

**Adopted 11-21-2013**  
**THE PURCHASING POLICIES**  
**OF THE TOWNSHIP OF FIFE LAKE**

**SECTION I: PURPOSE AND INTENT OF PURCHASING POLICIES**

These policies shall be implemented to clarify and expand general procurement regulations, and, therefore, be in strict conformity to all rules specified therein. This policy is intended to maximize the purchasing power and value of public funds through a procurement policy that maintains a system of quality and integrity, and which promotes efficiency, effectiveness and equity in public purchasing. It is the goal of this policy to recognize the obligation to the taxpayers to maximize the purchasing power of public funds to gain the best value for our residents. The Township will comply with all applicable federal and state laws concerning public purchasing.

**SECTION II: ORGANIZATION AND AUTHORITY**

The Township Supervisor shall be responsible for the administration of the procurement system of the Township. The Township Supervisor or his designee shall be the Township purchasing agent. Procurement authority and responsibility shall be delegated as follows:

A. TOWNSHIP BOARD

1. Shall establish purchasing policy.
2. Shall award all contracts for goods and services of \$2,000 or more in value.

B. TOWNSHIP SUPERVISOR

1. Shall recommend purchasing policy.
2. Shall establish purchasing procedures.
3. Shall review and be the final authority on all procurement action taken by the Township consistent with Board policy.
4. Shall procure or supervise the procurement of all goods, wares, equipment, merchandise, materials, supplies, commodities, public improvements and services as may be required to maintain municipal operations in accordance with the rules and regulations established herein.
5. Shall provide for the maintenance of efficiency, economy, and accountability in the Township's procurement.
6. Shall obtain formal bids for all goods and services of \$5,000 or more.
7. Shall obtain competitive informal quotations in accordance with Purchasing Procedures
8. Shall establish and maintain lists of qualified bidders.
9. Shall ensure the availability of budgeted funds for all purchases.
10. Shall coordinate the purchasing of all departments, and shall, to

The extent practicable and possible, combine specifications for purchases of equipment and supplies under single purchases where such consolidation is economically advantageous to the Township.

C. OPERATING DEPARTMENTS and/or COMMITTEES

1. Shall requisition goods and services through the Township Supervisor.
2. Shall assist the Township Supervisor in the development of standard specifications.
3. Shall maintain adequate inventories of materials and supplies.
4. Shall receive and inspect all materials and supplies ordered.

**SECTION III. GENERAL PURCHASING POLICIES**

A. DEFINITION AND SCOPE OF PROCUREMENT

Procurement activity, as herein used, shall mean any action taken by the township acting as Buyer for the purpose of obtaining materials, supplies, services and public improvements (hereafter goods and services) from a Vendor acting as Seller, whether by purchase, rent, lease, lease-purchase or other similar methods of acquisition as may be used by the Township.

B. RULE AGAINST SUBDIVISION

No purchase shall be subdivided for the purpose of circumventing the dollar value limitations imposed by this policy, policy or any guidelines established by the Township Supervisor.

C. PURCHASES OR CONTRACTS UNDER \$5,000

Any expenditure for goods and services, the cost of which is less than \$2,000 within one year, shall be made by the Township Supervisor. Purchases from \$2,000 - \$5,000 shall be based upon the solicitation of no less than three (3) written or internet price quotations when practical and feasible to do so, and shall be made from the lowest priced vendor unless good cause exists not to do so. Factors including, but not limited to, product quality, serviceability, delivery, emergencies, vendor history, vendor performance, existing contracts and other considerations of a similar kind normally relevant to the exercise of good business judgment shall constitute sufficient and good cause on which to base such decisions, **with Board approval.**

D. PURCHASES OR CONTRACTS OF \$5,000 OR MORE

Any expenditure for goods and services, the cost of which is \$10,000 or more within one fiscal or calendar year shall be made by the Township Supervisor only after the approval of the township board has first been secured.

