

ORDINANCE NO. 029-2023

AN ORDINANCE REPEALING ORDINANCE 062-2022 AND AUTHORIZING AN AMENDED PROCUREMENT, CAPITAL AND PURCHASING REQUIREMENTS FOR THE CITY OF MAUMEE AND DECLARING AN EMERGENCY.

WHEREAS, the City of Maumee has various purchasing requirements and provisions for the purchase of goods and services for the City of Maumee;

WHEREAS, Ordinance 062-2022 needs to be repealed to amend and modify the procurement, capital and purchasing requirements, provisions processes, procedures and definitions to regulate purchases for the City of Maumee :

THEREFORE, BE IT ORDAINED by the Council for the City of Maumee, Ohio, that the following procurement, capital and purchasing requirements and procedures are hereby established for purchases of goods and services for the City of Maumee:

SECTION 1.

Procurement and Capital Policy

The City of Maumee considers the expenditure of funds to be an important responsibility and requires all persons involved with the purchase of goods, or services to exercise good judgment in spending taxpayer's money.

When necessary, the Finance Department shall assist the City Administrator in evaluating the efficiency and effectiveness of overall purchasing and financial policies in an effort to ensure highest fiduciary responsibility.

Each department Director and/or authorized designee (purchaser) within the City shall be responsible for the task of purchasing suitable materials, supplies and services for use within their department of the city government. Purchase orders (certificate of fiscal officer) are required for all materials, supplies, services that do not meet the exceptions as outlined below.

A purchase order is generated from requisitions submitted by purchasers and then approved by the Finance Department. The approval process is an important step in overall budgeting to ensure the correct appropriation account number is used. Purchase orders are used to ensure compliance with applicable laws, rules, and regulations; manage acquisition of goods and services; assist in timely accounts payable process and to create an encumbrance which helps to manage the departmental budget.

The purchaser is also responsible to sign off on invoices, list purchase order and account number. The completed invoice should be return to accounts payable in a timely manner.

The City of Maumee purchasing system exists to ensure proper budgetary control of funds appropriated by ordinance through City Council. Appropriations may be amended throughout the year by legislative authority as needed.

Types of Purchase Orders:

RG - (Regular)

- Used for everyday purchases with a specific vendor, amount, and specific purpose listed

MV- (Multi-Vendor or Blanket) – ORC 5705.41(D)(3)

- Not to exceed \$50,000 or amount appropriated, whichever is less
- No specific vendor, one appropriation account number
- Only one MV per appropriation account number
- Used for reoccurring, reasonably predictable operating expenses
 - Please request from Finance
- May be extended up to 90 days after the fiscal year end to pay against invoices that were received after year end but encumbered and appropriated in the prior fiscal year.

BL- (Super Blanket) – ORC 5705.41(D)(3)

- Not to exceed amount appropriated
- No specific vendor, one appropriation account number
- Can have multiple BLs per appropriation account
- Used for purchases exempt from competitive bidding
- Uses include specific goods such as gasoline; utilities; architect; engineer; surveyor; attorney; or other specific expenditure that is recurring and reasonably predictable operating expense
- May be extended up to 90 days after the fiscal year end to pay against invoices that were received after year end but encumbered and appropriated in the prior fiscal year.

Then and Now – ORC 5705.41 (D)(1)

- Occurs when a Purchase Order is required and does not exist before invoice date
- Notify Finance Office immediately if this situation occurs
- Greater than \$3,000 requires legislative approval within 30 days of purchase

The term Purchase Order will be used as a generic term, regardless of type throughout this policy.

Purchase Order Not Required:

- Purchases under \$50 do not require a requisition or purchase order.
- Credit card purchases will follow Council approved Credit Card policy.
- Recurring Disbursements as listed:

Payroll, benefits, and all related disbursements; Utilities; Bank Fees; Credit card fees; Income Tax Refunds; Utility Billing Refunds; Employee Reimbursements; Legal notices and advertisements; Debt payments; Monthly reimbursement to Theater; Tax sharing payments and TIF payments; Job Grants; Copier charges; Postage, postage meter and shipping costs; Police record checks; Attorney services; Lucas County sewage treatment payments; City of Toledo water distribution; Real Estate Taxes; Various other similar expenditures that may not be listed specifically.

- An appropriation account number and supervisor/director approval are required regardless of purchase order requirements.
- For budgeting purposes and efficiency of accounts payable process, purchase orders may be generated despite exemption above.

