

COUNTY OF MUSKEGON PROCUREMENT POLICY & PROCEDURE MANUAL

Policy No. 2018-330



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Section 1.0 Procurement Office

1.1 Policies / Objectives

The purpose of this policy is to provide for the fair and equitable treatment of all persons involved in procurement process of the County of Muskegon. This policy is intended to maximize the purchasing value of public funds in procurement and to provide safeguards for maintaining a procurement system of quality and integrity to serve the best interest of the County of Muskegon. This policy will also serve to utilize the most efficient method of operating the procurement process for the County of Muskegon.

County of Muskegon routinely procures products and services from third party vendors in the fulfillment of its operation for various departments. As a public entity the County of Muskegon has an obligation to conduct procurement activity in a timely, ethical, cost effective and efficient manner, and in accordance with all regulatory requirements of its funding and governing organizations. The County of Muskegon also has an obligation to treat all vendors with whom it conducts business in a fair and ethical manner.

This policy applies to contracts for the procurement of supplies, services and construction entered into by the County of Muskegon after the effective date of this policy. This includes all forms of procurement activities including written, telephone and online procurements. When 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 or agency from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with law.

1.1.1 Mission Statement

The mission of the Procurement Office of the Finance Department is to facilitate the timely and efficient procurement of quality goods and services for use by County of Muskegon departments and agencies at the lowest price or as otherwise in the best interest of the County.

1.2 Code of Ethics

The Procurement Office subscribes to standards and code of ethics from the National Institute of Governmental Purchasing (NIGP) and the Michigan Public Purchasing Officers Association (MPPOA) which represent good and sound standards of conduct for purchasing professionals. See [Exhibits 1 and 2](#) for a copy of the NIGP and MPPOA Code of Ethics.

1.3 Conflict of Interest

No employee, officer, agent, elected official or Board Member shall participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, agent, or Board Member, or any member of their immediate family, or organization which employs or is about to employ any of the parties indicated herein, has a tangible personal benefit from a firm considered for contract.

All officers, employees, agents, elected officials and Board Members of the County of Muskegon will complete a Conflict of Interest & Evaluation Team Member Guidelines Agreement ([Exhibit 3](#)) to affirm that they have no real or apparent conflict of interest before participating in the evaluation process for formal solicitation projects.

1.4 Gratuities

No employee, officer, agent, elected official or Board Member may solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, food, lodging, loan or other thing of value if:

- It tends to influence the employee/elected official in the discharge of employee's official duties, or
- The employee/elected official recently has been, or is now, or in the near future may be involved in any official act or action directly affecting the donor or lender, or
- In the employee's/elected official's capacity and/or area of responsibility, the employee has, or appears to have, influence over actions of the County of Muskegon affecting the donor or lender.

Notwithstanding the above, this section shall not be applicable to:

- An occasional non-monetary gift of insignificant value such as accepting food or refreshment of nominal value (\$50 or less) on infrequent occasions in the ordinary course of luncheon or dinner business or other meetings, or
- Unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, or other business items of nominal intrinsic value.
- Department heads and/or Elected Officials may implement a more restrictive value at their discretion.

1.5 Delegation of Authority

This section sets forth the delegation of authority for the commencement of procurement actions and the award of such actions including contract modifications.

Solicitations for budgeted expenditures for materials, supplies and/or services that cost \$3,499.99 and less are authorized by departmental authority and do not require a purchase order. Use of County issued purchase cards are encouraged for procurements at this level in accordance with the *Purchasing Card Policy No. 2011-329 as amended*.

Solicitations for budgeted expenditures for materials, supplies and/or services that cost \$3,500.00 to \$24,999.99 are authorized by the departmental authority and will require three (3) written quotations. Quotations are completed at the department level or with the assistance of the Procurement Office, if requested. Upon receipt of the quotations, a purchase requisition will be entered for the department's internal required approvals, which may include the department head, elected official or court administrator approval. All supporting documentation, including the written quotes, must be attached to the purchase requisition request. Upon all required approvals, a purchase order will be sent to the vendor.

Solicitations for budgeted expenditures for materials, supplies and/or services expected to cost \$25,000.00 to \$149,999.99 are authorized by the appropriate County Board (i.e. Board of Commissioners, HealthWest, and Public Works) and are completed through a simplified acquisition procedure referred to as "procurement collected quotes" to be conducted by the Procurement Office (see [section 3.3](#)). Upon receipt of the quotations and the appropriate board approval, a purchase requisition will be entered for the department's internal required approvals, which may include the department head, elected official or court administrator approval. All supporting documentation, including the written quotes, must be attached to the purchase requisition request. Upon all required approvals, a purchase order will be sent to the vendor.

Solicitations for budgeted expenditures for materials, supplies and/or services expected to cost \$150,000 or more require competitive formal solicitations. The formal solicitations are completed by the Procurement Office with the Finance Director's approval and the approval of the appropriate County Board (i.e. Board of Commissioners., HealthWest, and Public Works). Upon the County Boards' approval, a purchase requisition will be entered with department's internal required approvals, which may include the department head, elected official or court administrator approval. All supporting documentation must be attached to the purchase requisition request. Upon all required approvals, a purchase order will be sent to the vendor.

It is the responsibility of the department head, elected official or court administrator to set internal approvals. All procurements for materials, supplies and/or services \$3,500.00 and over will be verified by the Procurement Office for compliance in accordance with the Procurement Manual.

The chart below represents a summary of the procurement thresholds and the method of procurement required for each.

PROCUREMENT SUMMARY

Amount of Procurement	Line Item Budgeted	Initial Authorization	Type of Solicitation	Award Authorization	Purchase Order Required
Petty Cash (\$100 and less)	Yes	Department Head	N/A	Department Head	No
\$3,499.99 and less	Yes	Department Head	N/A, Unless Required by Grant	Department Head	No
\$3,500-\$24,999.99	Yes	Department Head	Department Collected Quotes	Procurement Office	Yes
\$25,000-\$149,999.99	Yes	Appropriate Board	Procurement Collected Quotes	Appropriate Board	Yes
\$150,000 and more	Yes	Appropriate Board	Formal Solicitations	Appropriate Board	Yes

1.6 Asset Acquisitions

The County shall not acquire any assets that was “free” (acquired by grant, gift or temporary transfer) whose original value is more than \$5,000 without approval by the appropriate County Board (i.e. Board of Commissioners, HealthWest, and Public Works).

1.7 Procurement Files

All procurement records shall be the responsibility of the Procurement Office. Procurement files will include, but not be limited to, rationale for the method of procurement used, selection of contract type, contractor selection or rejection, and documentation for the basis for the contract price. See [Attachment 1](#) for document retention schedules. Departments must provide required written documents/reports as established by the Procurement Office for the procurement file.

Section 2.0 Procurement Process/Cycle

2.1 Requisition Policy

2.1.1 Policy Objective

The purpose of this policy is to outline the method by which materials, supplies and services will be requested and to indicate the manner in which purchase requisitions will be prepared and controlled. The requisition shall serve as a request for all procurements with the exception of petty cash, purchase card and individual procurements of \$3,499.99

and less. In addition, the requisition will be used to initiate the entry of purchasing transactions \$3,500 or more into the County's financial records. Properly executed purchase requisitions are required by the Procurement Office to initiate procurement action for materials, supplies and/or services. No department or employee is to make procurement in the name of the County of Muskegon without having authorization or approval. All procurements \$3,500 or more require a purchase requisition as part of the approval process.

