

Augusta Charter Township

Washtenaw County, Michigan

RESOLUTION NUMBER: 24-19

RESOLUTION TO ADOPT A PURCHASING POLICY (0003)

DATE PROPOSED: October 22, 2024

DATE ADOPTED: October 22, 2024

WHEREAS, the Township shall engage in purchasing activities that are fair and equitable; and

WHEREAS, the purchasing activities provide the maximum purchasing value for public funds;
and

WHEREAS, the Township Board deems that it is in the best interest of the Township to have a purchasing policy in place; and

WHEREAS, the Township will implement procedures designed to maintain a procurement system of quality and integrity; and that promotes efficiency, effectiveness, and equity in public purchasing; and

WHEREAS, the Township will comply with all applicable federal and state laws concerning public purchasing; and

WHEREAS, the Board of Trustees must authorize all expenditures of the Township. The Board of Trustees has set forth procedures to ensure that all expenditures are properly authorized prior to disbursement of Township funds.

NOW, THEREFORE, BE IT RESOLVED, the Augusta Charter Township Board of Trustees agrees to adopt the attached Purchasing Policy 0003,

The foregoing resolution offered by Board Member Gonczy and supported by Board Member Adams.

Roll Call: Aye; Adams, Burek, Gonczy, Hall

Nay; Shelby, Ortiz, Fuqua-Frey

Absent; None

The Supervisor declared the resolution adopted.

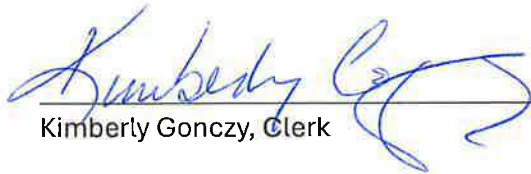


Brian Shelby, Supervisor

10/28/24
Date

CERTIFICATE

I, Kimberly Gonczy, the duly elected and acting Clerk of Augusta Charter Township, hereby certify that the foregoing resolution was adopted by the Township Board of said Township, as presented at a regular meeting of said Board held on October 22, 2024, at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.



Kimberly Gonczy, Clerk

10-28-2024
Date

ADMINISTRATIVE POLICY and PROCEDURE

Policy Number	0003
Policy Title	Purchasing Policy
Effective Date	October 22, 2024
Supersedes	All Other Purchasing Policy and Procedures
Who needs to know this policy	Board, Supervisor, Officers
Who is responsible for enforcement of policy	Board of Trustees

Reason for Policy

Augusta Charter Township shall engage in purchasing activities that are fair and equitable, and which provide the maximum purchasing value for public funds.

Definitions

Policy Statement

The Township will implement procedures designed to maintain a procurement system of quality and integrity; and that promotes efficiency, effectiveness, and equity in public purchasing. The Township will comply with all applicable federal and state laws concerning public purchasing. The Board of Trustees must authorize all expenditures of the Township. The Board of Trustees has set forth procedures to ensure that all expenditures are properly authorized prior to disbursement of Township funds.

Policy Procedure

1. Operational Guidelines:

a. Administration

Under the provisions of this policy, the Township Clerk is the Purchasing Agent. The Township Supervisor may designate one staff person to serve as a second Purchasing Agent who would have all the duties and responsibilities under the provisions of this policy as the Township Clerk and shall keep the designation on file within the Clerk records.

b. Sales Tax Exemption

The Township shall not be charged or pay sales tax. The Township as a Michigan Municipal Corporation is exempt from sales tax as provided in Act 167 of Public Acts of 1933. MCL 205.54(7); MSA 7.525(4)(7), and the Michigan Sales and Use Tax Rule, 1979 MAC Rule 205.79, provide that sales to the United States government, the State of Michigan, and their political subdivisions, departments and institutions are not taxable when ordered on a Purchase Order and paid for by warrant on government funds. In the alternative, the government may claim exemption at the time of purchase by providing the seller with a signed statement to the effect that the purchaser is a governmental entity. This position was affirmed by the Michigan Department of Treasury through its Revenue Administrative Bulletin 1990-32, approved on October 11, 1990.

