



## Purchasing & Compliance

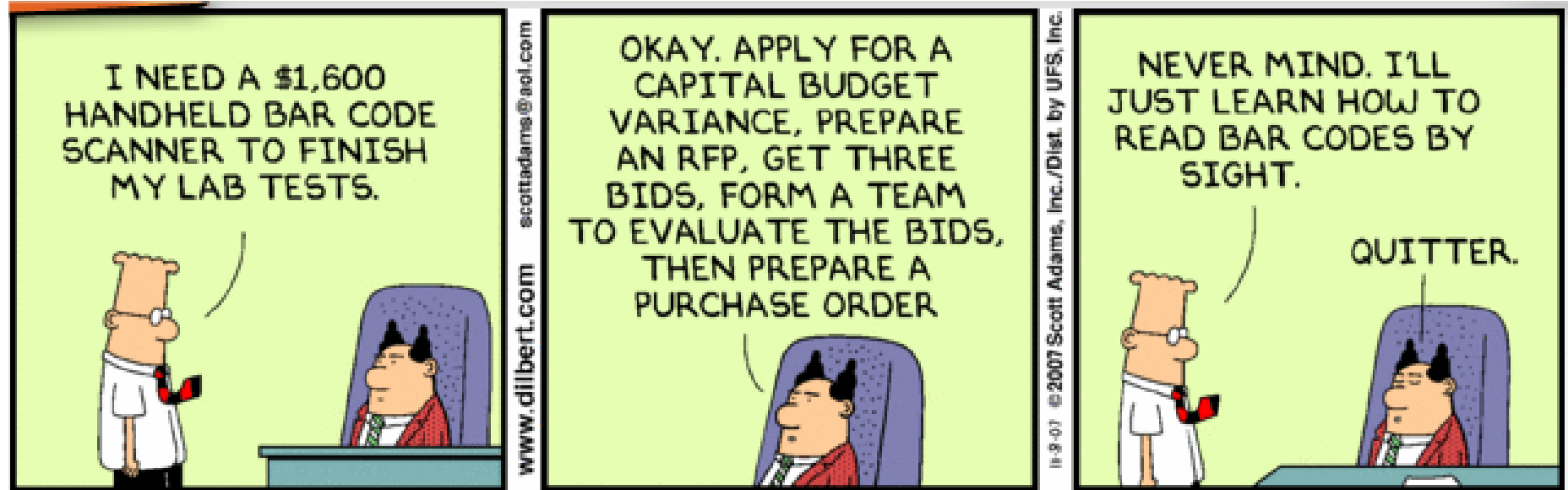
James M. Nicholson

Finance Director

City of Pataskala, Ohio

April 24-25, 2019

All too often, it seems like this!



# COURSE OBJECTIVES

Participants will learn the following:

- Fiscal Officer's certificate requirements
- Competitive bidding requirements
- Prevailing wage thresholds
- Benefits of formalized policies



# WHAT IS A FISCAL OFFICER'S CERTIFICATE?

- According to ORC §5705.41(D)(1), “... *no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation, ...has been lawfully appropriated for such purpose...*”
- In most cases, an approved purchase order (PO) serves as the fiscal officer's certificate.

# WHAT IS A FISCAL OFFICER'S CERTIFICATE? (continued)

- Certificate must be signed (physically or electronically) by the fiscal officer (e.g., Finance Director, Treasurer, etc.).
- The document **must**:
  - Be dated on or before the transaction date
  - Contain language which certifies that the funds necessary to meet the obligation are currently in the treasury, or in the process of collection, and have been restricted (encumbered) to satisfy the obligation.

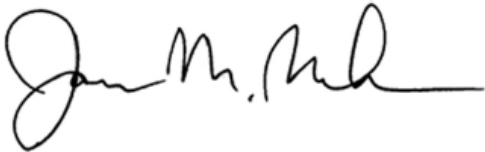
# Example of Certification Language

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Purchase Order Total: \$700.00

## **FINANCE DIRECTOR CERTIFICATION**

It is hereby certified that at the time of the making of this contract or order and at the date of the execution of this certificate, the amount required to pay this contract or order has been appropriated for the purpose of this contract or order, and is in the treasury or in the process of collection to the credit of the fund free from any previous encumbrance.



