

**VILLAGE OF MATTAWAN
PURCHASING ORDINANCE
ORDINANCE NO. 193**

**AN ORDINANCE TO AMEND AND REPLACE ORDINANCE NO. 101
OF THE VILLAGE OF MATTAWAN, PURCHASING ORDINANCE**

THE VILLAGE OF MATTAWAN ORDAINS:

SECTION 1 TITLE.

This Ordinance shall also be known as the Village of Mattawan Purchasing Policy.

SECTION 2 DEFINITION.

- A. "Materials" or "supplies" mean any and all articles or things, which shall be furnished to or used by an officer or department of the Village for a Village purpose.
- B. "Services" means any and all services of any type, other than professional services such as payroll, legal, medical, engineering, insurance, auditing, management, and architectural, whether or not materials or supplies are include in the service, for which a consideration in money is paid by the Village.

SECTION 3 UNENCUMBERED FUNDS PREREQUISITE TO PURCHASES.

No purchase of materials, supplies or services shall be made by the Village unless a sufficient unencumbered appropriation is available for the payment therefor or for the payment of such amount of the purchase price thereof as is required to be paid during the current fiscal year of the Village, if the payment therefor is to be made in installments.

SECTION 4 FORMS AND RULES.

The Village Manager shall formulate and provide all forms, which are required to facilitate purchasing by the Village, its officers and departments under this chapter. He or she shall also prepare such rules as may be required to supplement this chapter for the conduct of purchasing of materials, supplies, and services by the Village.

SECTION 5 AUTHORITY AND DESIGNATION OF PURCHASING AGENT.

No materials, supplies, or services shall be purchased for use by an officer or department of the Village except through or under the direction of the purchasing agent for the Village. The Village Manager shall act as purchasing agent for the Village.

SECTION 6 DEPARTMENTAL ESTIMATES OF REQUIREMENTS.

All officers and department heads shall annually, when the budget is being prepared, file with the purchasing agent detailed estimates of their requirements in materials, supplies, and services, in order that provision may be made therefor in the annual Village budget. The purchasing agent may arrange for the purchase of such materials, supplies, and services as may be purchased in quantity to the best advantage of the Village.

SECTION 7 PURCHASE PROCEDURES.

- A. PURCHASES LESS THAN \$1,000.00. Purchases with an estimated cost of less than one thousand dollars (\$1,000.00) may be made without the necessity of securing either formal or informal bids. Purchases less than one thousand (\$1,000) may be made without the consent of the Council when approved by the Village Manager.
- B. INFORMAL BID PROCESS. Purchases with an estimated cost of more than one thousand dollars (\$1,000) but less than one-half of one percent (1%) of the Village's total annual budget shall require informal bids. All informal bids may be made in the open market without newspaper advertisement or adhering to other procedural provisions established in Section 7, Part D. All open market purchases shall, when possible, be based on at least three (3) competitive quotes and shall be awarded based on the quote which is most beneficial to the Village. Before an informal bid may be

awarded, the bids must be presented to the Village Council for review and selection of the lowest responsible bidder. The purchasing agent shall keep a record of all quotes which shall be made available to the public under the provisions provided for in the Freedom of Information Act.

- C. FORMAL BID PROCESS. Except as otherwise provided in this chapter, when the estimated amount of purchase involved is equal to or exceeds one-half of one percent (1%) of the Village's total annual budget, sealed bids shall be requested and received, except when such procedure is deemed unnecessary and burdensome and not in the best interest of the Village by the Village Council. All sealed bids shall be opened by the Village Manager in public in a room designated for that purpose in Village Hall. Council need not be present at the opening of such bids. All documents inviting bids and requesting proposals, shall provide that the Village reserves the right to reject any or all bids and to waive or not waive informalities or irregularities in the bids or proposals, and that the Village reserves the right to accept such bid or proposal as it determines to be in the best interest of the Village, regardless of whether such bid or proposal is the lowest. Before a formal bid may be awarded, the bids must be presented to the Village Council for review and selection of the lowest responsible bidder.

- D. BID EXEMPTIONS. Formal competitive bidding and informal competitive quotes shall not be required under the following circumstances:
 - 1. Automotive or mechanical repair and maintenance when the cost for such service does not exceed the estimated value of the equipment as determined by the Village's depreciative value standards.
 - 2. When the subject of the bid/quote is other than a public work or improvement and the product or material being bid/quoted for is not competitive in nature or no significant advantage to the Village would result from the required bid/quote procedure.
 - 3. In the employment of professional services including but not limited to medical, accounting/auditing, data processing, legal, planning, engineering, and architectural.
 - 4. Where the scope of the work is not definitive and as a result, a request for proposal is difficult to prepare and/or the cost to prepare such a request for proposal is expected to exceed the cost of the contract.
 - 5. For joint purchases from or with another governmental unit.
 - 6. When the Village elects to perform the work using Village employees.

