



## RESOLUTION 2025-08

### A RESOLUTION ADOPTING THE AMENDED PURCHASING POLICY FOR THE CITY OF POWELL.

**WHEREAS**, the City's management staff has reviewed, and wish to establish, a comprehensive purchasing policy that will serve as a guideline for fiscal operations, and which will be instructional in making related purchases; and

**WHEREAS**, City staff is submitting to the City Council an amended purchasing policy, a copy of which is attached as Exhibit A, to implement these operational improvements; and

**WHEREAS**, the attached amended purchasing policy updates the City's current practices, and brings the City into compliance with modern standards and establishes the overall procedures for purchasing related activities; and


**WHEREAS**, an adequate purchasing policy serves as sound guidance to ensure that Powell taxpayers receive the best values for City purchases, and to establish proper controls, cooperative assistance and lawful practices that is efficient and effective in obtaining the supplies and services needed.

### NOW THEREFORE BE IT RESOLVED BY THE CITY OF POWELL, COUNTY OF DELAWARE, STATE OF OHIO, AS FOLLOWS:

Section 1. City Council hereby approves and adopts the amended purchasing policy in a form substantially similar to the policy attached hereto as Exhibit A.

Section 2: It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were adopted in an open meeting of Council and that all deliberations of Council and any of the decision-making bodies of the City of Powell, which resulted in such formal actions, were in meetings open to the public in compliance with all legal requirements of the City of Powell, Delaware County, Ohio.

Section 3: This Resolution shall be in full force and effect immediately upon adoption.

  
\_\_\_\_\_  
Tom Counts  
Mayor

3/4/25  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Elaine McCloskey  
City Clerk

3/4/2025  
\_\_\_\_\_  
Date

**EFFECTIVE DATE: March 4, 2025**

This legislation has been posted in accordance with the City Charter on this date 3/5/2025.

  
\_\_\_\_\_  
Elaine McCloskey  
City Clerk

# City of Powell

Purchasing Policy

Res. 2025-08

March 4, 2008



## **Section I – Purpose**

The purpose of a purchasing policy is to formalize the purchasing standards to aid employees in the purchasing process. The result of formalized purchasing standards should be that materials, goods and services are efficiently obtained and provided in a timely manner. Among the benefits to be gained are a reduction of unit costs, standardization of specifications, improvements in the quality of materials, a reduction in the number of rush orders and control of orders through better planning, simplification and consolidation of vendor, closer accounting control over expenditures, and the reduction of paperwork by consolidation of orders.

Any non-personnel related item that is acquired with Federal funds must follow the City's Uniform Guidance per Resolution 2021-14.

## **Section II – Fiduciary Responsibilities/Prudent Judgment**

Maintaining the integrity of public procurement is crucial in preventing fraud and abuse of public funds. All officers, employees and agents of the City of Powell, when acting for or on behalf of the City of Powell, have a responsibility to act with prudent judgment in purchasing matters and shall not abuse their positions in making decisions as to the administration of the procurement function. All City of Powell officers, employees and agents shall comply with the requirements of this plan and the prescribed standards of conduct in awarding, recommending, approving, monitoring, and administering contracts and purchases.

The City of Powell will provide for settlement of all contractual and administrative issues arising out of procurements entered into in support of local, state and/or federal grants. The City will refer all violations of law to local, state or federal authorities having proper jurisdiction.

**Ohio Ethics Law** - All officers, employees and agents of City of Powell must comply with the requirements of the Ohio ethics law and Ohio law pertaining to offences against justice and public administration, including, but not limited to, Ohio Revised Code Sections 102.03, 102.04, 2921.42 and 2921.43.

The statutes are available online at [www.ethics.ohio.gov](http://www.ethics.ohio.gov). Educational information related to the Ohio ethics laws may be found online at [www.ethics.ohio.gov/education/index.html](http://www.ethics.ohio.gov/education/index.html). In addition, if any officers, employees or agents of the City of Powell are uncertain of the propriety of a specific course of action they may consult with the City of Powell Law Director. Ethics information regarding specific proposed actions may also be obtained from the Ohio Ethics Commission staff on a prospective basis by calling (614) 466-7090.