4/3/2018

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Finance Director

Date

# What Happens if the Certificate Date is after the Transaction Date?

- Technically, the organization is in violation of budgetary compliance regulations proscribed by the ORC.
- All is not lost, however. Fiscal officers can approve a 'Then & Now' certification of any PO up to \$3,000. Any transactions that would exceed the \$3,000 threshold would require your governing body to approve the 'T&N' by resolution or ordinance.
- It is always better to be proactive and have your employees submit requisitions beforehand, than to frequently request 'T&N' certifications.

# Spending Authority Levels

- It is important that, as the Fiscal Officer, you are aware of the various levels of authority granted to the organization. Almost every organization will likely be different.
- In the City Pataskala, the City Administrator has discretion/authority to authorize contracts or purchases up to \$10,000. Contracts in excess of that amount require Council action (resolution).
- Purchases of a routine nature (e.g., natural gas, fuel, etc.) are generally exempt from such restrictions.
- Exigent circumstances (e.g., emergency) are typically the one exception to this rule. The exception, however, usually calls for the Administrative Officer to update the governing body at the Officer's earliest convenience.



# Competitive Bidding

- Generally speaking, all contracts made by the governing authority of the organization for material and labor which exceeds \$50,000 are subject to competitive bidding procedures.
- Project/contract cannot be split for the purpose of avoiding competitive bidding requirements.
- Bids must be advertised in a newspaper of general circulation for not less than two (2) nor more than four (4) consecutive weeks.

# Competitive Bidding (continued)

- Not required to select lowest total cost – ‘lowest responsive and responsible’ or ‘lowest and best’. Other factors, including intangibles, can be taken into account when awarding contract.
- Bids must be responsive, which is determined by examining the bid. It must comply with the specifications and instructions to bidders in all material respects, and must contain no irregularities or deviations that would affect the amount of the bid, or give the bidder a competitive advantage.

# Competitive Bidding (continued)

- Formal bid documents must be prepared, which include the following:
  - Deadline for submitting proposals, along with date, time and location of pre-bid meeting and bid opening.
  - Other legal and miscellaneous documents, such as project contract, bid and performance bonds, non-collusion/delinquent tax affidavits, and subcontractor information.
  - Project plans/drawings, and timeline for project. Materials and quantities for the project.
  - Prevailing wage information



**CITY OF PATASKALA, OHIO  
MUNICIPAL FACILITIES MAINTENANCE & CLEANING SERVICE  
REQUEST FOR PROPOSALS (RFP)**

The City of Pataskala, Ohio by the City Finance Director or designee, at the Pataskala City Hall, 621 West Broad Street, Suite 2F, Pataskala, Ohio 43062, will receive sealed proposals for the **MUNICIPAL FACILITIES MAINTENANCE AND CLEANING SERVICE CONTRACT** until 10:30 am on Friday, May 24, 2019. At that time, the Finance Director (or his designee) will open and read aloud all bids.

The City of Pataskala may choose to not award the bid for up to sixty (60) days after the bid opening. The City will consider all bids valid until 60 days after the opening date, despite not being accepted or rejected by the City. The work for which bids are invited consists of the furnishing of all labor, materials, and equipment required for **MUNICIPAL FACILITIES MAINTENANCE AND CLEANING SERVICE CONTRACT**.

Copies of the Contract Documents are on file in the Finance department offices, 621 West Broad Street, Suite 2F, Pataskala, Ohio 43062 where they are available for inspection by prospective bidders. Bidders may obtain electronic copies of the Contract Documents from the above office upon request.