c. Emergency Purchases

Whenever there is an imminent threat to the public health, safety or welfare of the Township or its residents, the Township Supervisor or a member of the Board of Trustees may authorize the purchase of supplies, materials, equipment, services or construction, utilizing competition as may be practical and reasonable under the circumstances.

d. Cooperative Purchasing

The Township may join in cooperative purchasing arrangements with other government units. The Township may accept extended government pricing with appropriate documentation, if it is determined to be cost effective and, in the Township's, best interest.

e. Gratuities, Personal Benefits, and Kickbacks

It shall be a violation of this Policy for any person to offer, give or agree to give any Township official or employee or former Township official or employee, or for any Township official or employee or former Township official or employee to solicit, demand, accept or agree to accept from another person, a gratuity, personal benefit, or kickback in connection with any purchasing or contracting decision.

f. Conflict of Interest

No Township employee, official, appointee, or other agent may participate in the analysis selection or expense of Township funds in which they have a potential financial or other interest in one or more of the potential vendors. Any employee, official, or appointee who identifies a potential conflict of interest must immediately disclose that conflict to the Township Board of Trustees and must ensure they remove themselves from the purchasing process.

2. Procurement Procedures:

The procurement procedure to be used is determined by the dollar amount of the procurement. Contracts or purchases shall not be artificially divided to circumvent the purchasing procedures in this policy. Appropriations contained in the budget shall not be considered as a mandate to expend funds, nor does the budget constitute authorization to commit the Township to purchases, as such authorization originates from the provisions in this policy. No obligations shall be incurred against, and no payment shall be made from, any appropriation account unless there is a sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation. An expenditure/accounts payable shall not be recorded until the goods are delivered or services received.

a. Purchases under \$500:

Township officers are authorized to purchase goods and services under this dollar amount if funds are available within their departmental budget.

b. Purchases \$500 and above:

The Township Board must authorize purchases of goods or services over \$500. Three written quotes should be obtained when possible.

The Township Board may waive the quote requirements when there is only one known supplier or there is some other compelling reason to waive the quote procedures.

3. Bid Procedures:

The Township Engineer follows these procedures for bidding:

- a. Invitation for Bids -An invitation for bids shall be issued and shall include specifications, and all contractual terms and conditions applicable to the procurement.
- b. Public Notice - Public notice of the invitation for bids shall be given a reasonable time prior to the bid submission date set forth therein. Such notice may include publication in a newspaper of general circulation and/or online media for a reasonable time as determined by the Supervisor prior to the bid opening. The public notice shall state the place, date and time of bid opening, and shall be in a format approved by the Supervisor.
- c. Bid Opening- Bids shall be opened publicly in the presence of one or more witnesses following the deadline set for the submission of bids at the time and place designated in the invitation for bids. The Township shall hold a public bid opening when required by law, or when in the opinion of the Supervisor, a public bid opening is in the interest of the Township.

The amount of each bid, and such other relevant information as the Supervisor deems appropriate, together with the name of each bidder shall be recorded. The record and each bid shall be open to public inspection in accordance with Act442 of the Public Acts of 1976, MCL15.231 et seq.

- d. Bid Acceptance and Bid Evaluation - Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, experience, delivery, warranty, and suitability for a particular purpose. Bids which do not comply with all criteria set forth in the invitation to bid may be subject to disqualification.
- e. Correction or Withdrawal of Bids; Cancellation of Awards - Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be permitted in the sole discretion of the Township. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the office designated in the invitation for bids, prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only to the extent that the bidder can show by clear and convincing evidence, as determined by the Township Board, that a mistake of a nonjudgmental character was made.
- f. Award - The contract shall be awarded by appropriate notice to the responsible and responsive bidder whose bid meets the requirements and response selection criteria set forth in the invitation for bids. Nothing in the award process shall prevent the Township Board from acting in the Township's best interest when making the bid award, including awarding the bid to other than the low bidder, using a best value-based selection process. No contract or purchase order shall knowingly be entered into with any company or business which is in bankruptcy or receivership. In the event the bid for a project exceeds available funds, the Township Board is authorized to negotiate an adjustment of the bid price when time or economic considerations preclude re-solicitation of work of a reduced scope, in order to bring the bid within the amount of available funds. All draft contracts shall be reviewed by the Chief Financial Officer or their designee before going to the Township Board for approval.