

# CLINTON COUNTY PURCHASING POLICY

## MAY 2002

1. **PURPOSE:** The purpose of this policy is to establish procedures for the purchase of all supplies, equipment, vehicles, services and all construction or altering of County facilities for any department of the County of Clinton in a manner that maximizes the purchasing value of public funds in procurement.
2. **AUTHORITY:** Clinton County Board of Commissioners.
3. **APPLICATION:** This Policy applies to all departments of the County of Clinton with the following exclusions: The Clinton County Road Commission, Tri-County Community Mental Health, Clinton-Shiawassee Family Independence Agency, Mid-Michigan District Health Department and agencies operating under service agreements and contracts with the Clinton County Board of Commissioners. It shall apply to every expenditure of public funds by Clinton County for public purchasing irrespective of the source of the funds. When the procurement involves the expenditure of federal or state assistance or contract funds, the procurement shall be conducted in accordance with any mandatory applicable federal or state laws and regulations. Nothing in this Policy shall prevent any public agency from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with law.
4. **RESPONSIBILITY:** The Clinton County Administrator shall be responsible for the implementation and administration of this policy.
5. **DEFINITION(S):**
  - 5.1 ***Capital Outlay Items:*** Non-expendable items itemized in the County's capital improvement budget/plan.
  - 5.2 ***Competitive Bids:*** Prices received from vendors on items or services \$20,000 or more. Competitive bids are received as sealed bids only and are opened at advertised public bid openings. The requirement for sealed competitive bids shall not apply to intergovernmental contracts, contracts for professional services or emergency repairs, or for the reauthorization of contracts, which have been previously approved by the Clinton County Board of Commissioners.
  - 5.3 ***Expendable/Recurrent Supplies:*** Routine supplies needed to carry on the County's daily business (i.e. food, medical supplies, office supplies). Expendable supplies are generally acquired using preferred vendors.

- 5.4 **Final Approver:** Person(s) designated to utilize the electronic purchasing system with the authority to convert requisitions to purchase orders.
- 5.5 **Formal Bidding:** Formal bidding procedure should be used for purchases from \$5,001 to \$19,999. It includes solicitation of written bids through the mail, e-mail, and facsimile.
- 5.6 **Informal Bidding:** Purchases of \$1001 to \$5000 are subject to informal bidding. Informal bids (quotes) may be solicited by telephone or by personal contact.
- 5.7 **Public Bid Opening:** A place, date and time established to open competitive bids received on items and/or services being procured. Adequate public notice of the invitation for bids shall be given not less than 10 calendar days prior to the date set forth therein for the opening of bids. Such notice may include publication in a newspaper of general circulation for a reasonable time prior to the bid opening.
- 5.8 **Request for Proposal (RFP):** A document issued by the County Administrator, which contains specifications and County bidding procedures for procurement of items and/or services. An RFP is sent out to vendors as a mechanism to solicit for competitive bids.
- 5.9 **Request for Quotation (RFQ):** A document (less formal than an RFP) issued by the County Administrator/Department Head, which contains specifications for the procurement of items and/or services. An RFQ is sent out to vendors as a mechanism to solicit for competitive quotes.
6. **POLICY:** The County utilizes an electronic accounting system with a purchasing module that includes a requisition and purchase order system. Every purchase on behalf of the County (unless specifically exempted) shall require a requisition and purchase order. Except as otherwise specified herein, purchases / contracts will be awarded to a contractor or bidder based on price, record of performance, availability, dependability and experience. All purchases by contract, or otherwise, as herein authorized, will be in accordance with such appropriations as have been made by the Board of Commissioners for the support of the respective departments.

It shall be unethical for any County employee to participate directly or indirectly in a procurement contract when (the County employee knows that) the County employee or any member of the County employee's immediate family has a financial interest pertaining to the procurement contract.

6.1 **Basic Purchases:** Items valued at \$1000 or less are considered basic purchases. There are not any bidding requirements for these purchases; however, the requisition and purchase order system must be utilized. Department Heads or their designee are authorized to draft requisitions and act as the final approver. The responsible party shall exercise reasonable scrutiny when expending funds under the \$1000 threshold.

6.2 **Informal Bidding:** Purchases of \$1001 to \$5000 are subject to informal bidding. Individual employees, with approval of their Department Head, may solicit informal bids as outlined below. The bids may be written or verbal. The Department Head (their designee when absent) must act as final approver.

- A. Bid Information: To insure fairness in, each vendor solicited should be given the same information. This information should include:
- Description of items to be purchased
  - Special terms and/or specifications
  - Desired delivery date
- B. Record of Bids: All bids solicited shall be electronically recorded in the requisition “Post It” note window. Each record should contain:
- Bid Information
  - Record of all bids
  - Department Head explanation if lowest priced vendor not selected.

6.3 **Formal Bidding:** Purchases from \$5001 to \$19,999 are subject to the formal bidding procedure. The respective department shall follow the formal bidding process. The Department Head must approve with the County Administrator or designee acting as the final approver. It includes solicitation of written quotations/bids through direct contact, public advertisement or any combination of the same.

