

## Village of Three Oaks Policies & Procedures

### PURCHASING POLICY



#### 1.1 PURPOSE

These purchasing policies and guidelines are to assist the Village of Three Oaks in maintaining legal, prudent, and ethical methods in purchasing materials, equipment, contract services, and letting building projects on behalf of the Village.

#### 1.2 PURCHASING

- All purchases require that appropriate funds are budgeted and available at the time of purchase.
- No employee or any person shall make purchases or commit Village funds without proper authorization.
- Purchases of less than \$25.00, accompanied by a receipt, may seek reimbursement from the appropriate petty cash fund.
- Purchases of goods and services up to \$500.00 by Department Heads are authorized, only if funds are budgeted and available.
- Purchases of goods and services of \$500.01 to \$2,000.00 by the Village Manager is authorized, only if funds are budgeted and available, and accompanied by a pre-authorized purchase order (PO).
- The Village Manager is authorized to make emergency purchases of goods and services up to \$5,000.00.
- The Village Manager must seek permission from the Village President with requesting expenditures greater than those above within a specific line item fund budget.
- The Village Council must approve expenditures greater than those above requiring transfer among funds.
- The Village Council must approve a budget amendment when expenditures would exceed the fund budgets, prior to any purchase or commitment of funds.
- The Village Manager will impose a spending freeze on all discretionary purchasing if requested by the Village Council or determines it is in the best interest of the Village.

#### 1.3 FISCAL POLICIES

- Where practical, expenditures above \$2,000.00 must have three written quotes or proposals prior to selecting a vendor. The chosen vendor is determined by whoever provides the highest acceptable quality at the lowest price.
- All checks issued by the Village shall have two authorized signatures.
- It is the intent of the Village to settle accounts payable weekly.
- Employee reimbursements, except those reimbursed from a petty cash fund, will be paid the last week of the month in which the expense occurred. Reimbursements greater than \$200.00 will be made following Council approval.
- Petty cash funds of \$100.00 are established within the Administration line item for general fund purposes, and within the Water Department line item for water fund purchases. Minor purchases up to \$25.00 may be reimbursed from the petty cash fund upon presentation of the paid receipt to the respective department. Petty cash funds must be reconciled at least monthly by the appropriate department staff and submitted to the Village Clerk for reimbursement.
- All purchases more than \$10,000.00 require a Request for Proposal, Quotation, or Bid. In the event the Village Manager determines the required requests impractical, inappropriate, or in the case of an emergency the request provision may be waived. Purchases greater than \$10,000.00 shall be reviewed and approved by the Village Council.

#### **1.4 CREDIT CARD USE**

- Only authorized employees of the Village of Three Oaks may use the municipal credit card.
- A municipal credit card may be used for the purchase of goods or services for only official business.
- The employee using the credit card must submit receipts, documentation detailing the goods or services purchased, cost, date of purchase, and the official business explanation thereof.
- The employee/department issued the card is responsible for its protection and custody and shall immediately notify Village Hall if the card is lost or stolen.
- The credit card may not be used for cash advances, personal use, or any other type of purchase not permitted under section 1.2.
- Employees must immediately surrender the card upon termination of employment.

#### **1.5 BID PROCEDURES**

- Notice for requesting bids shall be published in a local publication and on the Village web site at least ten (10) days prior to the deadline for receiving bids. Bid openings will be held in accordance with the date and time specified in the published notice.
- Bids shall be solicited from responsible prospective suppliers.
- Bids shall be sealed and properly identified on the envelope and submitted to the Three Oaks Village Hall.
- Late bids, at the Village's discretion, may be returned unopened to the bidder.
- Bid opening will be conducted by the Village Manager, or authorized representative, with the respective department head present.

#### **1.6 AWARD OF CONTRACT / REJECTION OF BID**

- The Village shall have sole authority to reject any and all bids.
- The Village shall not accept the bid of a contractor in default on taxes, licenses, insurance, or other monies due to the Village.
- The Village Council reserves the right to award contracts in a manner which it deems to be in the best interest of the Village of Three Oaks.
- Upon awarding of the bid, a contract will be executed with the successful bidder.
- A performance bond, certificate of liability insurance, workers compensation and other applicable requirements may be required of the successful bidder.

#### **1.7 COOPERATIVE PURCHASING**

- The Village shall have the authority to join with other units of government in a cooperative purchasing plan.

#### **1.8 LEGAL / PROFESSIONAL SERVICES**

- Only the Village President or the Village Manager is authorized to purchase legal or professional services.

#### **1.9 EMPLOYEE CONFLICT OF INTEREST**

- Employees may not participate directly or indirectly in the procurement of goods or services when the employee or a member of the employee's immediate family has a financial interest in the procurement.
- Upon discovery of an actual or potential conflict of interest, an employee shall withdraw from any further participation in the transaction involved and notify the Village Manager. Failure to do so could result in immediate dismissal.

## 1.10 COUNCILPERSONS CONFLICT OF INTEREST

- The Village of Three Oaks may enter into a contract with a vendor which a Councilperson has a conflict of interest under the following conditions:
  - Upon entering into a contract with the vendor, the councilperson must abstain from voting on the contract and must disclose, on the record, any financial interest, if any, his or her pertinent information relative to the association.
- A two thirds majority of the Village Council must approve the contract.

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