2.1.2 Initiator

The requesting department will initiate the purchase requisition and is responsible for the accuracy and adequacy of information supporting the request. Requests should be submitted early enough to have a purchase order or contract prepared, reviewed, and issued in time for the material or service to be obtained when needed. Due consideration must be given by the user department to the following points in making requests:

- The kind of request being made - routine item, one requiring considerable research, one requiring competitive quotes or solicitations, and those requiring management or Board approval (\$25,000 and more).
- Sufficient time must be allowed for the vendor to prepare responses, deliver the merchandise or perform the service.
- That there are many other departments making similar requests.

All department heads should designate one or more employees as authorized Requisitioner with authority to prepare requisitions for their department.

The department is required to obtain approval from the appropriate authorizing source as defined in [Section 1.5](#) for the procurement of the materials, supplies and/or services. See [Attachment 2](#) for Purchase Requisition Procedures.

2.2 Purchase Order Policy

A purchase order will be prepared for procurement transactions \$3,500 or more on the County's financial records system.

A purchase order will not be issued without an approved requisition from the ordering department and all required documentation. If needed, the procurement must have proper budget and/or Board approval before sending the requisition to the Procurement Office.

2.2.1 Special Procurement Commodities

Certain commodities need special approval from other departmental staff prior to making the procurement of the product or service. This approval is to assure that products or services are compatible or meet the County standard. Some of these commodities are furniture, computer equipment/software, telecommunications equipment, carpeting, etc. The Procurement Office will need to get this approval from the appropriate staff person before issuing a purchase order.

2.2.2 Transportation & Delivery Charges

All shipments are expected to be F.O.B. (Free On Board) destination, unless otherwise stated. When transportation charges are necessary, the purchase request will instruct the vendor on the purchase order to include shipping charges on the invoice. This eliminates the problem of shipping charges being presented to the user department unexpectedly.

2.2.3 Purchase Order Corrections

A purchase order should not be corrected to change the name of the vendor. The existing purchase order has to be cancelled and a new one issued. Changes can be made under certain circumstances; such as:

- an error in extension or addition, or
- an over - or under shipment which the County is willing to accept, or
- an increase in the dollar amount which the County is willing to accept.

2.2.4 Receiving / Inspection of Goods

Receiving departments should exercise care to ensure that the quantity and quality of the delivered goods are as ordered. It is good practice to ensure goods received are inspected for any discrepancies as compared to the purchase order, order receipts/packing slips, and final invoices.

2.2.5 Purchase Order Procedures

Purchase orders are intended to place an order with a vendor for a product or service during the current fiscal year and generally serve as the vendors authorization to proceed. In the financial software purchase orders are marked with the purchase order type “confirming” or “regular”.

Confirming Purchase Order: A purchase order issued after the fact restating the same terms originally placed orally or by some other informal means. Confirming purchase orders should be rare in nature and only used when absolutely necessary and may be subject to the Finance Director’s review.

Regular Purchase Order: A purchaser’s written document to a vendor formalizing all the terms and conditions of a proposed transaction, such as a description of the requested items, delivery schedule, terms of payment, and transportation.

See [Attachment 2](#) for details on creating purchase requisitions and purchase orders.

2.3 Contract Order Purpose

This area covers a broad spectrum from janitorial services and hiring of temporary personnel to professional consulting services of doctors, lawyers, accountants, architects, engineers and the rental of equipment such as copiers, vehicles and heavy equipment. Sometimes a request for proposal method is used for bidding this type of service and includes a work statement or performance specification, time frame in which the work is to be completed, and specification criteria to be used in evaluating the proposal. (These criteria can cover the offeror’s proposed approach to accomplish the work, management capability, and price.)

2.3.1 Contract Order Policy

For procurement purposes, a contract is a formal written agreement between the Board and a selected vendor, consultant or contractor for a particular purpose. All contracts committing the County, such as those with consultants, contractors, attorneys, physicians, first time lease, etc., must be reviewed by the Corporate Counsel and approved by the appropriate County Board. For procedures pertaining to the preparation, execution and monitoring of contracts see [Section 7.0](#) on Contract Administration and [Attachment 3](#) for Contract Code Procedures.

2.4 Emergency Procurement Policy

2.4.1 Definition of an Emergency

For the purposes of the County of Muskegon, an Emergency is defined as: an unforeseen situation involving:

- a breakdown of essential machinery or equipment requiring immediate maintenance, repair, or replacement, or
- threatened termination of essential services provided by the County, or
- a dangerous condition develops, or
- an immediate need for supplies which may vitally affect the safety, health, property or welfare of the public and the normal procurement procedure is too time consuming.

2.4.2 Emergency Procurement Procedure

The County Administrator may waive established solicitation procedures for procurements \$25,000 and less in accordance with the County of Muskegon emergency definition provided in [section 2.4.1](#). Documentation in writing must be provided with the purchase request to confirm that the Emergency Procurement waiver was provided. Email, formal letter, or a notation on the Sole Source Justification Form ([Exhibit 4](#)) illustrates a few examples of how this documentation may be provided.

It should be noted that the waiver of procedures may not be allowable for certain grant funded procurements.

2.5 Sole Source & Non-Competitive Negotiation Procurement Policy

Sole source procurements are defined as those in which only one vendor possesses the unique and singularly available capability to meet the requirements set. Examples include technical qualifications, ability to deliver at a particular time, services from a public utility or in a situation where a particular supplier or person is identified as the only qualified source available. Although technical assistance and documentation may be needed from the using department/agency, the Procurement Office is responsible for confirming sole-source determinations. For procurements \$25,000 and over refer to [Section 4.11](#) Bid Waiver Policy.

2.5.1 Sole Source & Non-Competitive Negotiation Procurement Limitations

In determining a sole source or non-competitive procurement, at least one of the following circumstances must exist:

1. The item is only available from a single source and there is no equivalent or comparable product available to meet the overall need.
2. There is an unusual or compelling urgency or an emergency not permitting delay from competitive processes.
3. After solicitation of a number of sources, competition is determined inadequate
4. The product or service is patented, copyrighted or has other proprietary information or trade secrets retained by the owner.
5. The item is an associated maintenance item or item requiring compatibility to an existing County owned system that is procured directly from the original manufacturer or supplier as the only available source for such an item.
6. A grantor/funding agency or pass-through entity expressly authorizes a noncompetitive proposal in response to a written request.

A contract may be awarded without competition and approved by the Procurement Office when the following conditions exist:

- supporting documentation is provided;
- a good faith review has been conducted of available sources; and
- it is determined to be in the best interest of the County.

2.5.2 Sole Source & Non-Competitive Negotiation Procurement Procedures

A Sole-Source Justification Form is available in accordance with the County of Muskegon Sole-Source/Non-Competitive Negotiation Procurement Policy. In the event that a Sole-Source vendor is to be used, this form is to be attached to the purchase requisition to document the circumstances creating the sole-source situation. ([See Exhibit 4](#))

2.6 Petty Cash Procurement Policy

The preferred method of payment for procurements less than \$3,500 is the use of a County issued Purchase Card. Only departments having an authorized petty cash account can use petty cash for procurements of non-inventory items up to \$100.00 or less. All petty cash expenditures must be approved by an authorized department manager and supported by appropriately detailed receipts. The County Finance Director is responsible for the establishment of petty cash accounts as well as procedures for reimbursement of petty cash expenditures and replenishment of petty cash funds. Also see *Cash Management Policy 2015-500 Section 6*.

2.6.1 Petty Cash Procedure

Each impress petty cash fund must have a custodian approved by the appropriate department. New custodians and changes of custodians must be approved by the Accounting Manager. Custodians must be county employees. Detailed Petty Cash Procedures are provided in [Attachment 4](#). Also see *Cash Management Policy 2015-500 Section 6*.