Each bid shall contain the full name and address of each person or company interested in the same and shall be accompanied by either: (1) a combined Bid/Performance bond in accordance with division (B) of Ohio Revised Code Section 153.54 for the full amount of the bid; or (2) a certified check, cashier's check, or irrevocable letter of credit pursuant to Chapter 1305 of the Ohio Revised Code, in accordance with division (C) of Ohio Revised Code

# Competitive Bidding (continued)

- Bid splitting to avoid competitive bidding is prohibited
- Specialized services exclusion (ORC §§ 153.65 – 153.71)
  - Engineering
  - Legal Counsel
- Public purchasing cooperative exclusion (ORC §9.48 (C)-(D))
  - Southwest Ohio Purchasers for Government (SWOP4G)
- Other exclusions:
  - Emergency purchases
  - Purchases from non-profits or other governments
  - Used equipment/public auction
- Ohio Dept of Administrative Services (“State Contract”)
  - <https://procure.ohio.gov/proc/currentcontracts.asp>

- for Suppliers ▾
- for State Agencies ▾
- for Political Subdivisions ▾
- for the Public ▾
- News ▾
- Help & Reference ▾
- Contacts

## Current Contracts Search

Please enter one or more of the search criteria below to locate awarded State contracts. Some of the most popular searches are pre-programmed and listed to the right on this page with hyperlinks to view associated search results.

You can also [view telecommunications contracts](#) or [view contracts for road construction and related machinery, materials, and supplies](#).

### General Criteria

Contract Number:

Index Number:

Company Name:

All  Supplier  Dealer

Market Type:

All  
 Open

Search by keywords:

Matches on:  All Words  Any Word  "Exact Phrase"

Commodity Category Tier 1:

Commodity Category Tier 2:

Commodity Category Tier 3:

Contract Status:

Search by Date Type:

Start Date:

End Date:

### Popular Searches

Information  
Contracts

- [Awarded Proposal](#)
- [Awarded](#)
- [State Ter](#)
- [Master M  
Agreeme](#)
- [Telecom](#)

Procurement

- [CRP](#)

# What are Prevailing Wages?

- Prevailing wage is defined as the hourly wage, usual benefits and overtime, paid in the largest city in each county, to the majority of workers and laborers.
- Prevailing wages are established by the Department of Labor and Industries, for each trade and occupation employed in the performance of public work.
- Contractors are required to maintain payroll and basic records for all laborers during the course of work and three (3) years thereafter. Certified payroll records must include:
  - Name, address and SSN for each worker
  - Worker's work classification
  - Hourly rates of pay, including contributions for fringe benefits, or their cash equivalents
  - Daily/weekly hours worked, deductions and wages paid

# Prevailing Wage Thresholds

## Building Construction:

- \$250,000 New building construction
- \$75,000 Reconstruction, enlargement, alteration, repair, remodeling, renovation, or painting

## Infrastructure – Including Roads, Streets, Alleys, Sewers, Ditches and Other Public Works:

- \$91,150 New infrastructure construction
- \$27,309 Reconstruction, enlargement, alteration, repair, remodeling, renovation, or painting

**Note:** Thresholds are to be adjusted biennially by the Ohio Dept of Commerce.



# Public Authority Responsibilities

- *A public authority must designate and appoint one of its' own employees to serve as the prevailing wage coordinator during the life of the contract for constructing the public improvement (ORC 4115.071) – This is usually the fiscal officer in smaller organizations.*
- *No public authority shall award a contract for a public improvement to any contractor/subcontractor whose name appears on the list of debarred contractors (ORC 4115.133).*
  - List filed with the Ohio Secretary of State
  - Filing of the notice of conviction by OSS constitutes notice to all public authorities
  - Debarred contractors prohibited from working on public improvements for up to three (3) years

Date 3/15/2018

I, \_\_\_\_\_  
(Name of Signatory Party) \_\_\_\_\_  
(Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by

Robertson Construction Services, Inc. on the

(Contractor or Subcontractor)

Job: 17-087- Pataskala Police Station; that during the payroll period commencing on the  
(Building or Work)

18 day of February, 2018, and ending the 24 day of February 2018 Week #: 1

all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

Robertson Construction Services, Inc.

