

# Purchasing

## I. Policy

Cass County practices decentralized purchasing. Inter-departmental cooperation is being emphasized to ensure departments comply with policies established by the Board of Commissioners regarding the management of public funds to ensure maximum value for taxpayer dollars. Open market procedures that foster fair competition shall be implemented without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability unrelated to an individual's ability to provide the required goods or services.

## II. Overview

The Administrator's Office will work with County departments to identify opportunities to obtain competitive bids from vendors to minimize individual departments' time and expense of purchasing. Blanket purchase orders may be issued on an annual basis for routine items and services.

Special purchasing agreements will be sought to provide uniformity, ease of access and competitive pricing. Current solutions include Global Office Solutions, MiDeal (Michigan Delivering Extended Agreements Locally) and GSA (Government Services Administration).

Opportunities for cost savings and discounts should be sought out and applied. This could include payment in advance (annual) of recurring monthly transactions of established vendors in exchange for discounted billing.

The Director of Information Systems is required to review and approve all purchases related to technology equipment including but not limited to computers, printers, copiers, and phones.

## III. Professional Ethics and Standards of Conduct

The following ethical principles shall govern Cass County purchases and every person responsible for procurement of materials, supplies and/or services in Cass County government:

1. Regard public service as a trust, giving primary consideration to the interest of the government they serve.
2. Dedicate themselves to the highest ideals of honor and integrity in public purchasing relationships.
3. Effectively and efficiently administer their purchasing responsibilities.
4. Not accept gifts, trips, expensive meals, tickets, or anything of value from any person or firm that may be awarded a contract or purchase order. Inexpensive advertising items bearing the name of the firm, such as pens, pencils, paper weights, calendars, etc., are not considered articles of value or gifts with respect to this point. An occasional business meal is acceptable.
5. Not seek nor dispense personal favors, to handle administrative functions.
6. Seek the greatest value for every tax dollar expended.
7. Avoid unfair practices, and conduct matters with fairness, dignity, and honesty.
8. Practice competitive bidding based upon adequate and complete specifications.
9. Strive to improve their knowledge of public purchasing methods, techniques, policies, practices, and laws.
10. Cooperate with purchasing organizations engaged in activities which develop and further enhance purchasing as a profession.

## IV. Delegation of Authority

Purchases are subject to the following practices and guidelines, at a minimum.

### **\$2,999.99 and less**

Solicitations for **budgeted** expenditures for materials, supplies and/or services that cost \$2,999.99 and less are authorized by departmental authority and do not require a purchase order. However, purchase orders

are advised in order to protect the County's interests governing prices, quantities, and specifications. **All expenditures must have budget approval before being committed.**

#### **\$3,000.00 to \$19,999.99**

Solicitations for budgeted expenditures for materials, supplies and/or services that cost \$3,000.00 to \$19,999.99 are authorized by County Administrator authority and will require three (3) written quotations. Quotations will be secured at the department level or with the assistance of the Administrator's Office, if requested. Upon receipt of the quotations, a purchase order will be prepared for the department's internal required approvals and County Administrator approval. The purchase order will then be supplied to the vendor for fulfillment. All supporting documentation, including the written quotes, must be attached to the County's internal copy of the purchase order.

#### **\$20,000.00 to \$149,999.99**

Solicitations for budgeted expenditures for materials, supplies and/or services expected to cost \$20,000.00 to \$149,999.99 are authorized by the County Board of Commissioners (BOC). Three (3) written quotations will be required. Quotations will be secured at the department level or with the assistance of the Administrator's Office, if requested. Upon receipt of the quotations, a written request shall be prepared for presentation and action by the BOC. Upon receipt of BOC approval, a purchase order will be prepared for the department's internal required approvals and County Administrator approval. The purchase order will then be supplied to the vendor for fulfillment. All supporting documentation, including the written quotes and BOC action, must be attached to the County's internal copy of the purchase order.

#### **\$150,000.00 and greater**

Solicitations for budgeted expenditures for materials, supplies and/or services expected to cost \$150,000.00 and greater require competitive formal solicitations; Requests for Proposal (RFP) or Requests for Qualification (RFQ). RFP's and RFQ's will be prepared by the Administrators Office in conjunction with the Department Heads / Elected Officials and the Finance Director. Once competitive bids are received, a written request shall be prepared for presentation and action by the BOC. Upon receipt of BOC approval, a purchase order will be prepared for the department's internal required approvals and County Administrator approval. The purchase order will then be supplied to the vendor for fulfillment. All supporting documentation, including the written quotes and BOC action, must be attached to the County's internal copy of the purchase order.

#### **Additional Notes of Caution**

If at any time a Department Head, Elected Official, or the County Administrator believes the situation warrants an increased level of authority than the foregoing minimums, that additional level of authority shall be obtained.