SECTION 8 ADDITIONAL PURCHASES AFTER COMPETITIVE BIDDING

The purchasing agent for the Village may make additional purchases of supplies, equipment, materials, or services from a successful bidder provided the following:

- 1. Amounts of additional purchase are at the same cost or less per quantity as originally bid by the vendor;
- 2. Amounts of additional purchase do not exceed the cost of the original purchase;
- 3. The purchase occurs not more than twelve (12) months after the date of the original purchase;
- 4. The purchasing agent is reasonably sure that the same supply, material, equipment, or service is not available at a lesser cost from another source.

SECTION 9 BLANKET ORDERS

Periodic purchases from a single vendor as set forth in a single purchase order for reasons of time savings, availability and competitive pricing may be made. The competitive pricing of such goods or services shall be reviewed no less than every twenty-four (24) months.

SECTION 10 AWARDING OF CONTRACTS.

- A. AUTHORITY. The Village Council shall award all contracts based on the provisions of this ordinance

- B. **LOWEST RESPONSIBLE BIDDER.** Contracts, except as otherwise provided in this chapter, shall be awarded to the lowest responsible bidder. In determining the lowest responsible bidder, the Village Council or Village Manager shall consider, in addition to price:
1. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
 2. Whether the bidder can perform the contract or provide the service promptly or within the time specified, without delay or interference;
 3. The character, integrity, reputation, judgement, experience and efficiency of the bidder;
 4. The quality of performance of previous contracts or services;
 5. The previous and existing compliance by the bidder with laws or ordinances relating to any contract or services;
 6. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;
 7. The quality, availability and adaptability of the supplies or contractual services to the particular use required;
 8. The ability of the bidder to prove the future maintenance and service for the use of the subject of the contract; and
 9. The number and scope of conditions attached to the bid.
- C. **AWARD TO OTHER THAN LOWEST RESPONSIBLE BIDDER.** When the award is not given to the lowest responsible bidder, a full and complete statement of the reasons for awarding the contract for services/goods elsewhere shall be prepared by the Village Manager and filed with all papers related to the matter.
- D. **TIE BIDS.** If two or more low bids are received for the same total amount or unit price, and the quality and service are equal, the contract shall be awarded to one of the tie bidders by drawing lots in public, unless one of the bidders is a taxpayer or resident of the Village, in which case such taxpayer or resident shall be awarded the contract.

SECTION 11 REJECTION OF BIDS.

- A. The Village Manager or Village Council has the authority to reject all bids, parts of all bids, or all bids for any one or more supplies, or contractual services included in the proposed contract or bid, and to accept or recommend the acceptance of other than the lowest responsible bid when the public interest is served thereby and such action is in the best interest of the Village.
- B. The Village shall not accept the bid of a contractor who is delinquent in payment to the Village, who is in default on any contract with or payment due the Village, or who has previously demonstrated bad faith in dealing with the Village.

SECTION 12 EMERGENCY PURCHASES.

In case of an actual emergency, any officer or department head may make direct purchases of materials, supplies or services, where the immediate procurement thereof is essential to the conduct of his or her office or department and the delay of established purchasing procedure would vitally affect the public services of the Village or the health, safety or welfare of the public, provided that a requisition therefore is filed with the purchasing agent and approved by the Village Manager as to the existence of the emergency, within thirty (30) days, before payment therefor may be authorized by the Council.

SECTION 13 PETTY CASH PURCHASES.

The Village Manager may allow for purchases from petty cash by officers and departments of the Village designated by Manager. A purchase from petty cash shall not exceed fifty dollars (\$50.00) and shall be accounted for and approved by, the Village Manager.

SECTION 14 PURCHASING LOCALLY.

When making purchases, the Village Manager and Department Heads shall make a concerted effort to purchase locally. When seeking prices on items, local vendors should be contacted whenever possible. This effort to purchase locally must also consider the criteria which are outlined herein, such as the price and the quality of the item or service as well as the time and labor costs that may be associated with out of town purchase, and time of delivery or urgency.

SECTION 15 SEVERABILITY.

If any portion of this ordinance or the application thereof to any person or circumstance shall be found to be invalid by a court, such invalidity shall not affect the remaining portions or application, provided that such remaining portions or applications are not determined by said court to be inoperable, and to this end, this ordinance is declare severable.

SECTION 16 EFFECTIVE DATE.

This ordinance shall become effective upon publication.