2.6.2 Re-evaluate need for Petty Cash

At least once per year, departments must re-examine whether the petty cash fund is still required to meet the department's business needs, or if alternative disbursement methods could suffice. Petty cash funds should be active. Inactive funds should be terminated. Funds are considered inactive if they have no activity during a fiscal year.

2.7 Unauthorized Procurements Policy

The County policy on unauthorized procurements is as follows:

- Any procurement made by a County of Muskegon employee that is not authorized and approved according to the Delegation of Authority for the commencement of procurement actions as set forth in [Section 1.5](#) will be considered invalid and non-binding. Persons flagrantly violating this policy will be subject to discipline, up to and including discharge, consistent with Personnel Rules, collective bargaining agreements or applicable laws.
- This policy also pertains to contract or supply purchase orders that have a stated procurement limit. If the dollar amount of the procurement will exceed the procurement limit stated on the order, you must comply with the Delegation of Authority in [Section 1.5](#) and receive an approved change order.

2.7.1 Unauthorized Procurements Procedures

Departments should first try to rectify unauthorized procurement. Unauthorized procurements will be reviewed and the employee found to initiate the procurement may be subject to disciplinary measures, up to and including discharge, and may include civil/criminal prosecution consistent with applicable laws. The employee found to have initiated the transaction may also be required to pay all cost associated to the unauthorized transaction.

If legal review would have been required for the procurement or Contract, then rectification must be managed between the County and Corporate Counsel.

2.8 Environmental Procurement Policy

In line with the Federal Water Pollution Control Act (33 USC 1251-1387); Clean Air Act (42 USC 151-1387; and Energy Policy and Conservation Act (42 USC 6201) as amended, the County of Muskegon promotes products and practices, which reduce our impact on the environment. The County of Muskegon's Environmental Procurement Policy is as follows:

- Minimize the environmental impact on water, air and energy use due to manufacturing, utilizing, or disposing of products procured by the County or its contractors
- Encourage private sector development of more environmentally benign products and services by increasing demand for these products and services
- Encourage standards and promote energy efficiency in purchasing decisions

Section 3.0 Quotation Process

3.1 Definition

A Quotation is an informal process which solicits pricing information from several sources. Methods of price sourcing may include competitive bid, a letter, fax, e-mail, or other manner that does not require a formal sealed bid or proposal, public opening or other formalities that may be considered low value or fall under a stipulated price/cost threshold.

It is the policy of the County that written specifications will be used to obtain competitive quotes whenever possible. Competition is critical to public procurement and it is essential that specifications be developed so that a sufficient number of quality competitive quotes will be received.

Procurements \$3,500.00 to \$149,999.99 may use a simplified procurement method (see page 15). These procurements require a price or rate quotation from three (3) sources. All price or rate quotations must be documented and attached to the purchase request.

3.1.1 Specification Review

Department and the Procurement Office should exercise care to avoid solicitation language that may negatively impact the goodwill between the County and its suppliers which may include but is not limited to:

- Placing unreasonable requirements on firms
- Requiring unnecessary experience and excessive bonding
- Noncompetitive contracts to consultants that are on retainer contracts
- Organizational conflicts of interest
- Specifying only a “brand name” instead of allowing “an equal” product to be offered and describing the prominent features, the performance or other relevant requirements
- Clearly identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals

3.2 Department Collected Quotes

Department collected quotations are generally used for items with an estimated value of \$3,500.00 to \$24,999.99 and are completed at the department level. If requested, the assistance of the Procurement Office may be provided. All supporting documentation including written quotes must be attached to the purchase requisition request. The Procurement Office must be involved in approving procurements at this level. See [Attachment 5](#) for Department Collected Quotes Procedure.

3.3 Procurement Collected Quotes

Procurement collected quotations are generally used for items with an estimated value of \$25,000.00 to \$149,999.99 and are completed at the Procurement Office with the assistance of the requesting department. All supporting documentation, including the written quotes, must be attached to the purchase requisition request. The procurements at this level are approved by the appropriate County Board. See [Attachment 6](#) for Procurement Collected

Quote Procedure.

Section 4.0 Formal Solicitation Process

4.1 General Explanation

There are several types of Formal Solicitations. See the list below and their definitions:

- Request for Bids (RFB)/ Invitation for Bid (IFB): Method for acquiring goods, services, and construction for public use in which award is made to the lowest responsive bidder, based solely on the response to the criteria set forth in the solicitation; does not include discussions or negotiations with bidders.
- Request for Information (RFI): a non-binding method whereby a jurisdiction publishes via newspaper, Internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback, or reaction from potential responders (suppliers, contractors) prior to issuing a solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.
- Request for Proposals (RFP): the document used to solicit proposals from potential providers (proposers) for goods and services. Price is usually not a primary evaluation factor. Provides for the negotiation of all terms, including price prior to contract award. May include a provision for the negotiation of best and final offers. May be a single-step or multi-step process.
- Request for Qualifications (RFQu): a document, which is issued by procurement entity to obtain statements of the qualifications of potential responders for architectural and engineering services. The most qualified responder will be offered an opportunity to enter negotiations for award.
- Request for Quotation (RFQ): purchasing method generally used for small orders under a certain dollar threshold. A request is sent to suppliers along with a description of the commodity or service needed and the supplier is asked to respond with price and other information by a predetermined date. Evaluation and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance, and reliability.

Formal Solicitations represent major procurements (\$150,000.00 or more) by the County and which under County Procurement Policy, require special or formal handling. The difference between a formal solicitation and a quotation is primarily in the requirement of notice and formal opening. Formal Solicitations may require advertising in a newspaper of general circulation in Muskegon County and West Michigan area. They also require the opening of the responses to be public with at least one (1) other person as a witness. The Formal Solicitation process requires a County Board approval to initiate, as well as, Board approval for vendor award.

Because of the scope of the contracts covered in the formal solicitation processes, the specifications, general terms and conditions and required award documentation (written contracts, insurance certificates and bonds where required) are considerably more detailed and complex.

4.2 Purpose and Policy

The purpose of this policy is to define the County's position regarding the formal solicitation process and the procedure for obtaining solicitations of \$150,000.00 or more.

The formal solicitation process is required when:

- the estimated expenditure is \$150,000.00 or more for the procurement of apparatus, supplies, materials, equipment, professional services or construction and/or repair projects; and/or
- a grant or funding source requires a formal solicitation.

Types of Formal Solicitations include:

Request for Bids:

- The procurement lends itself to a firm fixed price contract (lump sum or unit price) and the selection of the successful bidder can be made principally on the basis of price, and those price related factors listed in the solicitation, including but not limited to, transportation cost, life cycle cost, and discounts, expected to be taken.
- Discussions with bidders following receipt of bids are unnecessary, with the exception of those general discussions required to determine/confirm responsiveness and responsibility.
- A complete, adequate and realistic specification or procurement description is available.

Request for Proposals:

- The requirements of the solicitation are described in a performance or functional specification and contractors will propose differing products, services or approaches to meeting that requirement.
- Due to the nature of the procurement, award cannot be made on price or price related factors alone but are based on multiple selection criteria, including cost.
- Discussions with one or more proposers are necessary following submission of proposals within certain parameters.

4.2.1 Procedures

Formal solicitations are processed and published by the Procurement Office with assistance from the user departments and/or agencies in the preparation of technical specifications, plans and drawings, where required.

A general guideline for the preparation and execution of a formal solicitation is provided in [Attachment 7](#). It is important to maintain a fair and equitable process that ensures information is kept confidential throughout the various steps. While some information can be released under the Freedom of Information Act not all information can be released during an open solicitation or may have a specific method of distribution. All requests for information or distribution of information will be processed through the Procurement Office.