If the procurement involves the expenditure of federal or state assistance or contracted 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 department from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with law.

## **V. TYPES OF BIDS AND PROCEDURES**

### **Types of Bids**

#### **Quotations**

Quotations are unsealed, competitive offers conveyed by letter, telephone, fax, or other means. Care shall be taken so that no confidential information obtained from one bidder is revealed to another bidder.

#### **Requests for Proposal (RFP) / Requests for Qualification (RFQ)**

Request for Proposal (RFP) / Request for Qualification (RFQ) are invitations to bid. RFP's and RFQ's are formal requests or invitations for bidding that list the standards and specifications required for the

targeted purchase. They are usually for materials or services that can be clearly and precisely defined. The contents of a Request for Proposal (RFP) / (RFQ) package shall include:

- a. Advertisement for notice to bid
- b. Name of department and place to deliver bids
- c. Whether the bid is to be sealed or not
- d. Place, time, and date of bid opening
- e. Due date for submitting bids
- f. Description of target materials or service
- g. Place to obtain bid documents and receive additional information
- h. The right of the County to reject all bids
- i. The bidder proposal form shall include:
  - i. Bidder instructions
  - ii. Bidding terms, conditions, and specifications
  - iii. Place for bidder's name, address, signature, and price quotation
  - iv. Bond or deposit information
  - v. Statement that the bid is a contract upon acceptance by the County
  - vi. Details on bidder qualifications
  - vii. Reasons for disqualification
  - viii. Basis for payment

Like a Request for Proposal, a Request for Qualification (RFQ) is used to identify potential vendors of professional services. RFQ's identify the Cass County project to be completed and the type of professional services requested to assist with that project. The RFQ is distributed to firms or individuals who may have the skills and talents needed. From submitted responses to the RFQ's, two or more respondents are selected for interviews. Once a preferred provider is identified, the provider is asked to submit a cost proposal, the terms of which may be negotiated by the Department.

## **PROCEDURES FOR RFP**

A Request for Proposal (RFP) is used where a variety of possible approaches may be used to complete the desired outcome, e.g. upgrading a computer system, building a storage facility.

The following procedures are appropriate:

1. Request for Proposal (RFP) - An RFP solicitation shall provide a thorough description of the project to be completed and the conditions to be met.
2. RFP's can be published in applicable newspapers and / or trade journals, on the Cass County website and/or mailed directly to bidders believed to be qualified. A file shall be established containing the bid solicitation, a list of the bidders mailed a copy, the publication information, bids received, and the analysis of bids.
3. Addenda - If it becomes necessary to make changes in the specifications, a written addendum will be mailed to bidders who are asked to acknowledge receipt of the addendum in writing or in their bid.
4. Bid Postponement - If necessary, to allow bidders to revise their bids if an addendum has been sent out, or for the convenience of Cass County, the bid opening may be postponed. If a bidder has already submitted a bid when the bid opening has been postponed because of an addendum to the original solicitation, the bid may be returned to the bidder for appropriate changes, or the changes may be submitted in a separately sealed envelope.
5. Insurance - Bid solicitations for construction contracts or service contracts, where the contractor is performing any portion of the service on County property or where the contractor is required to use vehicles in performing the contract, must include requirements for Commercial General Liability, Property Damage and Workers' Compensation insurance. The bidding contractor must supply Cass County with a valid certificate of insurance coverage.
6. Receipt and Opening of Bids:
  - a. Receipt of bids - Bids may be received by mail or messenger. At the time of receipt, they shall be date and time stamped and filed until time of bid opening. Bids received after the time and date specified may not be opened, unless it is determined that the lateness was caused by improper handling by Cass County personnel.

- b. Opening of bids - Bids are opened in the place designated in bid solicitation documents after the specified time due. Bids are opened, read aloud, and recorded by representatives of Cass County. Such openings may be attended by the public.
7. Bid Evaluation and Award - Bids will be awarded to the bidder who submits the bid determined by Cass County to be the most advantageous to Cass County.
8. Evaluation of bids will be as follows:
  - a. In determining responsibility of the bidder, the following factors may be considered:
    - i. Financial responsibility of the bidder.
    - ii. Past records of transactions with the bidder.
    - iii. Experience necessary to conform to the specifications of the bid document.
    - iv. Ability to complete the work within the time specified.
    - v. Professional references.
    - vi. Other pertinent considerations.
  - b. In determining a responsive bid, the following factors may be considered:
    - i. The bid shall be in substantial conformance with the bid solicitation and void of contravening terms, gratuitous additions, unilateral mistakes, or obvious errors in calculating or presenting figures.
    - ii. The bid will not be considered if any required compliance reports and insurance documents are not included.
  - c. In determining the most advantageous bid the following factors may be considered:
    - i. Lowest price.
    - ii. Conformance to specifications.
    - iii. Responsibility of the bidder.
    - iv. Other factors as may be determined by Cass County.