Appropriations, Contract Authority, Quotes, and Competitive Bidding:

- Annual appropriation measure must be passed by Legislative Authority no later than March 31 of the current fiscal year
 - May have to be amended throughout the year
 - Amendment presented quarterly if necessary
- City Administrator or Mayor when the administrator is unavailable is authorized to enter into contracts, leases, and agreements involving the furnishing of design, consulting or other professional services not listed, labor, supplies, or materials of the City, for the construction of public goods for the City, for purchases, or for payments deemed necessary by the City Administrator for operations of the City of Maumee up to \$75,000.
 - Appropriations may have to be amended by legislative authority
- Mayor or City Administrator is authorized to approved amendments and/or change orders up to 20% of contracts.
 - Appropriations may have to be amended by legislative authority
- All contractual obligations required to be signed, as per this policy, shall be signed by the appropriate City of Maumee signatories.
- Purchase orders are required when a contract is signed. If a contract states a start date is in the following budget year, a purchase order will then be generated in the following budget year, given legislative or administrator approval of the contract. When projects span multiple years, the contract should state expenditures for each year and a Purchase order will be made accordingly.

Quotes:

Two informal quotes for the purchase of services, goods, equipment, supplies and materials that exceed \$10,000 or exempt from competitive bidding requirements may be solicited or sought. The use of Sourcewell or Ohio DAS can be referenced as a quote. Obtaining quotes in advance of budget year is encouraged to assist in the overall budgeting process.

Competitive Bidding Requirements MCO 103.04:

- Equipment, **non-professional** services, materials, supplies **or construction of public improvements** exceeding \$75,000
- Advertisement and bidding through any web based vendor and bid management system; City of Maumee website for a period of one week or more as deemed necessary by the City Administrator; in newspaper of general circulation within the City of Maumee for not less than one week.
- Bids may be emailed, faxed, mailed or hand delivered to the City of Maumee on or before the bidding deadline.
- Bids may be awarded to the lowest, and/or most qualified, responsive bid after considering the bidder experience, qualifications and/or demonstrated competence.
- Competitive Bids are awarded through legislative authority.
- Copies of all successful and unsuccessful quotes and/or bids shall accompany requisitions for all purchases involving expenditures in excess of \$75,000
 - Retain in accordance with Record Retention policy

Exceptions to competitive bidding:

Professional Services

- Accountant, attorney at law, physician, construction project manager, consultant, architect, landscape architect, professional engineer, surveyor or appraiser
 - Request For Proposal (RFP)/ Request For Qualifications (RFQ) can be utilized when seeking professional services outlined above
- Cooperative purchasing through preapproved state contracts (ORC 125.02). To search for specific vendors or equipment suppliers, search:
 - Sourcwell <https://www.sourcwell-mn.gov/cooperative-purchasing-OR>
 - Ohio DAS <https://procure.ohio.gov/proc/currentContracts.asp>
 - Indicate contract number if using DAS
 - The city is required to report DAS usage quarterly
- An emergency in connection with operations and maintenance of public services (ORC 735.051). Requires legislative authority by Ordinance.
- Emergency as outlined in MCO 107.02-107.06
 - Includes, but not limited to natural or manmade disaster, civil disobedience, acts of war, or damage to City property or arising in a City Department
 - Authorized by Mayor or City Administrator
 - Up to \$100,000 or in excess of \$100,000 with City Council approval
- Purchase of used equipment (ORC 735.052) Requires legislative authority by Ordinance.
- Purchase from another political subdivision (ORC 735.053) Requires legislative authority by Ordinance.
- **Sole source contract**

Capital Asset - Defined

A capital asset is defined as a tangible asset, including, but not limited to, computer equipment, machinery, equipment, vehicle, land, land improvements, road reconstruction or resurfacing, utility infrastructure or other construction.

- An expected life of one year or more *and*
- Cost of \$1,000 or more per item expensed from Fund 663 IT-B
 - For the purposes of depreciation, must have a cost of \$10,000 or more per item
- Includes cost of major repairs that extends the life of the asset.
- Intangible costs such as internal wages to install or prepare for a capital asset, and engineering to design, construct and administer projects are included in the cost of the capital asset. Include estimated cost of internal wages to install capital asset when requested a capital request.
- Proceeds from the sale of an asset will be receipted into the fund it originated from per ORC 5705.10(F).
- **See MCO 105.03 for Asset Disposal**

Capital Asset - Funding Source

- General government capital assets (police, fire, service, parks, storm, administration, etc.) are funded by Fund 663-IT-B.
- Fund 771 Water and Fund 775 Sewer Fund are proprietary and operate self-sufficiently, as such, capital items for those divisions are funded through user fees in the respective funds.
- Whenever possible, grant funding opportunities are reviewed for applicable capital purchases.
- Zero or low interest loans through Ohio Public Works Commission (OPWC) funds and Ohio Water Development Authority (OWDA) are also reviewed for Water and Sewer projects.