4.3 Pre-Bid Meetings

Pre-bid meetings are an excellent way of increasing the possibility that the Procurement Office and potential vendors will have a common understanding. The intent of the pre-bid meeting is to inform potential suppliers of the complex requirements of the formal solicitation package and for the suppliers to ask questions relating to the solicitation package. Clarifications to the solicitation may be provided at the conference so long as the specification or condition alterations are addressed as soon as possible. When a decision is made to make a change, all bidders are formally notified by an addendum.

A pre-bid meeting will generally be non-mandatory but may be mandatory depending on the size and complexity or other requirements of the bid/proposal package. Attendance at a mandatory pre-bid meeting is required in order for the supplier to be considered responsive on the formal solicitation. The supplier may send a representative in their place should the main supplier be unable to attend the meeting. Notice of the meeting is included in the solicitation at the time of issuance. Vendors are required to sign an attendance sheet at a mandatory meeting. See [Attachment 8](#) for Pre-Bid Meeting Procedures.

4.4 Formal Solicitation Opening Policy

It is the County's policy that all formal solicitations for procurements, construction projects, and services be opened publicly and impartially by the Procurement Office with at least one witness.

4.5 Solicitation Price Reasonableness (For Procurements over \$150,000 only)

The County of Muskegon shall develop an independent cost estimate (ICE) for procurements \$150,000 and over. The ICE should be developed prior to the solicitation of the bids and proposals. All independent cost estimates must be in writing and must be signed and dated. The ICE will establish a written record of the anticipated vendor price responses and will be used as one baseline for determining the reasonableness of vendor responses.

After responses are received, a cost or price analysis will be used for procurements \$150,000 and over, including contract modifications, and when the funding source requires it. A cost or price analysis will be used as the basis for determination of whether a proposed cost or price is fair and reasonable. The method and degree of analysis will be dependent on the facts surrounding the particular procurement. See [Attachment 9](#) for various methods for determining price reasonableness.

Contracts requiring a price analysis will be re-evaluated and documented at each of the following occurrences:

1. **Contract Modifications:**

Modifications (including change orders) to a contract that changes the scope of work previously negotiated and authorized creates a sole source procurement that impacts the price or estimated cost, a price or cost analysis must be recalculated to determine reasonableness. An exception can be made if modification pricing was already established in the original document.

2. **Contract Terminations / Settlements:**

Terminating a contract means unilaterally ending it before its stated end. Regardless of the reason for the early termination of a contract, the final amount of the settlement must go through a cost analysis to verify that the cost is fair and reasonable.

3. **Cost-Reimbursement Contracts:**

Cost-Reimbursement Contracts are defined as contracts where a contractor is paid for all of their allowed expenses to a set limit, plus an additional payment to allow for a profit. These contracts must be analyzed and found fair and reasonable.

In the event of a variance that the low bidder's price greater than 15% of the independent cost estimate (ICE), up or down, the County of Muskegon will analyze the variance to determine whether the proposed price can be considered fair and reasonable. The analysis will consist of reviewing the ICE to determine if the estimate requires revision, and to examine market conditions to determine reasonableness. Any final acceptance of the submitted price must be documented in writing and retained in the contract file.

4.6 Construction Related Solicitations

For construction related solicitations also refer to:

- *Construction/Renovation Oversight Policy No. 2011-617 as amended*
- *Responsibility Contracting Policy No. 2007-512 as amended*

4.7 Tie Solicitation Policy

In the case of a tie, with all other factors including price are considered equal, a coin toss shall be used to determine which of the tied bidders receive the award.

4.8 Late Solicitation Policy

Late bids will not be considered. All formal solicitations sent out by the County have wording on the cover page, advertisement page and in the conditions to responders that no late bids/proposals will be accepted.

4.9 Modification and Withdrawal of Solicitations

4.9.1 Prior to Opening

It is not uncommon for a bidder to make a mistake of serious enough consequence to

require a modification to or a withdrawal of his/her bid. Such modification or withdrawal is easily handled if the bidder discovers his/her mistake prior to the scheduled time and date of opening. When such a mistake is discovered, the bidder will be permitted to withdraw his/her bid or to correct the error, without revealing the amount of the bid. Preferably, the bidder should be permitted to submit a corrected sealed bid or a notice of withdrawal before bid opening time.

4.9.2 Following Opening

If a mistake or error is discovered by the bidder or by the Purchasing Authority after the bid opening, the resolution is somewhat more complex. If the mistake is an obvious one, the Procurement Office has the obligation to call it to the attention of the bidder and to request a verification of his/her bid. If the bidder acknowledges the mistake and requests relief, the Purchasing Authority then should proceed in the following manner:

- *Clerical Mistakes* - Any mistake which is obviously a clerical one, such as an error in price extension, in placement of decimal points, reversal of prices, FOB destination, FOB point of origin, etc., may be corrected by the Procurement Office after verification is made by the bidder.
- *Withdrawal* - Permission to allow a bidder to withdraw his/her bid without prejudice may be given when clear and convincing evidence supports the existence of an error. If there is significant and obvious disparity between the lowest bidder and of the other bidders, a bidder may be permitted to withdraw without prejudice, upon submission of evidence that a non-intentional error occurred. This proof may be in the form of original work papers, computations, etc. It is neither reasonable nor fair to enforce a bid which is so low that the bidder will incur severe losses if awarded the contract.
- *Corrections* - The correction of mistakes other than clerical errors are not permitted. When there is no clear and convincing evidence of a mistake, the bidder will not be permitted to withdraw without prejudice or to correct his/her error. If he/she fails to enter into a contract, his/her bond or bid deposit should be forfeited.

4.10 Award Policy

This policy is to explain how bids/proposals/quotes are awarded and who is authorized to make the award for the County of Muskegon.

It is a policy of the County of Muskegon that all procurements in the amount of \$25,000.00 or more are awarded by a Board of the County of Muskegon. This includes the Board of Commissioners, Public Works Board, Land Bank Authority Board, and HealthWest Board. Awards in the amount of \$3,500.00 to \$24,999.99 may be awarded by the requesting department head after conferring with the Procurement Office. Procurements of \$3,499.99 and less may be awarded by the requesting department head.

The Boards of the County of Muskegon reserve the right to accept or reject any and all bids, proposals or quotes, reserves all rights granted to it by law, reserves the right to waive

formalities and to take such action as it deems necessary in the best interest of the County. The County of Muskegon Boards will maintain documentation for such actions in the appropriate minutes.

4.11 Bid Waiver Policy

This policy is to explain how a requesting department can forgo the solicitation process or procurement collected quotes for procurements of \$25,000.00 or more.

Certain procurements may be acquired through a bid waiver from the appropriate County Board or the County Administrator. This bid waiver must be obtained in a written form and sent to the Procurement Office with the purchase requisition.

4.11.1 Bid Waiver Limitations

The appropriate County Board (i.e. Board of Commissioners, HealthWest, Public Works, Land Bank Authority) may authorize a bid waiver for procurements of \$25,000 or more.

The waiver of formal solicitations and procurement collected quotes may be requested if:

1. An emergency exists which would result in a direct loss to the County or imminent damage to public safety or health by requiring competitive bids due to the time loss inherent in the bidding procedures. See [section 2.4](#) for Emergency Procurements.
2. There is only a single source for a procurement. See [section 2.5](#) for Sole-Source/Non-Competitive Negotiation Procurements.
3. Used items are available that would result in a substantial savings over procurement of new items.
4. It is something that may be procured through the State of Michigan Extended Purchasing Program. See [section 8.1](#) Cooperative Procurement Policy.

Section 5.0 Bonds, & Insurance

5.1 Bonds Purpose

To help ensure a project will be completed in accordance with the construction/project requirement contract a number of bonds may be required as part of a bid or proposal package. A listing of the types of bonds is described in [section 5.2.2](#).

