

CASS COUNTY PURCHASING MANUAL



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SECTION 1 – CASS COUNTY PURCHASING POLICY OVERVIEW

- Applies to all Cass County Departments and Employees and seeks to implement purchasing on a decentralized basis with close cooperation between County Departments. Inter-departmental cooperation is being emphasized to ensure departments comply with policies established by the Board of Commissioners with regard to expenditure of public funds to ensure maximum value for taxpayer dollars.
- The Administrator’s Office will work with departments to identify opportunities to obtain competitive bids from vendors in an effort to minimize the purchasing process. A request for proposal (RFP) and blanket purchase orders may be issued on an annual basis for routine items and services. Routine purchases included in the agreement for supplies or services will be purchased by Finance as requested by each department.
- The Director of Information Systems will review and approve all purchases related to technology equipment including but not limited to computers, printers and phones.
- Purchases are subject to the following practices and guidelines:
 - Purchases less than \$1,000
 - Purchase orders are not required.
 - Departments may purchase what they need, providing their departments’ budget has available funds for such purchase, (with the exception of routine items and services) without the use of a purchase order but are expected to seek competitive pricing.
 - Department Heads are responsible for managing their purchases and staying within their departmental budgets.
 - Require the approval of the Department Head.
 - Purchases from \$1,000-\$5,000
 - Purchase orders are required and can be obtained via written or email request to purchasing@cassco.org.
 - Three competitive quotes are required (if available) to be obtained by Informal Bid or Invitation to Bid/RFP*.
 - Require the approval of the County Administrator.
 - Purchases greater than \$5,000
 - Purchase orders are required and can be obtained via email request to purchasing@cassco.org.
 - Three competitive quotes are required (if available) to be obtained by Invitation to Bid/RFP*.
 - Require the approval of the Board of Commissioners.
 - Professional Services greater than \$1,000
 - Departments requiring professional services should work with the Administrator’s Office to prepare a Request for Qualifications (RFQ)* to identify qualified service providers.
 - Once a preferred provider is selected, cost of services can be negotiated with the provider.
 - Service contracts for less than \$5,000 can be approved by the County Administrator.
 - Service contracts for \$5,000 or more are approved by the Board of Commissioners.

*Detailed information on types of bid procedures can be found in Section 3 beginning on page 3 of the Cass County Purchasing Procedures & Recommended Practices.

SECTION 2 - GENERAL INFORMATION-CASS COUNTY PURCHASING PROCEDURES & RECOMMENDED PRACTICES

Purpose

This Purchasing Manual is intended to provide guidelines and procedures in the purchasing process in Cass County. These guidelines should aid in achieving maximum efficiencies with the purchasing function. This manual has been developed for employees working with the purchasing process.

The Administrator's Office coordinates purchasing with County departments on a decentralized basis in the most efficient and economical manner possible. Efforts will be made to work cooperatively to utilize each department's expertise and technical knowledge in developing bids and specifications. The purchasing procedures summarized in this manual apply to all Cass County employees.

Goals and Objectives

The goals of the purchasing function:

1. To provide quality goods and services in the most economic manner practical.
2. To obtain maximum savings through innovative buying and application of value-analysis techniques.
3. To serve County departments in a prompt and efficient manner.
4. To promote a system of material standardization where possible, throughout the County, in order to provide quality materials in the most economic and efficient manner possible.
5. To improve the speed of delivery to County departments by predetermining through contracts or other appropriate means the sources of supply before an actual need for the particular material in question becomes known.
6. To avoid duplication of supplies and services and to minimize waste and stockpiling.
7. To work with other departments and agencies in a cooperative manner whenever possible to purchase quality goods and services.
8. To work with vendors interested in doing business with the County by meeting with them and providing them a full, equal opportunity to bid on County projects and supplies in accordance with this Purchasing Manual.

Code of Professional Ethics and Standards of Conduct

The Board of Commissioners believes that the following ethical principles should govern County purchases and every person responsible for procurement of materials or services in Cass County should:

1. Regard public service as a trust, giving primary consideration to the interest of the government they serve.
2. Dedicate himself/herself to the highest ideals of honor and integrity in public purchasing relationships.
3. Effectively and efficiently administer his or her 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 based upon the business principles and practices outlined in this Purchasing Manual.
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 whenever practical.
9. Strive to improve his or her 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.

SECTION 3 – BID PROCEDURES

Purpose

The purpose of the bid process is to acquire highest quality goods and/or services at the lowest possible cost by requiring vendors to submit competitive bids in accordance with predetermined specifications, when appropriate.

Types of Bid Procedures

1. Informal Bid - Informal bids are unsealed, competitive offers conveyed by letter, telephone, FAX or other means. Care should be taken so that no confidential information obtained from one bidder is revealed to another bidder.
2. Invitation to Bid/Request for Proposal (RFP) - Invitations to Bid & RFP'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 an Invitation to Bid package should 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 should 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
3. Request for Qualification – A Request for Qualification (RFQ) is used to identify potential vendors of professional services. RFQ's identify the 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 RFO'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.