(Contractor or Subcontractor)

from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U. S. C. 276c), and described below.

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

- In addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in Section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

- Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in Section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION
REMARKS:	

NAME AND TITLE	SIGNATURE
THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE	

# Certified Payroll Report

Robertson Construction Services, Inc.  
 1801 Thornwood Drive  
 Heath, OH 43056  
 Phone: 740-929-1000

Period: 02/25/2018 - 03/03/2018  
 Job: 17-087- Pataskala Police Station  
 Contract: 17-087- Pataskala Police Station  
 Owner: City of Pataskala

Week #: 2

Employee	-----Hours-----								Project		***** Fringe Per Hour ***** (Cash & Approved Plans)		***** Weekly Totals ***** Deductions				
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total	Rate	Amounts	Description	Rate	Gross	Deductions	Net Pay		
[REDACTED]	<i>M/EX: S/4</i>								<i>Race/Sex: C/M</i>								
	<i>EEO Class:</i>				<i>Check # 18030901</i>												
Laborer #2	0.00	0.00	0.00	0.00	0.00	8.50	0.00	8.50	25.940	220.49	Retirement-PW	10.80000					
										Other Taxable	0.00	FIT		90.90			
										Other Non Taxable	0.00	Total Fringe	10.80000	SOC		62.72	
										Project Total	220.49	Total PW Rate	36.74000	Med		14.67	
														OH SWH		28.70	
														Other		48.80	
														Total	1,048.49	245.79	802.70
														Hours (Reg/OT): 31.50 / 11.50			
														Total Hours: 43.00			
[REDACTED]	<i>M/EX: S/0</i>								<i>Race/Sex: C/M</i>								
	<i>EEO Class:</i>				<i>Check # 18030901</i>												
Laborer #2	0.00	0.00	0.00	0.00	0.00	8.50	0.00	8.50	25.940	220.49	Retirement-PW	10.80000					
										Other Taxable	0.00	FIT		86.10			
										Other Non Taxable	0.00	Total Fringe	10.80000	SOC		50.68	
										Project Total	220.49	Total PW Rate	36.74000	Med		11.85	
														OH SWH		21.14	
														Other		24.51	
														Total	817.47	194.28	623.19
														Hours (Reg/OT): 38.50 / 0.00			
														Total Hours: 38.50			
[REDACTED]	<i>M/EX: M/5</i>								<i>Race/Sex: C/M</i>								
	<i>EEO Class:</i>				<i>Check # 18030901</i>												
Operating Engineer #2	0.00	0.00	0.00	0.00	0.00	8.50	0.00	8.50	34.720	295.12	Health Welfr-PW	0.08000					
										Other Taxable	0.00	FIT		60.31			
										Other Non Taxable	0.00	Vacation HI-PW	0.28000	SOC		77.34	
										Project Total	295.12	Retirement-PW	14.49000	Med		18.08	
														OH SWH		33.01	
														Other		264.16	
														Total	1,250.62	452.90	797.72
														Hours (Reg/OT): 34.50 / 11.50			
														Total Hours: 46.00			

Job Totals	Hours	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total	Project Amounts	***** Fringe Per Hour ***** (Cash & Approved Plans)	***** Weekly Totals ***** Deductions			
											Description	Total Gross	Deductions	Net Pay	
Regular Pay		0.00	0.00	0.00	14.00	8.00	7.50	0.00	29.50	901.32	Health Welfr-PW	FIT	165.92		
Overtime		0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.50	26.04	Vacation HI-PW	SOC	153.42		
										0.00	Other Taxable	Med	35.88		
										0.00	Other Non Taxable	OH SWH	60.61		
										927.36	Project Total	Other	317.70		
												Total	2,514.36	733.53	1,780.83
												Hours (Reg/OT): 120.00 / 5.50			
												Total Hours: 125.50			

By signing below, I certify that: (1) I pay, or supervise the payment of the employees shown above; (2) During the pay period reported on this form, all hours worked on the project have been paid at the appropriate prevailing wage rate for the class of work.

