

# REVISED PURCHASING AND BID POLICY

ADOPTED 5-3-95  
(Amended 4-2-97)  
(Amended 03/05/03)

## FOR ALL BUDGETED ITEMS

***PURPOSE:** This policy controls the expenditures for supplies, parts, repairs, services, training and equipment for the normal and routine operations of Washington Township, including all contracted outside services. Every reasonable attempt must be made in a manner that ensures that the Township is receiving the best value for the money being expended.*

1. Expenditures of less than **\$500.00** each do not require a purchase order but must be authorized by department heads who shall be responsible for remaining within budget totals, **and submitted on an appropriate check request form for payment.**
2. All expenditures of **\$500.00** or more, but less than **\$1,000.00 (single purchases or collectively-purchased items)** shall require the issuance of a purchase order and be signed by the department head under whose budget the item falls. A comparative price list, with at least two other prices, shall accompany the purchase order. (Please note on the purchase order if this is impractical or not available due to the nature of the item or items).
3. Items from **\$1,000.00** not exceeding **\$3,000.00, (single purchases or collectively-purchased items)** must be approved by at least two (2) full time elected officials, such as Supervisor, Clerk, or Treasurer with a purchase order signed by one of the same and the Department Head under whose budget the item falls. A comparative price list, with at least two other prices, shall accompany the purchase order. (Please note on the purchase order if this is impractical or not available due to the nature of the item or items).
4. All items priced greater than **\$3,000.00 but less than \$5,000.00, (single purchases or collectively-purchased items)** must be presented and approved by the Township Board. If, at time of presentation, the Township Board deems it necessary, bids for comparative pricing may be requested.

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5. **All single items \$5,000.00 and over (single items or collectively-purchased items)**, must also be presented to and approved by the Township Board before purchasing. These items will require competitive bidding.
  - a) A notice inviting bids shall be published in a newspaper of general circulation within the Township and posted on the Township Hall bulletin board.
  - b) If, in the Board's opinion, publication of an invitation for bids in a general circulation newspaper would not be beneficial and would in fact add unnecessary cost to the process, invitation for bids may be mailed to appropriate persons or businesses in lieu of such publication.
  - c) The Department Head must supply a standardized specification sheet to all bidders. All bidders must provide the appropriate proofs of insurance at the time of bidding. All bids shall be sealed and delivered to the Township Clerk by the specified date, and opened at a formal meeting to be announced.
  - d) The Board, at its discretion, may waive the requirement for competitive bidding. The Board may also, if deemed in the best interest of the Township, choose not to accept the lowest bid. After final approval of the Township Board, a purchase order will be required for the item, signed by the Department Head under whose budget the item falls, with the date of approval of the Township Board included on the purchase order.
  
6. A **blanket purchase order** will be required for routine vendors of a charge account nature (hardware stores, office suppliers etc.) and good for any item not exceeding **\$500.00**, expiring at the end of each fiscal year (March 31). These blanket purchase orders are not good for any single item over \$500 and must clearly state so. It must also list the maximum total limit for said blanket purchase order. The Township Board will be supplied with a list for approval of all blanket purchase orders at the beginning of each fiscal year.

### 7. Emergency Purchases

- a) In the case of the **Fire and ALS Departments**, where an emergency situation exists which represents a threat to the health and/or safety of the public, repairs which are immediately necessary may be ordered by the department head after conferring with one full time elected official. The matter then would be placed on the agenda at the next regular meeting to inform the Township Board of the circumstances, at which time the Board will approve the payment(s).