**Gifts and Gratuities** - No officer, employee or agent of the City of Powell may solicit or accept gratuities, favors, or anything of value as defined in Ohio Revised Code Section 1.03, from anyone doing business with or seeking to do business with, or regulated by the agency, including contractors, vendors, and potential contractors and vendors.

**Conflict of Interest** - No officer, employee, or agent of the City of Powell departments may participate in the selection, award, recommendation, approval, monitoring, or administration of any contract or purchase if a real, potential, or apparent conflict of interest could arise. A conflict of interest could arise if any of the following individuals or organizations has a financial, personal, or other interest in the individual or company selected for the award of a contract, purchase, or grant:

- Officers, employees, agents or any member of their immediate families;
- The officers', employees', or agents' business associates or partners;
- Any organization for which any of the above is an officer, employee or agent; and
- Any organization which employs or is about to employ the officer, employee, or agent or a member of the officers', employees' or agents' immediate families or business associates.

Officers, employees or agents must immediately notify their supervisor or principal whenever they identify a real, potential, or actual conflict of interest on their part. It is the policy of the City of Powell under such circumstances to relieve the employee from further participation in selection, award or administration of any procurement or resulting contract which presents a conflict of interest.

**Personal Interests** - No officer, employee or agent of the City of Powell may:

- Sell, attempt to sell or act in a representative capacity for a vendor or other person attempting to sell goods or services to the City of Powell;
- Sell or attempt to sell any goods or services to other grant agencies;
- Solicit or accept employment from anyone doing business with any of the grant agencies unless the officer, employee or agent completely withdraws, with the approval of City of Powell from all activities of the agency regarding the party offering employment.
- Officers, employees and agents of the City of Powell and their immediate family members and business associates are prohibited from voting, authorizing, recommending or in any other way using their position to secure approval of a City of Powell contract or purchase in which the officer, employee, a member of their immediate family, or anyone with whom they have a business or employment relationship, has an interest.
- Officers, employees and agents of the City of Powell and their immediate family members and business associates are prohibited from benefiting from any contract or purchase authorized or approved by the City of Powell unless all criteria set forth in Ohio Revised Code Section 2921.42, are met.
- Officers, employees and agents of the City of Powell may not act in a representative capacity, in any manner, before a public agency on behalf of any contractor or other person on any matter in which the employee personally participated through decision, approval, disapproval, recommendation or other substantial exercise of administrative discretion.

**Contract/Vendor Restrictions** - No contractor, individual, company or organization seeking a contract or seeking to sell goods or services to the City of Powell will promise or give to any agency officer, employee or agent anything of value, including employment or promise of employment within the scope of his or her job duties. No contractor or individual, company or organization seeking a contract or grant or seeking to sell goods or services to the City of Powell will ask an officer, employee or agent of the City to violate any of the code of standards of conduct requirements. Contractors acting on behalf of the City of Powell will refrain from activities which could result in violations of this rule.

The signature of any City of Powell officer, employee or agent on a requisition, invoice, or other document requesting or approving the purchase of or payment for purchases of goods or services shall be considered to be a certification of compliance with the requirements and prohibitions of this plan.

### **Section III - Equal Opportunity**

Federal and state procurement standards require that small and minority-owned business be given every opportunity to compete equally with other businesses, including making special efforts to solicit bids and proposals from such firms. However, favored treatment in authorizing contracts is not allowed.

City of Powell officers, employees, and agents shall make efforts to utilize small, minority and women's business enterprises and labor surplus area firms when they are potential resources for supplies, equipment, construction, and services. Preference for such otherwise qualified contractors may be given, for example, by selecting the disadvantaged organization in the case of tie bids and setting certain conditions under which such contractors will be encouraged to bid. These conditions may include:

- Placing qualified small and minority businesses, and women's business enterprises on solicitation lists, and assuring that those businesses are solicited whenever they are potential resources;

- Dividing total requirements into small tasks or quantities to permit maximum small and minority businesses and women's business enterprises participation when economically feasible. When tasks are divided to allow small businesses and women's business enterprises to compete, the separation cannot be done to avoid competitive bidding requirements;
- Establishing delivery schedules which will encourage participation by small and minority businesses, and women's business enterprises where the requirement permits;
- Using the services and assistance of the United States Small Business Administration, the Office of Minority Business Development Agency of the U.S. Department of Commerce, the Community Services Administration, and other entities, as appropriate;
- Requiring the prime contractor to take affirmative steps as listed in this section if any subcontracts are to be let; and
- Encouraging contracting with consortiums of small business and minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