5.1.1 Bond Policy

County construction projects and some highly technical projects over certain amounts may be subject to contractor bonding requirements as established in Act 213 of 1963 and the 40 U.S.C. (United States Code) 3141-3148 (aka: Davis-Bacon Act). Bonding requirements will be determined and reviewed by the Procurement Office.

- Michigan Act 213 of 1963 covers contracts \$50,000 or more for the construction,

alteration, or repair of any public building, or public work or improvement for the County, that is awarded, the proposed contractor, herein is to provide their cost to the County a performance bond and payment bond.

- 40 USC 3141-348 applies to contractors and subcontractors performing on federally or assisted contracts in excess of \$2,000 or more for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon Act directs the Department of Labor to determine such locally prevailing wage rates.

5.1.2 Types of Bonds

- **Bid Bond** - The bid bond is required as part of the bid or proposal submitted to the County at time of opening for:

Construction, alteration, maintenance, repairs of any public work or structure or high technology contracts.

A bid bond is submitted from each bidder equivalent to five (5%) percent of the bid price. The bid guarantee shall consist of a commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder upon acceptance of his or her bid will execute such contractual documents as may be required within the time specified.

- **Performance Bond** - secures the faithful and complete performance on the part of the contractor for one hundred (100%) percent of the contract price. A performance Bond is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such a contract.
- **Payment Bond or Labor Bond** - on the part of the contractor. A payment bond is one executed in connection with a contract to insure payment, as required by law, of all persons supplying labor and material in the execution of the work provided for in the contract. Payment Bond amounts will be determined by the Risk Manager.
- **Material Bond** - Insures property/equipment used in the contract. Material Bond amounts will be determined by the Risk Manager.

All bonds, except the Bid Bond that is submitted with the formal solicitation, shall be submitted to the County at least ten (10) days prior to the commencement of work under the contract.

Return unnecessary Bid Guaranty - Because guarantees have a financial impact on proposers as long as they are in effect, unused bid guarantees should be returned to proposers as soon as it is determined that they have no reasonable chance of winning the contract.

5.1.3 Bond Procedures

Bond requirements will be reviewed by the Risk Manager. All formal solicitations will be forwarded to the Risk Manager before posting for review of the bonding requirements. All bonding documents from the bidders and awarded vendors must be submitted to the Risk Manager for inspection and approval before a project can start.

5.2 Insurance Requirements

5.2.1 Insurance Policy

This section describes the insurance requirements for various types of contracts entered into by the County. Insurance requirements can add protection for the County. Insurance requirements and Hold Harmless Agreements are intended to verify the financial responsibility of vendors and contractors to protect the public from injuries or damages arising out of the negligence of vendors and contractors, and protect the assets of the County, and the interest of its employees, resulting from such negligence of vendors and contractors.

5.2.2 Insurance Procedures

Insurance requirements will be written and reviewed by the Risk Manager. All formal solicitations will be forwarded to the Risk Manager before posting for review of writing of the insurance requirements. All insurance documents from the awarded vendor must be submitted to the Risk Manager for inspection and approval before a project can start.

Section 6.0 Vendors

6.1 County / Supplier Relations

It is essential to develop and maintain goodwill between the County and our suppliers. The reputation of the County can be promoted by:

- Giving all salespersons a full, fair, prompt and courteous service
- Keeping specifications fair, accurate and clear
- Being up front and truthful in all transactions and correspondence
- Establishing a relationship of mutual confidence and satisfaction
- Keeping competition open and fair
- Keeping specifications fair, accurate and clear
- Having consistent buying policies and principles
- Keeping free from any obligation to any vendor
- Keeping all meetings and relationships with salespersons professional

The relationship between County Staff and the vendor is intended to be one of mutual understanding. Fundamentally, no contract that proves unsatisfactory to the vendor is good for the County. It is the responsibility of all employees involved in the purchasing function to establish a relationship of mutual confidence and satisfaction between the County and its vendors within the confines of applicable law and policy.

6.2 Vendor Registration

The County of Muskegon does not maintain an independent Vendor Database. Vendors interested in conducting business with County of Muskegon are encouraged to register with the authorized third party online formal solicitation provider.

6.3 County of Muskegon Removal or Suspension

The Procurement Office may recommend removing or suspending any bidder from bidding, provided evidence is available for such action. Should a department have a complaint about a vendor the department should notify the Procurement Office in writing. The Procurement Office will then review the complaint and determine the course of action. The bidder will be given formal notice of such removal or suspension. The Procurement Office will maintain a list of any Vendor/Bidder's that are suspended or removed from the bidding processes.

6.3.1 Causes for Removal or Suspension of Vendor/Bidder

The following shall be sufficient grounds for removal or suspension. This list is not meant to be all inclusive, but serves as a guideline for vendor discipline and business ethics:

- Delivery of commodities, equipment or services which do not comply with the specifications
- Failure to make delivery or complete a project in the time specified on the contract or purchase order
- Failure to keep the offer firm for thirty (30) days after the date and time set for opening bids
- Failure to provide a performance bond when required by the Invitation for Bid, following the award of a contract or purchase order
- Collusion with other bidders or prospective bidders to restrain competitive bidding
- Failure to accept orders offered that are based upon firm bids
- Failure to make applicable adjustments or replacement of damaged goods or services
- Failure to honor warranties and guarantees on products delivered
- Giving information on the application for placement in the bidder's database which is false or misleading
- For consecutive failure to respond with either a bid or an indication of "no bid" to Invitations for Bid
- Failure to follow administrative procedures set forth in this policy
- Any violation of the laws of the State of Michigan or the Federal Government

6.3.2 Reinstatement of a Bidder

At any time after the vendor receives notice of removal or suspension, the vendor may submit in writing or in person an explanation of the circumstances which caused the removal or suspension or may show that such circumstances have been corrected. On the basis of such explanation or showing, the Procurement Office may modify or rescind the removal or suspension.

The Procurement Office will also be responsible for reinstating vendors only after the vendor has satisfactorily demonstrated that the reasons they were removed will not happen in the future.

6.4 Vendor Complaints & Procedures

The County has established administrative procedures for handling vendor complaints in a fair and timely manner. Vendors must observe the following steps in order to file complaints:

Step 1

The vendor must contact the Director of Finance within seven (7) days of the incident about which he or she has a complaint. The Director of Finance may request the vendor to present the complaint in writing if it is serious and/or the vendor is requesting a delay of the procurement award.

The Director of Finance will investigate the complaint and review all findings with the County Administrator. The Director of Finance will reply verbally or in writing within seven (7) days to the vendor after discussion with the County Administrator.

Step 2

If the vendor is dissatisfied with the Director of Finance's reply, an appeal must be made in writing within seven (7) days to the County Administrator or the appropriate County Board (i.e. Public Works, HealthWest, Commissioners).

The administrative procedure herein will provide the vendor with the most straightforward and effective method of handling vendor complaints.

Section 7.0 Contract Administration

7.1 Areas Included

The following are areas included in contract administration:

1. Follow-up and expediting contracts and purchase orders
2. Inspecting and testing products
3. Negotiation of changes and modifications
4. Administering terminations or cancellations
5. Settlement of claims, controversies and disputes
6. Invoice processing
7. Assuring compliance with special provisions; such as, performance and payment bond requirements and insurance requirements

7.2 Contract Amendments / Change Orders

A contract modification, supplemental agreement or change order is a change issued by the County of Muskegon to incorporate a change in any of the contract terms, including price, specifications, completion time, etc. The County of Muskegon has a right to order changes

to existing contracts (including deletions) provided that those changes are determined to be “within the general scope” of the original contract. Change orders within the intended scope of the original contract, including unforeseen circumstances, can be requested by the Department Head/Director and executed by the Administrator during a construction project with a summary of the changes if greater than or equal to \$25,000 subsequently brought to the appropriate Board for final approval. Changes that are not within the general scope of the original contract do not meet the standard of free and open competition and must be processed separately as sole source procurements or competed as separate competitive procurements.