Formal bids shall be required subject to the following regulations:

1. Definition - A formal bid shall be defined as the submission of a written, sealed price quotation by a Vendor to the Township pursuant to the issue of public notice thereof by the township, and based on written specifications and standard conditions stipulated by the Township for the purpose of procuring goods and/or services for the use of the Township. *Bids received by facsimile and/or over the Internet shall be deemed written, sealed price quotations provided they are forthwith transferred to the Township Clerk and kept confidential until the public bid opening.*
  - a. Scope - The \$5,000 bid requirement shall apply to all goods and services that can be procured through this process within one fiscal or calendar year. This limit shall apply to recurring commodities in addition to one-time purchases.
  - b. Invitation to Bid - An Invitation to Bid shall be issued and shall include a purchase description and/or specifications and all material contractual terms and conditions applicable to the procurement. The Invitation to Bid shall be mailed or otherwise distributed by the Township Supervisor to a sufficient number of known reliable vendors to ensure and maintain the integrity and competitiveness of the bid process.
  - c. Public Notice & Advertising - Adequate public notice of the Invitation to Bid shall be given a reasonable time prior to the date set forth therein for the opening of the bids. A minimum of five (5) days notice must be given prior to bid opening with the advertisement for bids having been published at least once in a newspaper of general circulation in the Supervisor or within appropriate trade publication. Advertisement is required for contracts of \$50,000 or greater.
  - d. Bid Addendums/Clarifications - Bid Addendums and clarifications may be issued by the Township Supervisor.
  - e. Bid Opening – Bids shall be opened publicly in the presence of one or more witnesses and at least one Board member present at the time and place designated in the Invitation to Bid. The amount of each bid and other relevant information together with the name of each bidder shall be recorded by the Township Clerk or designee. Bid tabulations shall be open to public inspection. The Township Supervisor may postpone a bid opening if fewer than three (3) bids are received.
  - f. Bid Acceptance and Evaluation - Bids shall be accepted (with the exception of late bids, which shall not be accepted) without alteration or correction, except as otherwise authorized by the Township Supervisor or the factors stipulated in the Invitation to Bid. Bids shall be evaluated based on the requirement set forth in the Invitation to Bid, which may include criteria to determine acceptability such as, quality, referenced, recommendations by Township consultants, workmanship, delivery, inspection, testing and suitability for a particular purpose.

- g. Correction or Withdrawal of Bids – Correction or withdrawal of inadvertently erroneous bids before award. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Township or fair competition shall be permitted. Except as otherwise provided by regulation, all decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Township supervisor and approved by the Township Board.
- h. Award - The Township Supervisor, after approval by Township Board, shall approve the award of public contracts. The Township Board shall retain the right to take any of the following actions:
1. Award a contract to the lowest responsible and responsive bidder who has submitted a bid most advantageous to the Township.
    - (a) Definition of Responsible Bidder:

A responsible bidder is herein defined as a person or firm which has the capability in all respects to fully perform the contract requirements, and which has the integrity and reliability which will assure good faith performance
    - (b) Definition of Responsive Bidder:

A responsive bidder is herein defined as a person or firm which has submitted a bid which conforms in all material respects to the descriptions, specifications, terms, conditions and other factors called for in the Invitation to Bid.
  2. Accept or reject in part or in whole any or all bids.
  3. Waive any inconsequential informality or defect in the bids
  4. Negotiate any viable modifications in price, terms, conditions or specifications with the low bidder that would be advantageous to the Village.
  5. Award a contract to other than the low bidder should such action be in the best public interest.
  6. Award a contract by division among two or more vendors if such alternatives are duly indicated in the original Invitation to Bid.

7. Consider factors other than price, such as service, reputation, prior experience, proximity and preference to local bidders.
- i. Waiver of Bid Requirement - The Township Board after review by the Township Supervisor and the Township Attorney shall retain the right to waive bid requirements subject to the following conditions:
  1. Such action is found to be to the advantage and in the best interests of the Township.
  2. Sole Source Procurement - A contract may be awarded by the Township Board for a supply, service, and equipment or construction item without competition when the Township Supervisor has advised the Township Board in writing and certified that there is only one source vendor available.
  3. Lower prices can be obtained without soliciting competitive bids.
  4. The Township Supervisor has been engaged in cooperative procurement bids of goods and/or services in conjunction with another governmental agency where joint bids have been taken and are advantageous to the Township.
- j. Change Orders - Change orders to contracts authorized by Township Board, including construction contracts, shall be authorized without further Township board approval if there are funds budgeted to cover said change order, and provided that the change order does not alter the scope of the original contract, and the amount of the change order does not exceed ten percent (10%) of the original contract amount.

