

RESOLUTION NO. 71-19: Exhibit "A"

**AMENDMENTS TO THE
TWINSBURG TOWNSHIP PURCHASING POLICY**

December 11, 2019

- 1) **Purpose.** This Policy sets out guidelines for the Township to ensure that all purchases of goods and services provide the best value for Township taxpayers. All things being equal, and having regard for the guidance of this Policy, "best value" may be described as receiving the highest quality and service at the lowest cost. This Policy is designed to provide a purchasing environment that is fair and impartial, and to ensure accountability, transparency, and ethical behavior. The Fiscal Officer, the Board of Trustees, and all Township staff shall adhere to this Policy and all other applicable laws and regulations at all times. This Policy has been approved and adopted by the Board of Trustees.
- 2) **Intent.** The Township shall attempt to purchase quality goods and services at the lowest price available, serving as an equal opportunity purchaser and favoring local vendors only when all other factors are equal. It is the intent of the Township to purchase goods and services through joint purchasing programs wherever possible, and to use such programs to benchmark as many purchases as possible.
- 3) **Responsibility.** Approval of all Township purchases is the responsibility of the Board of Trustees or, where delegated, the Township Manager. All expenditures for purchases must be within appropriations previously approved by the Board of Trustees, and properly documented in accordance with this Policy. Appropriations shall not be considered as a mandate to expend funds, nor shall appropriations commit the Township to make any purchases, as such authorization originates from the provisions of this Policy and the Ohio Revised Code.
- 4) **Authority.** While the Board of Trustees has legal authority to purchase all goods and services, the Board of Trustees may and has delegated management of the purchasing function, as well authority to make certain purchases, to the Township Manager.
- 5) **Preference.** A competitive selection process is the preferred method of purchasing. As such, the Township is encouraged to seek out new sources of supply, readily provide purchasing information to vendors in a cooperative manner, and ensure that all purchasing mechanisms contain clear and full disclosure of requirements.
- 6) **Coordination.** For all purchases, the issuance of purchase orders, recordkeeping, and payments shall channel through and be coordinated with the Fiscal Officer, to ensure that proper purchasing records are maintained.
- 7) **Factors.** Purchases should be made from the lowest responsible proposer/bidder, with additional consideration given to quality of goods or services, conformance to specifications, suitability to Township needs, delivery capability, and past performance.

- 8) **Requirements and Thresholds.** This Policy is based on statutory requirements and includes dollar thresholds. **The dollar threshold determining prior or subsequent approval by the Board of Trustees relative to any purchase or vendor shall be measured in terms of anticipated annual purchase amounts from a vendor. The dollar threshold determining the applicable category referenced in Section 9, below, shall be measured in terms of the anticipated purchase amount for any single item.** ~~Dollar thresholds relative to any purchase or vendor shall be measured in terms of anticipated annual purchase amounts from a vendor and, if multiple items are purchased from a vendor, anticipated purchase amounts for any single item.~~ Separating items into separate invoices to avoid any thresholds shall be considered inconsistent with this Policy and shall not be tolerated. The Township also recognizes that statutory competitive bidding requirements vary and can be changed at any time by the State. Where purchase through a joint purchasing program is not possible, it is the intent of the Township to competitively bid any purchase greater than \$25,000 or the applicable statutory requirement, whichever is greater. For reference only, statutory competitive bidding requirements as of this date are as follows:
- a) Construction or reconstruction of roads in amounts greater than \$15,000 per mile, per ORC Section 5575.01;
 - b) Maintenance or repair of roads in amounts greater than \$45,000, per ORC Section 5575.01;
 - c) Purchase of road machinery, materials, supplies or buildings in amounts greater than \$50,000, per ORC Section 5549.01, except as set forth in ORC Sections 505.08 and 505.101;
 - d) Contracts for lighting unincorporated districts in amounts greater than \$50,000, per ORC Sections 515.01 and 515.07;
 - e) Erection, repair, alteration or rebuilding of buildings, bridges or culverts in amounts greater than \$50,000, or in amounts greater than \$5,000 per branch of work, per ORC Sections 153.50 and 153.52;
 - f) Memorial buildings, monuments, statues or memorials in amounts greater than \$50,000, per ORC Sections 511.12;
 - g) Firefighting equipment and buildings in amounts greater than \$50,000, per ORC Sections 505.37 to 505.44, inclusive, except as set forth in ORC Sections 505.08 and 505.101;
 - h) Sale or trade-in of property or equipment, per ORC Section 505.10, except as set forth in ORC Sections 505.08, 505.10, and 505.101; and

- i) Contracts for the purchase of services, materials, equipment or supplies needed to meet an emergency if the estimated cost of the contract is less than \$50,000, per ORC Section 505.08.

