

Honey Brook Township
Chester County, Pennsylvania
Resolution #7--2005
Procurement Card Program

WHEREAS The Board of Supervisors of Honey Brook Township has authority to authorize the purchase of goods and services; and

WHEREAS, The Board of Supervisors has determined the use of procurement cards by responsible employees will promote efficiency of service, facilitate creative processes, reduce costs, take advantage of emerging purchasing technology and provide flexibility in meeting day-to-day exigencies of the procurement process established by Pennsylvania statute; and

WHEREAS, The Board of Supervisors recognizes a procurement card is neither a substitute for public bidding nor the Township's existing procurement program, and that a procurement card is not being implemented for the purposes of bid splitting and /or the avoidance of the statutorily mandated public bidding process; and

WHEREAS, PFM Financial Services LLC (PFM) has agreed to administer, on behalf of participating governments and schools in the Commonwealth, a procurement card system with cards issued to designated responsible individuals with established limits and purpose, through the Bank of Montreal, a Canadian chartered bank with a branch at 115 South Lasalle Street, Chicago, IL.

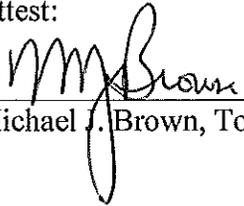
NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HONEY BROOK TOWNSHIP THAT:

1. The Board of Supervisors expressly authorizes the Chairman and Manager to enter into and execute a procurement card use agreement with the Bank of Montreal to secure procurement cards for each authorized employee under such terms and conditions as approved by its legal counsel and the Township.
2. As a condition precedent to receiving a procurement card, each authorized employee shall execute a procurement card use agreement.
3. The Board hereby establishes the following monetary limit of authority for each employee's use of a procurement card:
 - a. Township Manager--\$2,000/month
 - b. Department Heads--\$1,000/month
 - c. Admin & Police Clerks--\$500/month
4. The procurement card shall only be used to purchase goods and services associated with the routine operation of the Township and to perform routine maintenance, or to execute an expenditure previously authorized by the Board of Supervisors during the budget process, or to execute an expenditure directly authorized by the Board of Supervisors. In no case shall the procurement card be used for an expenditure over \$500 that creates new service capability or replaces used equipment without prior authorization.

5. As a condition precedent to receiving a card, each authorized employee shall sign an agreement of indemnity, which is included in the procurement card use agreement.
6. Upon receipt and use of a procurement card, the cardholder shall submit receipts and such information as periodically requested by the Township Manager.
7. The Manager shall establish procedures and internal controls to implement this program, to ensure procurement cards are being used only for authorized Township business purposes and in compliance with applicable law, and to allow for verifiable audits of their use. Initial establishment and changes to these procedures and internal controls shall be submitted to the Board of Supervisors for review prior to implementation.
8. The Board of Supervisors expressly authorizes and directs PFM to debit General Fund Account #3351031 held by the Pennsylvania Local Government Investment Trust and make payment to the Bank of Montreal in connection with the Township's use of procurement cards.

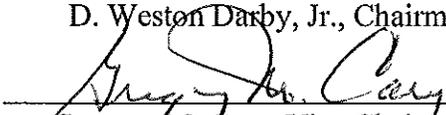
ADOPTED THIS 14th DAY of September, 2005

Attest:

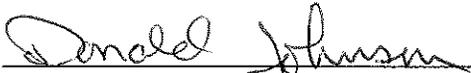


Michael J. Brown, Township Manager

D. Weston Darby, Jr., Chairman



Gregory M. Cary, Vice Chairman



Donald Johnson, Member