After bids have been evaluated and the best, responsible bidder determined, a summary is needed to document the selection procedure and shall include bids solicited, bids received, and the bid price tabulation. This summary is maintained with the bid package for permanent record and shall be made available to the public.

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

Bids will be submitted to the Board of Commissioners at its next regularly scheduled meeting. Upon award of a bid for a contract, a formal contract and/or purchase order will be executed with the successful bidder, designating terms and conditions, and signed by the Chairperson of the Board of Commissioners or his/her designee.

### **Exceptions**

Solicitation of bids may be waived by the County Administrator under the following conditions:

1. Emergency Purchases - Bids may be waived in the event of an unforeseeable situation that demands correction, attention, or immediate action that threatens either economic conditions, the law or public safety. A complete report of the emergency purchase shall be documented in writing and submitted to the Board of Commissioners.
2. Sole Source - Those instances where only one vendor is available or appropriate to supply a needed product or service. Examples of sole source purchases may include electricity, natural gas, software or equipment maintenance contracts and purchases of an item which needs to be compatible with existing equipment.
3. Negotiations - When the supply or service to be procured by Cass County is not practical for a formal bid procedure, negotiations may be entered into with qualified vendors. Examples of this type of procurement would be:
  - a. Expert witness fees.
  - b. Child Care Fund placements and foster care.
  - c. Any situation where the approach to implementation will vary from vendor to vendor and exact specifications are not possible.

4. Cooperative Purchasing - Cass County may join with other units of government, municipal associations, or other agencies in cooperative purchasing ventures. Purchases may be made against established State of Michigan contracts or contracts of other public entities without bidding. In these instances, the public entity has already solicited bids for the purchase.
5. Governmental Purchasing - Purchases of goods or services from other Federal, state, or local governmental units are exempt from bidding requirements.
6. Contracts - When the supply or service vendor has already been determined and awarded as part of a contract (i.e. grants & audit services).
7. County Administrator ordered freeze to purchasing.

## **VI. PURCHASE ORDERS AND INVOICES**

### **Purchase Order**

An authorized purchase order is a legal commitment for materials, equipment, and services between Cass County and a vendor. It sets forth the terms and conditions to protect the County's interests governing fixed prices and quantities, specifications of items or services ordered, warranties and delivery specifications. Purchase orders are required for purchases of \$3,000.00 or more. No department shall enter into negotiations with any supplier for the purchase of supplies, materials, services, or equipment in excess of \$2,999.99 without prior approval from the County Administrator.

### **Issuing of Purchase Orders**

1. Each department will maintain and issue their own purchase orders.
2. Quotes, item description and general ledger expense account number shall accompany all purchase orders.
3. The County Administrator approved purchase orders will be returned to the requesting department.
4. Approved purchase orders will be transmitted to the vendor by the requesting department.

### **Receiving**

1. Items delivered to Cass County buildings shall be inspected to determine quality, quantity and conformance with specifications and the purchase order. After satisfactory inspection, the delivery slip (if any) shall be signed. Any variations in quantity or partial orders need to be noted on the delivery slip and the purchase order.
2. If goods are defective at time of delivery, the shipment shall be refused. Delivery slips shall not be signed as this signifies the item(s) have been properly received, inspected, and accepted. The receiving department shall immediately contact the vendor to secure replacement item(s).
3. Deliveries shall be made directly to the requesting department.

### **Invoices**

An invoice is a document which itemizes charges for the purchase of supplies, materials, equipment, or services which have been furnished. It is the means by which the supplier informs Cass County of the County's obligations and shall contain the same basic information as the purchase order.

1. Upon receipt of an invoice, the Department shall verify the information with the purchase order and the delivery receipt. Any discrepancies shall be discussed with the vendor and corrections made if necessary.
2. The Department will submit the invoice and a copy of the purchase order to Accounts Payable for payment.
3. Attempts shall be made to take advantage of cash discounts offered by the vendor. This means that prompt submission of invoices to Accounts Payable will be required.

### **Unauthorized Purchases**

Cass County will accept delivery of and authorize payment for only those services, supplies, merchandise, or articles authorized for purchase and acceptable under terms of the purchase agreement in accordance with this Purchasing Policy. Payment for any services, supplies, merchandise, or articles not authorized for purchase by purchase order or the Board of Commissioners in accordance with the policies and procedures stated in this Purchasing Policy becomes the responsibility of the person or persons requesting such service, supplies,

merchandise or article and Cass County will deny payment of the claim. Any service being performed for Cass County that has not been authorized in accordance with the policies and procedures stated herein will be immediately discontinued and the original conditions restored at the expense of the person or persons requesting such service.

**ADOPTED: 05/05/2016**  
**AMENDED: 06/18/2020**