without prior authorization from the department head and fiscal officer.
8. Purchases that exceed the original amount by more than ten percent will require an additional purchase order request. Employees must be authorized by their department head to commit the village's funds to a purchase.
9. All invoices, packing slips, delivery tickets, etc. should be given to the fiscal officer immediately for safekeeping. Invoices will not be paid without the department head's authorization.
10. The department head is responsible to justify a "sole source item" in writing.
11. The department head is responsible for requesting that purchase orders be closed once an order is fulfilled. The department shall notate on the invoice that the purchase order can be closed after payment is made or notification may be sent to the fiscal officer via email.
12. No online ordering is permitted without the mayor's approval. The online order must be completed by the authorized cardholder if the village credit card is used.
13. The village tax exempt number may not be utilized for personal use.
14. Village credit card holders may not let anyone else use the card assigned to them. No exceptions.
15. A receipt and or an invoice is required for all expenditures.
16. The odometer reading for the vehicle being fueled must be entered at the time of purchase when a fuel card is utilized. The vehicle number, the odometer reading of the vehicle, the signature of the employee making the purchase and the date

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is required on all fuel receipts. The department head is responsible for verifying that all fuel purchases made for their department were valid by signing the monthly fuel log or by notifying the fiscal officer monthly via email. The village administrator must itemize the amount of fuel to be charged to each fund for their departments.

17. Department heads are responsible for periodically checking to ensure regularly used vendors are offering the best value and pricing.

(S) EXCEPTIONS: For any sale or purchase, exceptions may be made to this policy if approved by council as being in the best interest of the village.

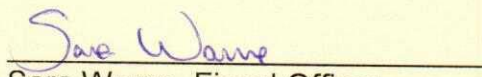
(T) VIOLATIONS: A violation to this ordinance may result in disciplinary action up to and including termination of employment. Violations of this ordinance may also result in the delay of payment to vendors or the non-payment of goods and services.

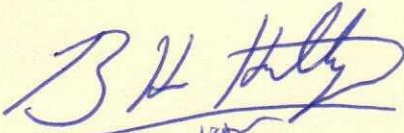
SECTION 2: This ordinance shall be declared an emergency for necessity of health, safety and welfare of the citizens of West Lafayette, Ohio and shall be effective upon passage and signing by the mayor.

Passed on this 18 day of December, 2017


Stephen R. Bordenkircher, Mayor

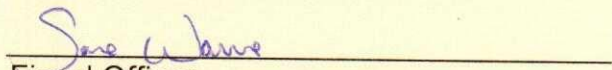
Attest:


Sara Warne, Fiscal Officer


Village Solicitor

CERTIFICATE OF POSTING

The foregoing Ordinance was posted according to law this 19th day of December, 2017


Fiscal Officer