#### **Section IV - Procurement Authority**

- City Council – The City of Powell Council has the authority to establish the purchasing policy and assign responsibility therefore to the Director of Finance for all departments of the City. The City Council must approve all specific purchases for amounts over \$50,000.
- City Manager – The City Manager has the direct responsibility to see that the City is operated in an efficient and effective manner within the budgetary limitations established by the City Council. The City Manager has contract authority to make union contracts or agreements. The City Manager has contract authority to award contracts, purchase supplies and materials, and provide labor for any work under his/her supervision involving not more than \$50,000.
- Finance Director – The Finance Director has the responsibility to establish purchasing procedures that will ensure the procurement of goods and services consistent with the best interest of the City, to certify that all purchases and expenditures are within budgetary constraints, and to establish and maintain adequate controls. The Finance Director has authority to approve and sign quotes/orders for budgeted items under the micro-purchase policy.
- Department Heads – The Director of each City Department shall have purchasing authority of their individual budgets. He/she shall have the responsibility to see that all purchases and purchasing requests are within budgetary limitations and consistent with the actual needs of the department. Furthermore, the Director has the responsibility to see that no delays develop within his/her department from failure to prepare, sign and forward purchasing requests to the Finance Department.
- No City official or employee shall have authority to create an obligation against the City by oral agreement. Unauthorized expenditures may become the responsibility of the person making the expenditure.
- No officer, department or agency shall, during any fiscal year, expend or contract to expend any funds or incur any liability, or enter into any contract which by its terms involves the expenditure of money on behalf of the City for any purpose in excess of the amounts appropriated for such expenditures or obligations. Any such obligation, oral or written, made in violation hereof shall be void.

## **Section V - Methods of Procurement**

The City of Powell shall use one of five methods of procurement when purchasing supplies, equipment, and services:

- Micro-purchases;
- Standard purchase procedures;
- Competitive sealed bids;
- Competitive proposals; and
- Noncompetitive proposals (sole source).

### **A. Micro-Purchase Procedures**

The micro-purchase procedures method of procurement will be used:

- Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold of \$10,000, as established by the City.
- To the extent practicable, the City must distribute micro-purchases equitably among qualified suppliers.
- Micro-purchases may be awarded without soliciting competitive quotations, if the City considers the price to be reasonable. Procurement requirements shall not be artificially divided so as to fall within the authority contained in this section.

### **B. Standard Purchase Procedures (purchases up to \$50,000)**

The standard purchase procedures method of procurement will be used:

- Procurement by the standard purchase process is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the standard purchase threshold of \$50,000, as established by the City.
- At least three (3) quotes required from qualified vendors. Quotes can be obtained verbally but must be documented to fulfill this requirement. Purchase must be approved, and the contract signed, by the City Manager. The City Manager may award and enter into such contract without additional approval by Council as long as funds are available and appropriated.
- The splitting of purchases that exceed the standard purchase limit into several small purchases merely to be able to use the standard purchase method is prohibited. Such split purchases will be considered unauthorized and disallowed.

For each procurement using the standard purchase procedures, an authorized officer, employee or agent of the City of Powell must evaluate the quotations obtained and determine the successful vendor. The officer, employee or agent performing the evaluation must summarize the evaluation factors used and their relative importance.

The procurement must be made from the responsible source whose quotation is most advantageous to the program, with price and other factors as reasonable being considered.

**C. Competitive Sealed Bidding/Formal Advertising (Competitive Bidding Threshold set in ORC 9.17)**

Competitive sealed bidding, also known as formal advertising, is the method of procurement used when all the following conditions exist:

- Procurement lends itself to a firm fixed price contract;
- Two or more responsible suppliers are willing and able to compete effectively.
- The item or service can be supplied by the vendor;
- The selection of the successful bidder can be made principally on the basis of price; and
- A complete, adequate, and realistic specifications or purchase description is available, e.g. the Request for Proposal (RFP).