Credit Card Purchases

Follow purchase order requirements as outlined above. Submit receipt to accounts payable as soon as possible. Refer to the City of Maumee Credit Card Policy.

Emergency Purchases:

The City may make emergency purchases of supplies, services, or construction items when there exists a threat to public health, welfare, or safety. The next business day a Then and Now Request is to be prepared and processed. Refer to Then and Now Requisition above.

Invoice Processing

All invoices must be signed by the appropriate departmental supervisor or Director. This signature denotes payment authorization for the invoice. Payments are regularly processed semi-monthly. There may be occasions where it is necessary to issue a payment outside of regularly scheduled processing. Notify the Finance Director of the request.

Internet Purchasing

Follows the same purchase order requirements as outlined above. Sales are exempt from taxation and an exemption form must be provided prior to purchase.

Petty Cash Reimbursement for non-routine purchases:

- Reimbursement requests should not exceed \$25.
- Petty Cash is used to reimburse purchases which were originally paid out-of-pocket by a City employee. This petty cash fund will be under control of the Finance Department.
- Submit an original receipt with account number and signature of the department supervisor or Director to the Finance Department for reimbursement.
- Petty cash reimbursements will not include sales tax.

Requisition Entry:

- Requisitions are entered into the Finance System. The requisition is automatically routed through the appropriate departments for approval. A confirmation e-mail shall be sent by the Finance Department to the originator of the request.
- If there are insufficient funds available on the appropriation line item, contact the Finance Director to determine what line item to transfer funds within department budget.
- Please see the "Requisition Entry Instructions" sheet for specific entry.

Sales Tax

The City of Maumee, an Ohio municipality, is exempt from all City and State of Ohio sales tax and Federal excise taxes. Exemption certificates are available at the Finance Department. Any purchase with sales tax included on the invoice will have the sales tax deducted when payment is made.

Hotel Excise Tax

Confirm with hotel prior to booking as to what documentation is required for tax exemptions. Forms vary by city and/or county.

Vendor:

If you are using a new vendor, request a W9 and submit to Accounts Payable. Provide vendor with Sales Tax Exemption Form. Completion of a PEDACKN form may be required.

SECTION 2. That any current procurement, capital and purchasing procedures in conflict with this ordinance are hereby repealed including Ordinance 62-2022 and replaced with the foregoing. This ordinance shall supplement and not replace or repeal the current Maumee Ordinances that relate to competitive bidding, contracts, emergency purchasing or Chapter 103 of the Maumee Codified Ordinances, which shall control in the event of a conflict with this ordinance.

SECTION 3. If any section, phrase, sentence, or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the

validity of the remaining portions thereof.


SECTION 4. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Revised Code of Ohio.

SECTION 5. This ordinance is hereby declared an emergency measure and shall take effect and be in full force and effect immediately from and after its passage. The reason for the emergency lies in the fact that this ordinance is necessary for the immediate preservation of the public peace, health, and safety and to authorize the modification and establishment of the provisions set forth herein.

Motion to declare an emergency: MacDonald
Yeas: 6 Nays: 0
Motion to Pass: MacDonald
Yeas: 6 Nays: 0
Passed as an emergency measure: August 21, 2023

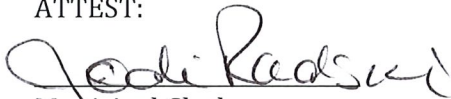
Seconded: Fiscus

Seconded: Fiscus



Mayor.

ATTEST:


Municipal Clerk.

APPROVED AS TO FORM:



Law Director.

CERTIFICATE OF POSTING

I, Clerk of Council of the Municipality of Maumee, Ohio, do hereby certify that Ordinance/~~Resolution~~ No. 029-2023 was duly posted on 8-22-2023 and remained posted for a period of fifteen days thereafter, in not less than five of the most public places in the municipality as determined by the Council of said Municipality.


Clerk of Council

Date: Sept. 6, 2023