7.3 Project Close-Out Sequence

- Prior to the contract completion date; the department head for the project shall contact the project manager to confirm that no contractor effort will be required after the specified contract completion date and that the contract may be closed out. This action shall be initiated at least sixty (60) days prior to the specified completion date, whenever possible. This is necessary to determine whether there will be an overrun to negotiate and extend the period of performance, if necessary; and to allow sufficient procurement lead time if there is a follow-up effort. If the contract is to be completed on schedule, the department head shall proceed with the contract closure; otherwise, appropriate action shall be taken to extend the contract.
- In formal procurements, contract close-out will not occur immediately after the completion date of the contract, but over a period of time. Some events will occur prior to the contract completion date and others; such as, final audit and indirect rate negotiations, may occur after the contract completion date. The Department Head for the project is responsible for insuring that contract files are closed in a timely manner and the close-out actions are documented in such details as appropriate.
- Upon completion of the work under the contract, the department head or project manager shall send the close-out letter to the contractor. This letter contains the necessary forms for requesting assignment of rebates and credits, release of liability and contractor’s closing statement.
- Upon return of the contractor’s closing document, the department head or project manager shall review the documents for completeness and, if acceptable, take appropriate action to complete the project close-out. If the documents are not acceptable, the department head or project manager shall follow up with the contractor and obtain the information required.
- Retainage withheld pursuant to the contract provisions shall not be released to the contractor until the contractor has completed the required closing documents, made final disposition of county property and reached final agreement with county regarding the amount of final payment due. Withheld retainage shall be included in the final payment to the contractor.

- Upon completion of the project close-out, the contract file shall be reviewed for completeness and organization by the Procurement Office. The following should be included in the project file:
 - a. Close-out documents, information and correspondence under separate tabs
 - b. The purchase request, advertisement copy, RFP procurement summary, and cost and price analysis for contract and all changes
- The project close-out file will be sent to the Central Procurement Office for central record keeping.

7.4 Settlement of Claims / Disputes

Disputes over interpretation, misunderstandings and performance of a contract/purchase order which cannot be resolved by mutual agreement between the department and the vendor shall be referred to the Finance Director. The complaint filing procedure as established in [Section 6.4](#) (Vendor Complaints) shall be followed.

Section 8.0 Cooperative Purchasing

8.1 Cooperative Purchasing Policy

The County of Muskegon encourages greater economy and efficiency, and in accordance with efforts to promote cost effective use of shared services across Federal and State Governments, the County encourages the agreements where appropriate for procurement or use of common or shared goods and services. A wide variety of State of Michigan contracts are available to the County of Muskegon agencies under the Extended Purchasing Program called MiDEAL.

Section 9.0 Minority / Disadvantaged Business

9.1 Policy

It is the policy of Muskegon County government that no person or business shall be excluded from participation, denied the benefits of, or otherwise discriminated against in relation to the award and performance of any contract or subcontract on the grounds of race, color, creed, national origin, age, or gender. The County of Muskegon encourages Disadvantaged Business Enterprises (DBE) to participate competitively in county procurement actions.

Section 10.0 Exclusions and Exceptions

10.1 Muskegon Area Transit System

The Muskegon Area Transit System (MATS) receives federal and state operating and capital assistance. As the designated recipient, the County of Muskegon is required to comply with various rules and regulations established by the Federal Transit Administration (FTA) and the Michigan Department of Transportation (MDOT) as a condition of receiving this assistance.

10.1.1 MATS Responsibility

The MATS procurement function is the responsibility of the Procurement Office. The Procurement Office serves as MATS Contracting Officer. All purchase requisitions for FTA- funded capital grant procurements must be approved by the Procurement Office for budget review process.

10.1.2 MATS Procedures

In order to comply with federal and state regulations and to incorporate County procurement procedures, the Muskegon Area Transit System “Procurement Standards Manual” will be used to provide policy and detailed instructions for MATS procurements.

10.2 Airport

The Muskegon County Airport receives federal and state capital assistance. As the designated recipient, the County of Muskegon is required to comply with various rules and regulations established by the Federal Aviation Administration (FAA) and the Michigan Department of Transportation (MDOT) as a condition of receiving this assistance.

10.2.1 Airport Responsibility

The Muskegon County Airport procurement function is the responsibility of the Procurement Office. The Muskegon County Procurement Office serves as Muskegon County Airport’s Contracting Officer

10.2.2 Airport Procedures

In order to comply with federal and state regulations and to incorporate County purchasing procedures, the Muskegon County Airport will follow County purchasing procedures and the Federal Aviation Administration’s Airport Improvement Project guidelines when making procurements that are funded by federal and state grants.

10.3 Drain Commissioner

The Muskegon County Drain Commissioner elects to conduct procurements separate from the Muskegon County Procurement Office. The Muskegon County Drain Commissioner agrees to conduct procurements at a minimum in compliance to Public Act 40 of 1956.

10.4 Drain Commissioner Responsibility

The Muskegon County Drain Commissioner procurement function is the responsibility of the Drain Commission. The Central Procurement Office is not responsible for the records or processes of procurements conducted by the Drain Commissioner.

10.4.1 Drain Commission Procedures

The Drain Commission will conduct procurements outside of the Central Procurement Office. The Drain Commission agrees to conduct all procurements in accordance to all applicable Federal and State regulations.

Attachment 1: Document Retention Records

Document Retention Schedule

Files maintained within the Procurement Office and their retention schedules shall be as follows:

Type of Document	Length of Retention
Acquisition, Supply, and Contract Related Records	
<p>Purchase Requisitions and Purchase Orders:</p> <p>These documents may include but are not limited to price quotes, sole source forms, approvals, procurement logs, and receiving documents.</p>	6 years after acquisition
<p>Contracts and Related Records or Documents:</p> <p>These records document agreements between the County and other agencies, municipalities, entities or individuals. Types of agreements covered include contracts, purchase orders, leases, memoranda or agreement/understanding, service level agreements, etc. These files include, but may not be limited to: the supporting documentation (e.g. work statement), etc. Expiration is equal to the date the agreement expires and the final payment is made.</p>	6 years after final payment
<p>Contractors Payrolls under Construction Contracts:</p> <p>These documents may include contractor or subcontractor payroll or timesheets submitted to the EEO Officer for prevailing wage compliance and any auditing documents for verification related thereto.</p>	3 years after contract completion
<p>Solicitations Files:</p> <p>These documents may include but are not limited to documents related to the writing, issuing, responses, summaries, final award and contract.</p>	6 years after cancellation or completion of contract
<p>Bidder Records:</p> <p>These documents may include but are not limited to bidder registration forms, business cards, and contact information.</p>	3 years while active, or until superseded

Type of Document	Length of Retention
Financial and Cost Accounting Records	
<p>Invoices and Related Documents:</p> <p>These documents may include but are not limited to invoices, billings, packing slips, receivers, approvals for payment, procurement logs, documentation of petty cash, statement of reconciliations. Payments may be related to but not limited to travel expense reimbursements, inter agency billings, contracts, vendors, manual warrants, and fuel procurements.</p>	7 years from end of current fiscal year
<p>Procurement Cards and Fuel Card Program Records:</p> <p>These records pertain to County employees who are authorized to use a procurement card and/or fuel card owned by the County. Files may contain, but may not be limited to cardholder application, cardholder agreements form, cardholder acknowledgements etc.</p>	5 years from end of Active date
<p>Paid, Cancelled, and Voided Checks (other than Salary and Wages):</p> <p>These records document payments that are stopped, cancelled, undeliverable, and that need to be reissued. Files may contain signed affidavits, supporting documentation deemed necessary by the County, reissued warrants etc.</p>	7 years from end of fiscal year
<p>Year-End Closing Records:</p> <p>Documents related to the year-end closing process for financial accounts may include but are not limited to correspondence, documentation describing closeout problems and resolution, accounts payable documents, and encumbrance balances.</p>	10 years from close of fiscal year

Attachment 2: Purchase Requisitions & Purchase Order Process

Requisition Procedure

Purchase Request will be entered into the financial software application for electronic routing and approval.