Where this method of procurement is used, City policy requires:

- Bids shall be advertised for not less than two (2) or more than four (4) consecutive weeks in a newspaper of general circulation within the City. The bids shall be opened and publicly read by the clerk or a person designated by the clerk at the time, date, and place specified in the advertisements to bidders and specifications. The time, date, and place of bid openings may be extended by Council provided oral or written notice shall be given to persons requesting or receiving specifications no later than 96 hours prior to the original specified opening time and date. The City has the option of waiving any irregularities in the bidding process or bidding documents at the option of the City Manager
- The City of Powell will conduct a non-mandatory pre-bid meeting. The City must state in the advertisement if the pre-bid meeting is mandatory. It will be at the discretion of the City Manager or Department Head when to have a mandatory pre-bid meeting. The pre-bid meeting consist of the following:
  - a) Introductions of all attendees including contractors, subs, suppliers, the City staff members, the project manager, and the consultant (if utilized).
  - b) All attendees will be asked to sign in and the following criteria will be set forth:
    - The purpose of the pre-bid meeting
    - Review of applicable minority requirements, goals, and mandatory compliance procedures
    - Review of the plans and specifications
    - Insurance and bonding requirements will be discussed. Surety company requirements will be explained.
  - c) Make everyone aware how many calendar days their bids must remain in force after the bid opening. For constructions projects and final completion days should be stated along with liquidated damages that will be assessed if completion deadlines are not met.

- d) A question and answer period. If possible, a guided tour of the proposed construction area will be conducted.
  - e) Powell income tax requirements will be discussed.
- Each bid on any contracts shall contain the full name of every person and company interested in the bid. It shall be accompanied by sufficient bond or certified check, cashier's check or money order on a solvent bank or savings and loan association that if the bid is accepted the contract will be entered into, its performance properly secured. If the work provides for both labor and materials, they shall be separately stated. Bid guarantees on public improvement construction contracts must conform to requirements of Ohio law.
  - The City Manager has the authority to reject any and or all bids. The contract shall be between the City and the bidder. If there is reason to believe there is collusion or a combination among bidders, the bids of those concerned shall be rejected.
  - When it becomes necessary in the opinion of the City Manager to make alterations and modifications of the contract, they shall be made only by the Legal Director in writing.
  - Use of consultants for developing bid specification is permissible when City Council has deemed in the best interest of the City. Use of vendor specifications are permissible for new or modified equipment/material for which the City has no or limited experience. Specifications must be written in a fashion that would not exclude other vendors from participating in the competitive process. Consultants who are used to develop bid specification are not permitted to bid on project.

Department Heads shall be cognizant of the timing of requisition submittals. Factors determining bid timing include: advertising requirements; pre-bid meetings; preparation of bid documents; and City Council scheduling.

Any or all bids may be rejected if there is a sound documented reason.



**D. Competitive Proposal/Negotiation (Purchases/Services over \$50,000)**

Competitive proposals shall be used where conditions are not appropriate for the use of competitive sealed bids, small purchase procedures or noncompetitive proposals.

A competitive proposal process is normally conducted with more than one source submitting an offer, either a fixed price or cost reimbursement type contract is awarded, and the following conditions are met:

- The complex and technical nature of the procurement cannot be described in bid specifications; and
- It is logical to award a contract on factors other than price.

This process of conducting competitive proposals is similar to conducting competitive sealed bidding and includes:

- Proposals must be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The RFP must be publicized and identify all evaluation factors and their relative importance. Any response to public requests must be considered to the maximum extent practical;
- The RFP must identify all significant evaluation factors, including price or cost where required, and their relative importance;
- The City of Powell shall provide mechanisms for technical evaluation of the proposals received, determinations of reasonable proposals for the purpose of written or oral discussions, and selection for award;
- The award may be made to the responsible vendor whose proposal will be most advantageous to the City of Powell, price and other factors considered. Unsuccessful vendors shall be notified promptly; and

**E. Sole Source Awards and Other Exemptions**

1. The noncompetitive proposal (sole source) process may be used only when the award of a contract is infeasible under the standard purchase procedure, competitive sealed bidding or competitive proposals and one or more of the following conditions exist:
  - Only one source of the product or service exists;
  - The public exigency or emergency will not permit the delay which would result from competitive solicitation;
  - After solicitation of a number of sources, a determination is made that competition is inadequate. This includes circumstances where no acceptable bids have been received after an attempt to use competitive sealed bidding/formal advertising or no acceptable proposals have been received after an attempt to use competitive proposals/negotiation; or
  - The purchases are for equipment or services where the prices are established by law for technical equipment requiring standardization and interchange ability of parts with existing equipment.