When to Use Each Bid Procedure (reference types of procedures listed above)

The type of bid procedure to be used is determined by the dollar amount of the procurement. Every effort will be made to obtain a minimum of three quotations for each item, groups of items, or contracts required. The County Administrator will determine if sealed bids are required for any purchases over \$5,000.

1. Purchases less than \$1,000
 - Vendor will be chosen by Informal Bid.
 - Competition for purchases in this dollar amount may be waived, although each department should seek competitive prices whenever practical and feasible.
2. Purchases from \$1,000-\$5,000
 - Vendor will be chosen by Informal Bid, Invitation to Bid or Request for Proposal.
 - All responses must be in writing. If sealed bids are not specified, FAX bids are acceptable.
3. Purchases over \$5,000
 - Vendor will be chosen by Invitation to Bid or Request for Proposal.
 - All responses must be in writing. If sealed bids are not specified, FAX bids are acceptable.
4. Services from \$1,000-\$5,000
 - Vendor will be chosen by Informal Bid, Invitation to Bid or Request for Proposal.
 - Maintenance repair instances where only one vendor is available or appropriate to supply a needed service are exempt from bidding procedures.
5. Services over \$5,000
 - Vendor will be chosen by Request for Qualification.
 - All responses must be in writing.

Formal Bid Solicitation Procedures

Invitations to Bid and Request for Proposal are formal bid solicitations. An Invitation to Bid is generally used when the requested product(s) can be clearly specified and the variances between bids are typically a matter of price, e.g. sodding a parcel, or painting a building. A Request for Proposal 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. Invitation to Bid - The bid solicitation should be published in applicable newspapers and/or trade journals, on the County website and mailed directly to each bidder appearing on the qualified bidders list. A file should be established containing the bid solicitation, a list of the bidders mailed a copy, the publication information, bids received, and the analysis of bids.

2. Request for Proposal (RFP) – An RFP solicitation should provide a thorough description of the project to be completed and the conditions to be met. Posting and other procedures as described in 1, above.
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 the 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 the 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 should 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 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 the 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 the County to be the most advantageous to the 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 should 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 the County.

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

The 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 the County to be in the best interest of the County whether or not that bid is the lowest price.

Bids requiring Board of Commissioners' approval will be submitted to the Board 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.

Bids not requiring Board approval will be awarded by the County Administrator. A purchase order will be issued to the successful bidder designating terms and conditions of the order, as specified in the bid.

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 should 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 the 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 - The 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. Cooperative purchasing agreements will be submitted to the Board of Commissioners.
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).

SECTION 4 – PURCHASE REQUISITIONS, ORDERS AND INVOICES

Purchase Requisition

The purpose of the Purchase Requisition is to inform the Administrator's Office of the acquisition needs of the requesting department and to correctly identify the materials requested. This information may be transmitted to the Administrator's Office via purchasing@cassco.org with subject line: Purchase Requisition. This requisition should give a clear presentation of the item desired such as: size, color, type, grade, etc. Although there is no formal purchase requisition form, this email request will serve as the basis for a purchase order.

Purchase Order

An authorized purchase order is a legal commitment for materials, equipment, and services between the 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 \$1,000 or more. No department should enter into negotiations with any supplier for the purchase of supplies, materials, services or equipment in excess of \$1,000 without prior approval from the County Administrator.

Obtaining a Purchase Order:

1. The Finance Director will maintain and issue all purchase orders.
2. A purchase order request should be transmitted to the Finance Director via email with subject line: Purchase Requisition.
3. Quotes, item description and general ledger expense account number should accompany the request for a purchase order.
4. The purchase order and approval will be returned to the requesting department via email.
5. The Finance Director will post the expense and accounts payable entry to encumber the purchase in the accounting software.
6. Approved purchase orders will be transmitted to the vendor by the requesting department.

When Issued

A purchase order will be issued upon receipt of an acceptable requisition/request, after competitive bids have been received and evaluated, and if required, after approval of the Board of Commissioners.

Receiving

1. Items delivered to County buildings should be inspected to determine quality, quantity and conformance with specifications and the purchase order. After satisfactory inspection, the delivery slip (if any) should 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 should be refused. Delivery slips should not be signed as this signifies the item(s) have been properly received, inspected and accepted. The receiving department should immediately contact the vendor to secure replacement item(s).
3. Deliveries should 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 the County of the County's obligations and should contain the same basic information as the purchase order.

1. Upon receipt of an invoice, the Department should verify the information with the purchase order and the delivery receipt. Any discrepancies should 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. Accounts Payable will notify the Finance Director of invoices being paid which have a valid purchase order attached.
4. Attempts should 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 Manual. 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 Manual becomes the responsibility of the person or persons requesting such service, supplies, merchandise or article and the County will 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 will be immediately discontinued and the original conditions restored at the expense of the person or persons requesting such service.

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