- A. The solicitation/advertisement must include the following:
- Identification of item(s) to be bid upon
  - Location bids are to be submitted
  - Date and time of bid deadline for submission
  - Contact for further information
  - Statement of County’s rights to reject bids
  - Contract compliance terms
  - Product specifications

- B. Record of Bids: All bids solicited shall be electronically recorded in the requisition “Post It” note window. Each record should contain:
- Bid Information
  - Record of all bids
  - Department Head explanation if lowest priced vendor not selected.

6.4 **Competitive Bidding:** Purchases with an anticipated obligation of \$20,000 or more are required to have sealed, competitive bidding and comply with Public Act 167 and 168 of 1993. Professional services and intergovernmental contracts and emergency repairs, or reauthorization of contracts that have been previously approved are exempted from this policy.

- A. If a bid document must be prepared (\$20,000 or more), it shall include:
- Bid advertisement
  - Bid preparation instructions
  - Proposal
  - Contract
  - General conditions
  - Special conditions
  - General specifications
  - Detailed specifications
  - State or Federal guidelines (if necessary)

The County reserves the right to accept, reject or negotiate any or all bids, to waive or not waive informalities or irregularities in bids or bidding procedures and to accept any bid determined by the County to be in the best interest of the County, whether a bid is lowest or not.

- B. All bids shall be opened at the time, date and place specified, and the opening and inspection of all bids shall be made by the County Administrator. A complete summary of the bids, including the bidding firm’s name, cost, qualifying data, and any other relevant information, shall be kept on file. Final approval, acceptance and selection of bids that are low bid and meet specifications shall be made by the County Administrator. Purchase of items that are not low bid, or do not meet specifications, shall require Board approval.

6.5 **Expendable Supplies:** For each expendable category of purchases, the County Administrator, with the assistance of the respective department staff (i.e. maintenance/jail food staff), will

compile and maintain a list of preferred suppliers. Such lists will be reviewed and updated periodically. Typically one – three vendors will be listed to provide comparison pricing and selection options.

- 6.6 **Open Purchase Orders:** Open Purchase Orders shall be utilized for vendors that provide routine repetitive services. Open Purchase Orders may be opened and closed within any calendar month. Examples of authorized open purchase orders include: oil changes, car wash and other similar services.
- 6.7 **Emergency Purchase Orders:** In case of emergency needs, appropriate departments (maintenance, sheriff) are authorized to make emergency procurements of supplies, services or construction items when there exists a threat to public health, welfare or safety. Electronic access shall be provided to authorize the issuance of emergency Purchase Orders. Emergency procurements shall be made with such competition as is practicable under the circumstances and the cost shall not exceed \$5,000. An emergency purchase of up to \$10,000 may be made by the County Administrator with prior approval by a committee chairperson and the chairperson or vice-chairperson of the Board of Commissioners.
- 6.8 **Cooperative Government Contracts:** Bidding requirements shall be waived if the County is able to secure favorable prices on purchases by joining with other local governments, or participating with the State of Michigan or the Federal Government in purchasing. The County Administrator is authorized to enter into the necessary agreements or contracts on behalf of the County.
- 6.9 **Exempted Purchases:** Purchases exempted from this policy may be verified with the signature of the department head across the invoice. The appropriate account number must also be provided. Exempted purchases include maintenance agreement billings, utility billings, contracted service invoices, inmate health services, and other like services approved by the Administrator.
- 6.10 **Payment Procedure:** The respective Department Head will be responsible for inspection of all orders, upon receipt of the order and prior to the acceptance of the delivery. Upon acceptance of items, verification that the packing slip matches the purchase order must accompany the invoice in order to obtain payment. Whenever a department rejects any orders, the County Administrator shall be notified immediately and given the reason for the rejection.

The County of Clinton will accept delivery of and authorize payment of only those services, supplies, merchandise or articles authorized for purchase, and acceptable under terms of the purchase agreement, in accordance with the procedures stated herein.

Payment for any services, supplies, merchandise or articles not authorized for purchase by the County Administrator and/or the Clinton County Board of Commissioners in accordance with the policies and procedures stated herein becomes the responsibility of the person or persons requesting such service, supplies, merchandise or article and the County may deny payment of the claim.

Any service being performed for the County that has not been authorized in accordance with the policies and procedures stated herein, shall be immediately discontinued and the original conditions restored at the expense of the person or persons requesting such service.

Payment in full for any service, supplies, merchandise or articles not acceptable for delivery or the use required, as put forth in the bid specifications or purchase agreement for such service, supplies, merchandise or articles, will be held in abeyance until such time as a replacement or replacements meeting the specifications put forth in the purchase agreement and acceptable for the use required are received.

**TABLE 1**

<b>Dollar Amount</b>	<b>Bidding Requirement</b>	<b>Final Approval</b>
\$0 - \$1,000	None	Department Head or Designee
\$1,001 - \$5,000	Informal Bid	Department Head
\$5,001 - \$19,999	Formal or Competitive Quote	County Administrator
\$20,000 or more	Competitive Bids (3)	County Administrator