Documentation of this “sole provider status” shall be included with the request for purchase.

2. Professional services, including but not limited to, accounting services, bond counsel services, legal services, underwritings services, financial institution services, and construction management services shall be exempt from the requirement of quotations, formal and competitive bidding. In obtaining such services, the Department Head shall use requests for qualifications or requests for proposals. If possible, a minimum of three persons or firms shall be reviewed. If the City has acquired professional services from a vendor and those services have been acceptable, and the services are of a continuing nature, the length of service and scope may be up to five years.

All professional services awards must be reviewed by the Law Director and must include the City's professional services agreement with the proposals being attached as an exhibit.

3. Professional design services such as architect, landscape architect, professional engineer or surveyor have an established procedure for the solicitation of professional design services in Ordinance 2004-54.
4. Agency/custodial funds account for money a government holds in a custodial capacity on behalf of another person or entity. Therefore, a government has minimal discretion in spending this money. Accordingly, the legislative body need not authorize a purpose for spending the money. The City Manager may award and enter into a contract/agreement without additional approval by Council as long as funds are available and appropriated.

**F. State & Other Purchasing Contracts**

The City will make use whenever possible of any purchasing organizations available, such as N.I.G.P., SWOP4G, State Purchasing, etc. The City will also seek to “piggy back” onto the bids of

other entities when possible, and will enter into cooperative agreements with other entities to ensure the best possible benefits in a bidding environment.

In order to participate in state purchasing contracts, a certified copy of a resolution by the Powell City Council must be filed with the Department of Administrative Services (DAS) office of state purchasing. The resolution must request that the City be authorized to participate in the purchasing contracts, agree that the City is bound by terms and conditions set by DAS, and agree that the City will directly pay the vendor under each purchase contract.

The City of Powell cannot access state purchasing contracts when competitive bidding by the City has already occurred unless the state purchasing contract has the same terms, conditions, and specifications at a lower price. City of Powell departments may also use the price contained in a state purchasing contract in other competitive selection procedures performed pursuant to this rule.

#### **G. EMERGENCY PURCHASES**

Section 3.072 of the Powell Charter authorizes the City Manager to declare a public disaster. When a public disaster has been declared, the purchasing procedures may be waived by the City Manager to allow the continuance of the operations of the City. It is the responsibility of the City Manager or his/her designee to present an after public disaster report to City Council if the purchasing procedures were waived.

Unforeseen events may occur that are not a public disaster but may also disrupt the continuance of the operations of the City. The City Manager may waive purchasing procedures when it is in the best interest of the City. It is the responsibility of the City Manager or his/her designee to present an unforeseen event report to City Council if the purchasing procedures were waived.

#### **H. INTERGOVERNMENTAL CONTRACTS**

Contracts for services, material, equipment or supplies may be made with any agency, department, division, or political subdivision of the State without advertising and bidding. The Council must authorize the contract by an ordinance that: designates the officer to execute the contract; sets the maximum amount that may be expended under the contract; describes the services, material, equipment or supplies that may be purchases; and appropriates funds to meet the maximum amount that may be expended under the contract, unless funds have been previously appropriated.

#### **I. AWARD OF CONSTRUCTION CONTRACTS**

Construction and other similar contracts must be awarded and executed within sixty days after bids are opened. Failure to award within that period invalidates the entire bid proceeding and all bids submitted, unless the time for awarding and executing the contract is extended by mutual consent.

When awarding contracts, the City will comply with Ohio laws such as:

Having an unlawful interest in a public contract:

A. No public official shall knowingly do any of the following:

1. Authorize, or employ the authority or influence of his/her office to secure authorization of any public contract in which he/she, a member of his/her family, or any of his/her business associates has an interest.