9) **Purchasing Procedures.**

- a) Purchases less than \$500~~250~~. Unless otherwise provided, such purchases shall be made after efforts have been undertaken to secure the desired goods or services at the lowest price, as determined by the Township Manager. **Such purchases shall be authorized by the Board of Trustees by subsequent approval by resolution.**
- b) Purchases from \$500~~250~~ to less than \$2,500~~1,000~~. Unless otherwise provided, such purchases shall be made after attempting to secure at least three verbal quotes. Verbal quotes received should be noted and attached to the appropriate purchase requisition form, along with an explanation of why a particular vendor was chosen, **as determined by the Township Manager. Such purchases shall be authorized by the Board of Trustees by subsequent approval by resolution.**
- c) Purchases from \$2,500~~1,000~~ to less than \$7,500~~2,500~~. Unless otherwise provided, such purchases shall be made after attempting to secure at least three written quotes. Written quotes received should be attached to the appropriate purchase requisition form, along with an explanation of why a particular vendor was chosen. If for any reason three written quotes cannot be obtained, a written explanation illustrating the reason should be attached to the appropriate purchase requisition form, **as determined by the Township Manager. Such purchases shall be authorized by the Board of Trustees by subsequent approval by resolution.**
- d) Purchases from \$7,500~~2,500~~ to less than applicable statutory competitive bidding requirement*. Unless otherwise provided, such purchases shall be made after preparing written specifications and attempting to secure at least three written proposals. The written specifications prepared and written proposals received should be attached to the appropriate purchase requisition form, along with an explanation of why a particular vendor was chosen. If for any reason three written proposals cannot be obtained, a written explanation illustrating the reason should be attached to the appropriate purchase requisition form. Such purchases shall ~~first~~ be authorized by the Board of Trustees **by prior approval** by resolution.

- e) Purchases from applicable statutory competitive bidding requirement* and greater. Unless otherwise provided, such purchases shall be made after following competitive bidding procedures outlined in the Ohio Revised Code. Such purchases shall ~~first~~ be authorized by the Board of Trustees by prior approval by resolution.

* Where no statutory competitive bidding requirement is applicable to a purchase, the amount of \$25,000 shall be used as the threshold between subsections d and e, above.

- 10) **Joint Purchasing.** Per ORC Section 9.48, subsection (B)(1), the Township may permit one or more political subdivisions to participate in any Township purchases, and may charge such other political subdivision(s) for such a service. Per ORC Section 9.48, subsections (B)(2) and (B)(3), the Township may participate in and purchase goods and services through a joint purchasing program. Participation in such a program shall first be authorized by the Board of Trustees by resolution, and purchases through such a program shall be approved in accordance with the program and this Policy. Per ORC Section 9.48, subsection (C), Township purchases made through such a program shall be exempt from any competitive selection requirements otherwise required by law or this Policy. Per ORC Section 9.48, subsection (D), the Board of Trustees may authorize a purchase from a vendor outside of a joint purchasing program, provided that such purchase is upon the same terms, conditions, and specifications as, and at a lower price than, through such a program.
- 11) **Sole Source Purchasing.** In the event that certain goods or services are available through only one vendor due to uniqueness and/or an inability to secure more than one quote, proposal or bid, the Board of Trustees may determine that a specific vendor will be the sole source of purchasing for such goods or services. In the event that goods or services are clearly superior and/or compatible with Township operations when provided by a particular vendor, the Board of Trustees may similarly determine that a specific vendor will be the sole source of purchasing for such goods or services. Such a determination of the Board of Trustees shall satisfy conformance to vendor selection provisions of this Policy.
- 12) **Professional Services.** The Township may use a competitive negotiation process to retain professional services including but not limited to legal, architectural, engineering, accounting, and other consulting services. If employed, the negotiation process shall be the responsibility of the Board of Trustees or, if delegated by the Board of Trustees, the Township Manager. If employed, such a process shall generally begin with a request for qualifications from potential vendors, followed by a request for technical proposals from the top three to five vendors, followed by a request for a fee proposal from the preferred vendor, followed by negotiation of a contract with the preferred vendor. Notwithstanding the foregoing the Township shall only be required to comply with applicable law in retaining professional services.