1. Requisitioner will obtain prices of the items or services desired using either the Quotation or Formal Solicitation Process.
2. Requisitioner will enter the information obtained from the Quotation or Formal Solicitation Process into the financial software application and attach supporting documentation.
3. Requisitioner will forward electronically for review to the appropriate department personnel for approval.
4. The designated department level reviewer will review the requisition for compliance with approval requirements, accuracy and completeness. Depending on the value of the requisition and if the requisition is over Budget, the requisition may also be sent for review by: Budget, and Procurement.
5. Requisitioner should watch the requisition through the approval process to ensure that their requisition gets approved by all required approvers and answer questions from any of the approvers.
6. The Procurement Office will review and complete the purchase request, by journalizing and posting the requisition, after all approvers have completed the approval process.
7. Central Accounting will verify that procurements over \$3,500 are not to entities that are debarred by reviewing and attaching System for Award Management (SAM) reports to the Purchase Requisitions.
8. Requisitioner immediately reviews the completed purchase order, ensuring accuracy of detail, consistency with expected impact on the departmental budget, and all other relevant information. The Requisitioner creates a Change Order if any necessary changes need to be made.
9. Requisitioner will send the completed Purchase Order to the vendor when applicable.

Creating Purchase Orders

1. Requisitioner will initiate the purchase request and follow all steps as listed in 2.1 for Requesting a Requisition.
2. The Purchase Order Description Detail should specify the individual items / service being ordered.

3. Requisitioner is responsible for sending a copy of the Purchase Order to the vendor, when applicable.

Creating Confirming Purchase Orders

Confirming Purchase Orders should only be used in extreme situations when a Purchase Request could not be done in advance. Below is the process for obtaining a Confirming Purchase Order.

1. Requisitioner will initiate the purchase request and follow all steps as listed in 2.1 for Requesting a Requisition.
2. The Purchase Order Description Detail will state that it is a Confirming Purchase Order to inform the vendor that this is not a duplicate order.
3. Requisitioner is responsible for sending a copy of the Purchase Order to the vendor, when applicable.

Attachment 3: Contract Order Document Retention Procedures

Because of the desired legal protection and formality of contracts, all vendor contracts must be approved by the appropriate County Board. These procedures cover the document retention and record keeping for Board approved vendor contracts.

1. Using Department will submit the contract draft to Corporate Counsel for legal review.
2. Legal review will work with the Using Department and vendor to finalize the contract.
3. User Department will present the final contract to the appropriate Board for approval.
4. Board Chair and Vendor will sign the contract.
5. User Department will forward a copy of the signed contract along with the board motion and supporting documentation to the Procurement Office.
6. Procurement Office will create a Contract Code in the financial software with an electronic copy of the contract, board motion and supporting documentation.
7. The Contract code will start with the letter K for contract followed by the board motion number.
8. The Contract Code will have the terms consistent with the board motion and the contract. If the two are not consistent the board motion will take priority.

Attachment 4: Petty Cash Procedures

1 Petty Cash –Establishment of Fund for a Department

1. To establish a petty cash fund, a Department must submit a Petty Cash request to the Finance Director detailing the necessity and purpose for the funds.
2. Before authorizing an establishment of a petty cash fund, the appropriate Department must determine who will be the custodian of the petty cash fund and the designated approvers.
3. After approval for the petty cash fund is determined, an initial funding request is entered in the Accounts Payable system written to the custodian of the petty cash fund. The payment request is approved by the petty cash approver.
4. Accounts Payable will process a petty cash funding check to the petty cash custodian.
5. The petty cash custodian will cash the check and keep the funds in a secure location.

2 Petty Cash –Safeguard the Cash

1. Keep petty cash funds in a secure area such as a locked drawer or small safe.
2. Ensure segregation of duties. Custodians should not self-approve replenishments or other changes to the petty cash account.
3. Reconcile the log of petty cash expenses to the amount in the cash box at least quarterly, or monthly if the petty cash account is associated with sponsored funds.
4. In the event of theft, the custodian should notify his/her department head immediately.

3 Petty Cash –Document Expenditures and Replenishment Funds

1. The department custodian is responsible for maintaining:
 - a. A log of expenses on a Petty Cash Reconciliation and Request for Replenishment Form. ([See Exhibit 5](#))
 - b. Receipts for each transaction, which may be subject to review by the Accounting Manager.
2. The custodian is responsible for replenishing the account when a petty cash fund runs low. Replenishment with submission of receipts must be done at least quarterly. If grant funds have been used, or travel reimbursements were made replenishment must be done monthly.
3. When petty cash funds are replenished, the total on the replenishment form cannot exceed the full balance of the fund.

Attachment 5: Department Collected Quotes Procedure

Departments are authorized to obtain quotes for procurements expected to cost \$3,500.00 to \$24,999.99 in a fiscal year or contract term.

1. The requesting department needs to clearly identify the product or services needed in order to clearly communicate the product or service specifications to the vendor.
2. The requesting department needs to identify at least three or more qualified vendors that can provide the desired goods or services or equivalents that match the specifications provided. If the requesting department is unable to locate three or more qualified vendors, they may contact the Procurement Office for assistance.
3. The requesting department shall contact the qualified vendors with the specifications and request a quote for the product or services as specified.
4. The requesting department shall document all quotes in the financial system to create a requisition request. The request should include, but not be limited to:
 - All quotes received, and vendor selected for purchase
 - Description of item(s) or service to purchase
 - Address for shipment and invoicing
 - Payment Terms
5. If price quoted is determined to be reasonable and all other factors are reviewed and acceptable the Department Head or Authorized Designee shall approve the purchase request.
 - If the Department Head did not find the request to be acceptable, they can choose to decline the request and return it to the requestor for edits or cancel the request completely. Depending on the budget status the department head or budget approval may be the final step in the approval process.
6. After department level approval the financial system verifies whether the request is within budget. If the request is over budget the request will require an additional approval from the budget office.
 - If the Budget Office did not find the request to be acceptable, they can choose to decline the request and return the request back to a previous level for edits or cancel the request completely.
7. The Procurement Office will then review the purchase request to determine if it is complete, and reasonable. When all factors are determined to be acceptable it will be approved.
 - If the Procurement Office did not find the request to be acceptable, they can choose to decline the request and return the request back to a previous level for edits or cancel the

request completely.

8. Once the requisition is fully approved, the Procurement Office may journalize the requisition to create the purchase order and encumbrances.
9. The requestor is responsible for sending a copy of the purchase order to the vendor along with any additional documentation that the vendor may require to process the order.

Attachment 6: Procurement Collected Quotes Procedure

The Procurement Office is authorized to assist departments in obtaining quotes are for procurements expected to cost \$25,000 to \$149,999 in a fiscal year or contract term.