2. Authorize, or employ the authority or influence of his/her office to secure the investment of public funds in any share, bond, mortgage, or other security,
3. with respect to which he/she, a member of his/her family, or any of his/her business associates either has an interest, is an underwriter, or receives any brokerage, origination, or serving fees;
4. During his/her term of office or within one year thereafter, occupy any position of profit in the prosecution of a public contract authorized by him/her or by a legislative body, commission, or board of which he/she was a member at the time of authorization, unless the contract was let by competitive bidding to the lowest and best bidder;
5. Have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which he/she is connected;
6. Have an interest in the profits or benefits of public contract that is not let by competitive bidding if required by law and that involves more than one hundred fifty dollars.

B. This section does not apply to a public contract in which a public official, member of his/her family, or one of his/her business associates has an interest, when all of the following apply:

1. The subject of the public contract is necessary supplies or services for the political subdivision or governmental agency or instrumentality involved;
2. The supplies or services are unobtainable elsewhere for the same or lower cost, or are being furnished to the political subdivision or governmental agency or instrumentality as part of a continuing course of dealing established prior to the public official's becoming associated with the political subdivision or governmental agency or instrumentality involved;
3. The treatment accorded the political subdivision or governmental agency or instrumentality is either preferential or the same as that accorded other customers or clients in similar transactions;
4. The entire transaction is conducted at arm's length, with full knowledge by the political subdivision or government agency or instrumentality involved, of the interest of the public official, member of his/her family, or business associated, and the public official takes no part in the deliberations or decision of the political subdivision or governmental agency or instrumentality with respect to the public contract.

C. Division (A) (4) of this section does not prohibit participation by a public employee in any housing program funded by public moneys if the public employee otherwise qualifies for the program and does not use the authority or influence of his/her office or employment to secure benefits from the program and if the moneys are to be used on the primary residence of the public employee. Such participation does not constitute an unlawful interest in a public contract in violation of this section.

D. Whoever violates this section is guilty of having an unlawful interest in a public contract. Violation of division (A) (1) or (2) of this section is a felony of the fourth degree. Violation of division (A) (3), (4), or (5) of this section is a misdemeanor of the first degree.

E. It is not a violation of this section for a prosecuting attorney to appoint assistants and employees in accordance with sections 309.06 and 2921.421 [2921.421.1] of the Revised Code, for a chief legal officer of a municipal corporation or an official designated as prosecutor in a municipal corporation to appoint assistants and employees in accordance with sections 733.621 [733.621.] and 2921.421 [2921.421.1] of the Revised Code.\*

- F. (G) This section does not apply to a public contract in which a township trustee in a township with a population of five thousand or less in its unincorporated area, a member of the township trustee's family, or one of his/her business associates has an interest, if all of the following apply:
1. The subject of the public contract is necessary supplies or services for the township and the amount of the contract is less than five thousand dollars per year.
  2. The supplies or services are being furnished to the township as part of a continuing course of dealing established before the township trustee held that office with the township;
  3. The treatment accorded the township is either preferential to or the same as that accorded other customers or clients in similar transactions;
  4. The entire transaction is conducted with full knowledge by the township of the interest of the township trustee, member of his/her family, or his business associate;
  5. As used in this section:
  6. "Public contract" means any of the following:
  7. The purchase or acquisition, or a contract for the purchase or acquisition, of property or services by or for the use of the state, any of its political subdivisions, or any agency or instrumentality of either, including the employment of an individual by the state, any of its political subdivisions, or any agency or instrumentality of either;
  8. A contract for the design, construction, alteration, repair, or maintenance of any public property.
  9. "Chief legal officer" has the same meaning as in section 733.621 [733.621.1] of the Revised Code.

A construction contract bidder may request to have his/her bid withdrawn from consideration if the price bid was substantially lower than other bids to the City Manager. The City Manager has the right to have bids withdrawn; the reason has to involve a clerical mistake as opposed to a judgment mistake and has to be due to an unintentional and substantial arithmetic error or an unintentional omission of a substantial quantity of work, labor or material. Notice of claim of right to withdraw the bid must be made in writing within 48 hours after the conclusion of the bid opening procedures is limited to the reasons described in this paragraph. The notice is to be sent to the City Manager. If a bid is requested to be withdrawn, the City Manager may award the contract to the next lowest bidder or reject all bids and resubmit the project for bidding. No bidder who has withdrawn from a construction project may supply any material or labor to the person to whom the contract is awarded.