## F. SPECIFICATIONS

1. Definition - Specification as herein defined shall mean any description of the physical or functional characteristics, or of the nature of a supply, service, equipment, or construction items. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, equipment or construction item for delivery.
2. Responsibility of Township Supervisor. The Township Supervisor shall prepare, issue, revise, and monitor the use of specifications for supplies, services, equipment and construction as required by the Township, and shall maintain a standard specifications file.
3. Relationship with Operating Departments - The Township Supervisor may obtain advice and assistance from operating department personnel in the development of specifications and may delegate, to a using department, the

authority to prepare its own specifications subject to final approval prior to bid solicitation.

4. Maximum Practicable Competition - All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the Township's needs and shall not be unduly restrictive.
5. Specifications Prepared by Architects and Engineers - The requirements of this Section regarding the purposes and non-restrictiveness of specifications shall apply to all specifications, including, but not limited to, those prepared by architects, engineers and consultants.

#### G. COOPERATIVE PROCUREMENT

The Township Supervisor shall endeavor to participate with other governmental agencies in cooperative bids for the procurement of goods or supplies subject Board approval of contract and waiver of local bids. It shall be the policy of this Board to engage in those joint procurement efforts whenever such activity is feasible and economically advantageous to the Township.

#### H. PROCUREMENT OF PROFESSIONAL SERVICES

The procurement of certain services where technical expertise or knowledge of a specialized field are critical to the performance of that service including but not limited to attorneys, engineers, planning consultants, architects, accountants and other similar professionals, shall not require bidding. The following regulations shall apply:

1. The Board shall be empowered to appoint the Township Attorney and other professional consultants.
2. While competitive bids shall not be required, Board shall make all professional appointments in excess of \$2,000

#### I. PROCUREMENT IN CASES OF EMERGENCY

Notwithstanding any other provisions of this Policy, the Township Supervisor and one other board member or a designee of either may make or authorize others to make emergency procurements when there exists a threat to public health, welfare, or safety conditions as defined in regulations or procedures promulgated by the Township Board, provided such emergency procurements shall be made with such competition as is practicable under the circumstances. If an emergency requires a decision and another board member is not available, the Township Supervisor shall make the decision. An after-the-fact written determination of the basis for the emergency and for the selection of the particular vendor shall be included in the purchase file.

1. Expenditures Not Requiring Bidding or Council Approval

Contracts or purchases of reasonably necessary for the functioning of the Township on a day to day basis, such as, but not limited to, paper for the copy machine, stamps, envelopes, gasoline for vehicles, etc., may be purchased by the respective Elected Officers on an “as needed” basis.

The purpose of this portion of the Township’s policy is to insure the smooth, uninterrupted functioning of the Township government and to keep a reasonable amount of supplies and/or inventory to insure the same. Further, as to the “purchase of services”, there may be, from time to time, a need to incur the expense of repairs to Township equipment, be it a copier, vehicle, plumbing or heating apparatus, etc. As long as the contract for such services does not exceed the sum of Two Thousand and 00/100 (\$2,000.00) Dollars, the Township Supervisor has the authority to enter into such agreements.

**SECTION IV: STANDARDS OF CONDUCT**

Recognizing that Township purchases involve the use of public funds, the following standards shall apply to all purchases made by the Township.

- A. All vendors, current and prospective, shall be treated equitably. Procurement decisions shall be based upon price, quality, delivery, references, and recommendation by Township consultants, written standards, previous service and other relevant factors promoting the best interest of the Township.
- B. Employees shall be prohibited from furnishing to any prospective bidder information that would give any vendor an unfair advantage over other prospective vendors.
- C. Procurement records shall be retained by the Township Clerk and the procuring department for public review for a period specified in the Township Records retention policy.

**SECTION V: AMENDMENTS TO PURCHASING POLICY**

Any amendments to this Purchasing Policy shall be submitted to the Township Board by the Township Supervisor and require Board approval by Resolution. The Township Board shall review the monetary limitations governing the purchasing policies and procedures contained in this policy as needed.