- 13) **Contracts.** All Township contracts shall be signed by the Board of Trustees or, if delegated by the Board of Trustees, the Township Manager.
- 14) **Change Orders.** Change orders to purchases authorized by the Board of Trustees shall first be approved by the Board of Trustees. Change orders to purchases authorized by the Township Manager shall first be approved by the Township Manager, except that if the annual amount in favor of the vendor is anticipated to exceed ~~\$7,500~~\$7,500 as a result of such change order, such change order shall first be approved by the Board of Trustees.
- 15) **Requisition Forms.** Once a vendor has been selected and any required approval of the Board of Trustees has been obtained for any purchase, a Purchase Requisition Form shall be completed. Completion of such form shall precede the opening of a purchase order for any purchase. The form shall be signed by the employee requesting the purchase and forwarded to the Office Administrator for review before being given to the Fiscal Officer. In the event that an appropriation line item has insufficient unencumbered funds to open a purchase order, the Fiscal Officer shall return the form to the Office Administrator for revision and resubmission. The Fiscal Officer shall assign a purchase order number to each completed form, with purchase orders opened on at least a weekly basis.
- 16) **Purchase Orders.** Once a purchase order is opened, the Fiscal Officer shall sign the bottom of the Purchase Requisition Form and attach it to the purchase order. The Fiscal Officer shall also sign the purchase order to certify available funds before forwarding the purchase order, with the form attached, to the Trustees for signatures, with the purchase order considered approved and available for use when two Trustees have signed. Once a purchase order is approved and available for use, the original shall be filed in a purchase order binder by purchase order number. One copy, each, shall be filed in the Accounts Payable file and given to the employee requesting the purchase.
- 17) **Emergency Purchases.** A purchase can be authorized as an emergency due to an immediate threat to the safety, security, health, and/or welfare of the citizens, or for Township facilities or equipment immediately requiring provision of such services. Poor planning does not constitute an emergency. The requisition form for said purchase shall be marked "EMERGENCY" and signed by the Township Manager. An emergency purchase over ~~\$7,500~~\$7,500 shall require the prior consent of at least one Trustee, and must be subsequently approved on a then-and-now basis by the Board of Trustees.

- 18) **Then-and-Now Purchases.** For any emergency purchase, as well as any commitment made prior to issuance of a purchase order in a manner consistent with this Policy, the Fiscal Officer shall review the purchase and, where applicable, certify that there was at the time of making such commitment (“then”) and at the time of making such certification (“now”) a sufficient sum appropriated for such purpose and in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. If the amount of said certification is less than ~~\$2,500~~\$1,000, the Fiscal Officer may ~~certify~~ authorize such commitment, and such purchase shall be authorized by the Board of Trustees by subsequent approval by resolution. If the amount of such certification is ~~\$2,500~~\$1,000 or greater, ~~the Fiscal Officer shall forward such certification to the Board of Trustees~~ may certify such commitment once such purchase has been authorized by the Board of Trustees by prior approval by resolution. Upon receiving the Fiscal Officer’s certification, ~~the Board of Trustees shall review such certification and, where applicable, authorize such commitment.~~ The use of then-and-now purchases shall be minimized to the greatest extent possible.
- 19) **Commencement.** A vendor shall not be authorized to provide goods or services to the Township until (1) all applicable provisions of this Policy have been complied with; (2) any required approval of the Board of Trustees has been obtained; and (3) a purchase order has been opened, certified by the Fiscal Officer, and signed by two Trustees.
- 20) **New Vendor.** Any approval to purchase goods or services from a new vendor shall be subject to completion by the vendor of a New Vendor Form, as well as verification by the Township of no State findings for recovery against such vendor.
- 21) **Continuing Vendor.** The Township shall, not less than quarterly for each vendor exceeding the ~~\$7,500~~\$2,500 annual amount threshold and not less than annually for all other vendors, verify that there are no State findings for recovery against each Township vendor. Such verification shall be a precondition to continuance as a Township vendor.
- ~~22) **Credit Accounts.** Credit accounts with any vendor in favor of the Township shall first be authorized by the Board of Trustees by resolution. The resolution authorizing establishment of an account shall specify credit limit and authorized users. It is the intent of this Policy to limit the number of credit account users, and the existence of a credit account shall not alleviate or reduce the need to conform all provisions of to this Policy.~~
- ~~23) **Purchasing Cards.** Where one or more purchasing cards are to be associated with a credit account, the number and authorized users of such card(s) shall first be authorized by the Board of Trustees as part of the resolution authorizing establishment of the account. The first card associated with an account shall be maintained in a secured location in the office of the Fiscal Officer. Additional cards if any shall be distributed to only authorized users of such cards, with such users to sign a release acknowledging that they have read and agree to comply with this Policy.~~

- 24) **Payments.** When an invoice is received for goods or services, the invoice shall be date-stamped, and stamped with "Authorization for Payment", to include purchase order number, payment amount, indication as to whether a final payment, approval initials, and approval date. The stamped invoice shall be circulated to the applicable Department head or assistant, who shall review and, where applicable, approve the invoice. The initialed invoice shall be returned to the Office Administrator for review before being forwarded to the Fiscal Officer for payment, with payables processed on at least a weekly basis.

- 25) **Petty Cash.** The Township does not keep, nor does the Board of Trustees authorize the holding or distributing of, petty cash for any Township purpose.

- 26) **Conflict with State Law.** In the event that any provision hereof is determined to be in conflict with the laws of the State of Ohio, such provision shall be deemed of no further force and effect.

I have read this Policy and to the extent applicable to the undersigned agree to comply therewith.

By: _____