## **Section VI - Record Keeping**

City of Powell will maintain pertinent records regarding all procurements. Records will be retained to document the following when applicable:

- Rationale for the method of procurement;
- Copies of published advertisements for bids or proposals;
- Copies of all respondent's replies;
- Selection of the contract type;
- Basis of contractor selection or rejection;
- Basis for the cost or price;
- Copies of letters sent to known providers advising them of the goods and services sought;
- Identification of date, time and place bids or proposals were opened; and
- Proof of prior approval when required.

In cases of non-emergency, noncompetitive proposals, the City of Powell must maintain documentation of its attempts to solicit competition. Such documentation must include the following items:

- A copy of the public advertisement;
- A list of providers contacted;
- Copies of all letters received from prospective bidders or respondents, including those indicating a bidder's lack of interest in competing for the contract;
- Cost analysis, i.e. verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit. Independent estimates must be made before receiving bids or proposals; and
- Any other materials which would justify the agency's use of noncompetitive methods.

A copy of all contracts and agreements must be submitted to the finance department for recordkeeping.

## **Section VII - Monitoring**

It is the responsibility of the City of Powell Department Officers or designee to monitor all contracts to ensure compliance with all terms, conditions and specifications. The monitoring process will involve a review of contract terms prior to finalizing the agreement. In agreements providing for the delivery of supplies, equipment, or materials, such items will be checked and counted prior to acceptance. Legal disputes arising out of contracted procurements will be referred to the City Law Director if efforts to resolve the problem at the department level are unsuccessful.

A copy of all contracts and agreements must be submitted to the finance department for recordkeeping.

## **Section VIII - General**

Before purchasing any equipment, due consideration will be given to lease, rental, and purchase alternatives to determine, consistent with prudent business judgment, which would be the most economical and practical procurements. In making this determination, due consideration will be given to useful life of the equipment to the program for which it is being purchased, technology obsolescence, maintenance considerations, purchase price versus lease or rental cost and any other matters considered by management to be warranted under the circumstances.

All procurements large and small will be reviewed and approved by the City of Powell Department Heads or their designee.

The City must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public money, record of past performance, and financial and technical resources.

All real estate sales or exchange shall be presented to City Council for approval in an ordinance.

The City may utilize a petty cash system to pay for items under \$50.00. The Finance Director is responsible for recording the petty cash expenditures and replenishing the \$200.00 petty cash fund.

# EXHIBIT A

## REQUISITION/PURCHASE ORDER PROCESS

1. All purchases made require the issuance of a Purchase Order except for personal salary services (payroll), refunds and petty cash expenditures.
2. The Department Head reviews and sign the requisition form for completeness, available budget, and consistency with the actual needs of the department. Supporting documentation and signed contract (if applicable) must be attached to the requisition form.
3. The Finance staff review the requisition to ensure that it is reasonable and in conformance with City purchasing policies.
4. Once the requisition is approved, a purchase order can be issued. A valid purchase order does not exist until it has been approved and signed by the Finance Director as the Fiscal Officer.
5. Work shall not begin, and an order shall not be placed until a Purchase Order or Signed Certificate of Funds is issued by the Finance Director.
6. If work commences, or an order is placed before a purchase order is generated, the Finance Director will issue a "then and now" certificate. Then and now certificates over \$3,000 will be reported to the Finance Committee on a quarterly basis. Then and now certificates over \$50,000 will be presented to Council as part of the consent agenda. The City will have 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the City.
7. Any expenditure that does not have the required purchase order and contract may be void. Any goods delivered or work performed prior to the date of issue of the purchase or contract, legally signed and delivered, is at the risk of the vendor or contractor.
8. All capital items must be listed in the capital budget. Any item not listed in the budget needs City Manager approval, and an approved appropriation from Council, prior to purchase.
9. Invoices or receipts shall be itemized. Invoices are to be reviewed and approved by the Department Head. Invoices must be submitted to Finance with ample time to issue payment by the agreed upon due date. Approved invoices received by Friday will be processed by the following Friday.
10. Municipal checks or financial expenditures shall be signed by the Director of Finance or his/her designee.
11. The Finance Director will provide a list of executed contracts to the Finance Committee



EXHIBIT B  
Professional Services  
Agreement