Print Name: Sharon Jividen  
 Print Title: Prevailing Wage Coordinator

Signature:  Date: 3-19-18

# Formalized Purchasing Policies & Procedures

- Formally establishes authority levels, bidding requirements, etc.
- Encourages efficient, effective and fair public procurement.
- GFOA-recommended 'Best Practice'
- Governing body adoption establishes 'rule of law' instead of 'guidelines'

## Article XIII ADMINISTRATIVE POLICIES AND PROCEDURES

### Section 13.01 Purchasing and Procurement

#### (a) Charter Provisions

##### (i) 8.02(A) City Administrator or Designee as Contracting Officer

- 1) The City Administrator shall be the contracting officer of the City and shall award and execute all contracts on behalf of the City.

##### (ii) 8.02(B) Expenditures or Contracts of Ten Thousand dollars (\$10,000.00) or more

- 1) When any expenditure or contract is more than ten thousand dollars (\$10,000), or the amount specified by the laws of Ohio, whichever is greater, for which work may be accomplished only after advertisement and bidding, such contract or expenditure shall first be authorized or directed by an ordinance or resolution passed by the Council and shall be advertised once a week for at least two weeks in a newspaper of general circulation in the City; provided the Council, by an ordinance or resolution adopted by a vote of at least two-thirds of its members, may authorize, without advertising and competitive bidding, contracts and expenditures for any purpose where the statutory or common law of Ohio does not require competitive bidding.

##### (iii) 8.02(C) Alterations or Modifications to Competitively Bid Contracts

- 1) When it becomes necessary to make alterations or modifications in connection with any work or improvements covered by contract, they shall be made only upon the order of the City Administrator. No such order shall be effective until the price to be paid for the work or material, or both, under the altered or modified contract, shall have been agreed upon in writing and signed by the contractor and the City Administrator on behalf of the City. Modifications or alterations in contracts shall not require advertising or competitive bidding.

##### (iv) 8.02(D) Certification of Funds

- 1) No contract, agreement or other contractual obligation involving the expenditure of money shall be entered into or authorized by the City Administrator unless the Director of Finance or his or her duly authorized representative shall first certify:
  - a) That the money required for such contract, agreement, obligation or expenditure is in the City's treasury or in the process of collection thereto, and
  - b) That the money has been appropriated by Council for the purpose of the contract, which may be included in the general description of purpose, and it remains unencumbered.
- 2) The certification as to the availability of funds, and the appropriation of funds shall be filed and recorded in the accounting records of the City, and a copy furnished to the vendor or contractor. Without the certification, contractual obligations shall be unenforceable against the City unless subsequently authorized by the Council by a majority vote of its members.

# ORC § 717.31 – Credit Card Policy

- Recently adopted law (HB 312) regulates how organizations use credit, debit or 'P' cards
- All organizations must have an updated policy in place that addresses (AOS Bulletin 2018-003):
  - Appointment of a compliance officer
  - Officers or positions authorized to use a credit card account
  - Types of expenses for which a card can be used
  - Procedures for the acquisition, use and management of a credit card account
  - Prohibition/exclusion of the use of debit cards

# ORC § 717.31 – Credit Card Policy

(Cont'd)

- All organizations must have an updated policy in place that addresses:
  - Procedure for submitting itemized receipts to the fiscal officer or designee
  - Political subdivision's credit card account's maximum credit limit or limits
  - Designation of actions or omissions by an officer or employee that qualify as misuse of a credit card account



# ORC § 717.31 – Credit Card Policy

(Cont'd)

- Credit cards do not include:
  - Gasoline card
  - Telephone card
  - Vendor-specific (e.g., Home Depot, etc.) credit accounts. If a VISA/MasterCard is issued by vendor and can be used elsewhere, it is included
- Specific guidance is provided for townships, schools, municipal corporations and libraries



Questions ?