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- b) In the case of the **Water & Sewer Department**, the Water Superintendent has the authorization to carry out necessary repairs/maintenance to avoid or prevent further damage caused by an emergency situation. Emergency repairs and maintenance will be considered as: all repairs and maintenance which are unforeseen and have potential as either a hazardous condition or situation where delayed attention could cause greater overall damage and/or cost. The day following such repairs, the Sewer & Water Superintendent will notify the Township Supervisor of repairs and cost of repairs. The Supervisor is obligated to inform the Sewer and Water Committee of such repairs. The Supervisor must also inform the Board of Trustees at the next scheduled meeting. The Board of Trustees will receive a report from the Sewer & Water Superintendent; at the next available meeting, at which time the Board will approve the payment(s). (Adopted 2-5-97)
- c) In the case of the **General Township**, the Maintenance Superintendent has the authorization to carry out necessary repairs/maintenance to avoid or prevent further damage caused by an emergency situation. Emergency repairs and maintenance will be considered as: all repairs and maintenance which are unforeseen and have potential as either a hazardous condition or situation where delayed attention could cause greater overall damage and/or cost. The day following such repairs, the Maintenance Superintendent will notify the Township Supervisor of repairs and cost of repairs. The Supervisor must inform the Board of Trustees at the next scheduled meeting. The Board of Trustees will receive a report from the Maintenance Superintendent; at the next available meeting, at which time the Board will approve the payment(s). (Adopted 3-5-03)
8. Purchase orders shall be distributed in the following manner:
- White copy - to the vendor
  - Pink copy - to the Township Clerk
  - Yellow copy - to the Accounting Department
  - Gold copy - department head's copy
- \*\* A copy of a purchase order is attached for reference.*
9. *For purposes of maintaining inventory listings, all capital assets (i.e. furniture, equipment, software, building improvements) purchased in excess of \$500 (or collectively over \$1000) shall be considered inventory and kept listed as such. To properly protect the Township's assets, certain individual items purchased at a cost of less than \$500 may also be considered inventory at the judgment of the Township Clerk. Purchases over \$5,000.00 shall be included in capital outlay, as well as inventory. The Township auditors have recommended this limit.*

**10. BIDS FOR RECURRING SERVICES OR CONTRACTED LABOR**

Bids for recurring services and contracted labor will be solicited every two years, with prices good for said two-year period. This would include, but not be limited to, snow removal, grass cutting, sprinkler services, electrical maintenance and mechanical services. (All bids will be submitted on a standardized specification sheet, designed by the Department Head or Supervisor under which said service would fall, and be submitted with proper insurance documentation. All bids shall be sealed and delivered to the Township Clerk by the specified date, and opened at a formal meeting to be announced.) References should accompany all bids if available. If possible, these services should be bid Township-wide. (*The Township Board of Trustees may, at their discretion, opt to not bid out certain contracted labor and/or services.*)

- a) In accordance with the federal law requirement, any department that finds it necessary to use the services of an independent contractor for professional services or labor, will be required to produce a signed W-9 form filled out completely from the contractor, **prior to commencement of work.**
- b) They must also supply a copy of the liability insurance/workers compensation insurance for this contractor. These forms must be received in the Accounting Department before any compensation can be made. (*A copy of this W-9 is attached for your convenience.*) *Keep in mind that these documents generally expire during the year. It will be the individual department's responsibility to make sure these forms are kept current.*
- c) At the Township Board's Discretion, certain Professional Services such as, but not limited to, Engineer, Computer Consultant, Planner, Attorney, and Auditor may be exempt from this bidding process.
- d) All department heads, supervisors, administrative assistants and elected officials are required to avoid all actual or potential conflicts of interest in soliciting bids for recurring services and contract labor. For purposes of this Purchasing and Bid Policy, the term "conflict of interest" shall mean a pecuniary interest or an interest which would undermine the Township's goal of assuring an independent, impartial and honest bid process. All department heads, supervisors, administrative assistants and elected officials shall disclose, in writing to the three full time elected officials, any and all or potential conflicts of interest in connection with the bid process for recurring services or contracted labor.

**UNBUDGETED ITEMS**

- 11. Unbudgeted items from **\$500 and not to exceed \$1000 (single purchases or collectively-purchased items)**, must be approved by at least two (2) full-time elected officials, such as the Supervisor, Clerk, or Treasurer and be accompanied by a purchase order signed by one of the same, as well as the Department Head under whose budget the item falls. A comparative price list, with at least two other prices, shall accompany the purchase order. (Please note on the purchase order if this is impractical or not available due to the nature of the item or items). *The word "unbudgeted" shall appear on the purchase order.*

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12. Unbudgeted items from **\$1000, not exceeding \$3000 (single purchases or collectively-purchased items)**, must be approved by the Township Board before purchase is made, in addition to having the same requirements as stated above in number 11.

### Attachments:

Purchase order  
W-9 Form/Sole Proprietor Form  
Insurance certificate example