

## **BOARD OF TRUSTEES**

### **PURCHASING POLICY/PROCEDURES**

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Pursuant to Section 5705.38 of the Ohio Revised Code, the Board of Trustees of Miami Township hereby adopts the following policies and procedures to make a purchase in the course of general business and operations.

#### **GENERAL PURCHASING PROCESS**

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The Township intends to plan all purchases and strictly adhere to statutory requirements, township policies and procedures, and public bidding requirements when obligating the township for the purchase of any product, materials, or services.

The process steps for making a purchase shall generally be as follows:

1. Obtain a price for the purchase consistent with the Township procurement section of this policy
2. Determine whether the funds have been budgeted for the purchase
3. Open a Purchase Order (PO) or Super Blanket Certificate (SBC) for the purchase
  - a Certification of Funds by Fiscal Officer
4. Obtain approval to make purchase
5. Make purchase (credit card, check/warrant, debit (ACH))
  - a Optional credit card payment
6. If not paid with credit card Submit evidence of purchase (receipt) to the department head or fiscal officer
7. Invoice is processed (accounting)
8. Invoice is paid
9. Reconciled – filed

## **Purchase Order (PO)**

A PO is issued when the purchase of a single item, or multiple items, is provided by a single vendor. It can be issued for any amount and can include multiple appropriation account codes. It is valid until the purchase is completed or the contract is fulfilled or canceled.

## **Super Blanket Certificates (SBC)**

A SBC is issued when the purchase of a single item, or multiple items, is provided by multiple vendors. It can be issued for any amount and can only include a single (one) appropriation account code. It is valid until it has been consumed or is closed. The following are acceptable examples of SBC purchases:

- Architectural Services
- Attorney/Legal Services
- Consultant Services
- Professional Engineering Services
- Fuel oil and gasoline
- Food items
- Roadway materials
- Utilities
- Any other specific expenditure that is a recurring and reasonably predictable operation expense and is exempt from competitive bidding

## **Then and Now PO**

A Then and Now PO is issued in emergency situations where a planned purchase cannot be accommodated and where prior certification of funds was not able to be obtained before the expenditure or obligation was made. Board of Trustee (or designate) approval is still required.

This PO is issued when the situation is unforeseen, unplanned, and requires immediate action, such as the towing of a broken-down vehicle, not routine vehicle maintenance. It can be issued for any amount and can include multiple appropriation account codes. It is valid until the purchase is completed or the contract is fulfilled or canceled.

## **OPENING PURCHASE ORDER**

To open a purchase order, designated personnel must submit, or input into UAN, a requisition request.

The request should include:

- Approved vendor name
- Requested dollar amount
- Item description
- Quotes or bids (or evidence of)
- Fund account code
- Department head approval

## **PRICING AND PUBLIC BIDDING**

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Employees will use the following standards when securing pricing for purchases.

- There are no special procurement practices for purchases under \$1,500.
- Unless exempted below, a demonstrable attempt must be made to gather and present three price quotes for purchases between \$1,501 and \$25,000
- Any purchase over \$25,001 must go out for competitive bid, consistent with the provisions of the competitive bidding section of this policy. This provision includes State Term Pricing.

There are several exemptions to the procurement rules stated above. The below list demonstrates all items that are exempted from general procurement practices per state law via Ohio Revised Code (ORC) section 307.86. In general, Miami Township will, as a matter of best practice, obtain a minimum of three quotes on these items, even if they are exempt from competitive bidding.

1. Any State of Ohio Department of Administrative Services contract
2. Any State of Ohio Department of Transportation contract
3. Accounting Services
4. Architectural Services
5. Attorney Services
6. Physician Services
7. Appraisal Services
8. Professional Consulting Services
9. Sole source vendors or items (with proper documentation)
10. Land purchases and sales
11. Any jointly purchased item per Ohio Revised Code section 9.48

## CONTRACTS

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Only the Chair of the Board of Trustees has been given the authority to execute contracts on behalf of the Township. This authority may not be delegated.

Any contract must be approved by the Township Trustees before they are executed by the Chair.

## INVOICE PROCESSING

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All invoices must be promptly processed and sent to the fiscal officer for prompt entry, processing, and payment.

The following steps ensure that all invoices are properly and promptly paid.

1. Each invoice is stamped and includes the purchaser's name, the SBC/PO number, final amount, and the date of processing.
2. The invoice will then be routed to the department head for review and approval by signature.
3. The department head will verify that the goods and services received are correct.
  - a If the goods or services are incorrect, the department head shall dispute the charges, and no invoices shall be paid until the dispute is resolved.
4. The department head will return the approved invoice to the fiscal officer within two (2) work days.
5. Invoices shall be processed by the fiscal officer within seven (7) business days.
  - a Processing includes verifying PO and invoice match, making the ledger entry into UAN, and issuing payment.
  - b Payments may not be made until the journal entry has been made.

## PURCHASING (SPENDING) AUTHORITY

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No one has the authority to make a purchase without an approved purchase order. No township employee may make a purchase without department head authorization. Unauthorized purchases will result in progressive discipline and may be rejected by the township.

This table outlines purchasing level authority.

Amount of Purchase	Spending Authority	Quote Required	Approval Required
Less than \$2,500	Department Head	3 Quotes above \$1,501	Department Head/Trustee Liaison
\$2,501-\$25,000	-	3 Quotes/Estimates	Board of Trustees
\$25,001- Greater	-	Public Bid Required	Public Bid Opening

## COMPETITIVE BIDDING

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Competitive bidding regulations are in place to ensure that goods and/or services are purchased at the best possible price through an invitation to vendors to provide a competitive bid.

The ORC stipulates competitive bid requirements. Trustees and department heads are required to consult with township legal representatives prior to issuing a competitive bid.

Purchases of \$50,000 or more must be competitively bid, unless the item to be purchased is subject to one of the exceptions listed earlier in the policy or ORC 9.48. The Board of Trustees has established \$25,000 as the minimum purchase level requiring a competitive bid.

The minimum process for issuing a competitive bid includes:

1. The bid must be publicly posted in a newspaper of general circulation within the Township/region once per week for two consecutive weeks prior to the opening of the bid.
2. The bid must be posted on the bulletin in the Township Administration building for two consecutive weeks prior to the opening of the bid.
3. The bid posting should include:
  - a. General description of the proposed contract
  - b. Time and place where documents related to the purchase can be obtained
  - c. Deadline for submission of bids
  - d. Time and place where bids will be opened

- e. Terms of the proposed purchase
- f. Conditions under which the bids will be received

While the ORC outlines several types of purchases that require competitive bids, the Board of Trustees may elect to competitively bid a purchase that is not required to be competitively bid by ORC. The Township also reserves the right to reject all bids at any time.