1. The requesting department will initiate the process by requesting Administrator or Board Approval to seek quotes and complete a Request For Procurement Quote / Formal Solicitation Form ([Exhibit 6](#)).
2. The requesting department will assist the Procurement Office in writing clear identifiable specifications of the product or services needed in order to communicate the product or service to the vendor. The specifications will include any required insurance and bonding requirements that may apply.
3. The requesting department will work with the Procurement Office to identify at least three or more qualified vendors that can provide the desired goods or services that match the specifications provided and NIGP Codes.
4. The Procurement Office shall contact the qualified vendors with the specifications and request a quote for the product or services as specified.
5. The Procurement Office shall document all quotes received and create a file that includes, but not limited to:
 - All quotes received,
 - All vendor communications, question and answers
 - Descriptions of item(s) or services requested
6. The Procurement Office will share the vendor responses with the requesting department for review. If the price quoted is determined to be reasonable and all other factors are reviewed and acceptable the requesting department may request approval to award from the appropriate County Board.
7. The requesting department shall document all quotes in the financial system to create a requisition request. The request should include, but not limited to:
 - All quotes received, and vendor selected for purchase
 - Description of item(s) or service to purchase
 - Address for shipment and invoicing
 - Payment Terms
8. If price quoted is determined to be reasonable and all other factors are reviewed and acceptable the Department Head or Authorized Designee shall approve the purchase request.

- If the Department Head did not find the request to be acceptable, they can choose to decline the request and return the request back to the requestor for edits or cancel the request completely.
9. After Department Level Approval, the financial system verifies the request is within budget. If the request is over budget the request will require an additional approval from the Budget Office. Depending on the budget status the Department Head or Budget Approval may be the final step in the approval process.
 - If the Budget Office did not find the request to be acceptable, they can choose to decline the request and return the request back to a previous level for edits or cancel the request completely.
 10. The Procurement Office will then review the purchase request to determine if it is complete, and reasonable. When all factors are determined to be acceptable it will be approved.
 - If the Procurement Office did not find the request to be acceptable, they can choose to decline the request and return the request back to a previous level for edits or cancel the request completely.
 11. Once the requisition is fully approved, the Procurement Office may journalize the requisition to create the purchase order and encumbrances.
 12. The requestor is responsible for sending a copy of the purchase order to the vendor along with any additional documentation that the vendor may require to process the order.

Attachment 7: Formal Solicitation Procedure

Phase 1: Information Gathering

1. Determine the user base (those using the service or goods), and discuss their needs including the product/service requirements.
2. Select a group of users to consult as a guidance committee for the solicitation process.
3. Determine if an outside consultant should be involved in the process including the evaluation.
4. Check for Cooperative opportunities with equitable Cooperatives including Federal, and State surplus property.
5. Determine the basket of products that will eventually be placed on the formal solicitation.
6. Consider if consolidating similar products in the basket of products as necessary or unbundling products may be a benefit or disadvantage.
7. Ask the Department Coordinator for input on suppliers.
8. Determine if holding a pre-solicitation meeting with potential suppliers and guidance committee is necessary.
9. If applicable, test potential products, or research various options.
10. Determine method of delivery, project time tables, and invoicing time cycles.
11. Determine evaluation criteria and performance standards.
12. Establish penalties (liquidated damages), if applicable, for not meeting performance standards.
13. The using department/agency obtains approval from their appropriate Committee and then approval from the appropriate Board or the Administrator to submit a Request for Formal Solicitation.
14. The using department/agency forwards a completed Request for Procurement Quote / Formal Solicitation ([See Exhibit 6](#)) form with technical specifications, drawings or any other necessary documents to complete the solicitation to the Procurement Office.

Phase 2: Writing the Specifications, Review and Approvals

1. Procurement works with Department Coordinator and prepares the final specification information into the solicitation template including a scope of work.
2. It is encouraged to use value engineering clauses in solicitations for construction projects

\$150,000 or more. Value engineering clauses encourage the contractor to identify potential changes to the solicitation which may enhance its efficiency, reliability, serviceability or economy of operation, accelerate the construction schedule, reduce cost of construction, or otherwise enhance the system benefits to the County.

3. Solicitations must be written in a manner providing full and open competition. Some situations considered to be restrictive of competition include but are not limited to:
 - a. Placing unreasonable requirements on firms in order for them to qualify to do business.
 - b. Requiring unnecessary experience and excessive bonding
 - c. Noncompetitive contracts to consultants that are on retainer contracts
 - d. Organizational conflicts of interest
 - e. Specifying only a “brand name” product instead of allowing “an equal”
4. Proposals will be written using the two envelope method where pricing will be in a second sealed envelope to be opened after the initial review.
5. After the solicitation has been finalized, submit to the following departments for approval:
 - a. User Department Head
 - b. Risk Management
 - c. Budget
 - d. Administration
 - e. Prevailing Wage will be reviewed by the appropriate staff when applicable
 - f. Information Technology – if IT equipment is being procured
 - g. Facilities Department Head – if it involves one of the County owned buildings
 - h. If federally funded, the solicitation will be made available for review and approval by the Federal awarding agency.

Phase 3: Issuance and While Posted

1. Post a notice of the solicitation on the County Webpage and if requested advertise the solicitation in the local paper.
2. Post solicitation publicly for potential suppliers to review.
3. If required by the solicitation, hold a pre-bid meeting with suppliers.
4. Allow vendors a window to ask questions and post answers publicly so all potential bidders have equal access to them.
5. Post addendums publicly so all potential bidders have equal access to them.
6. Make a list of negotiable items, if applicable.
7. Gather training materials for guidance / evaluation committee.

8. Select a panel to evaluate the solicitations.
9. Time stamp the solicitations as they are received.
10. Publicly conduct the bid opening.

Phase 4: Review of Responses after Opening

1. Determine if all of the bidders provided the required documents with their solicitations. (Responsiveness)
2. Complete the evaluation of the solicitations. Evaluation team members will complete the Conflict of Interest and Evaluation Team Member Guideline Agreement as provided in [Exhibit 3](#). Evaluation team members are encouraged to include comments on evaluation forms that support the evaluation score. Evaluation Team members should know that their score cards may be requested under the Freedom of Information Act (FOIA) after the Board Awards a solicitation. All score cards requested under the FOIA will have the evaluator names will be removed to protect the evaluators' interest.
3. For Proposals, the second sealed envelope that contains pricing information will be opened after the initial evaluations are returned from the evaluation committee. The Procurement Office will calculate the combined score from the evaluation committee and the pricing for a final score.
4. Ask bidders for clarifications if needed.
5. Check references as needed.
6. Interview prospective supplier(s) if they are new to the district, visiting suppliers' locations as needed to verify qualifications.
7. Determine if the recommended for award bidder is "responsible", i.e. determine if they can adequately meet the requirements stated in the bid.
8. Negotiate with the supplier, if applicable.
9. Develop a pricing page for items that will be purchased through the contract.
10. The originating department will review the preliminary summary and make their recommendation with justification on the preliminary summary and send the preliminary summary back to the Procurement Office.
11. If federally funded, the solicitation responses may be reviewed by the Federal awarding agency or pass-through entity.

Phase 5: Award

1. Send the contract, including the pricing page, terms & conditions and signature page to Corporate Counsel for review and approval. If the supplier is providing the contract, it should be sent to Corporate Counsel as early as possible to avoid delays.
2. At this time the Procurement Office will complete a Board Summary Form.
3. The requesting department will write board motion and submit for approval.
4. Award the contract or announce the award after Board approval.
5. Have the supplier and Board Chair sign the contract.
6. Maintain a copy of the contract at the Procurement Office. This copy will be scanned into the financial software and accessible for County Employees with access to view.
7. Publish results including the list of available products.

Phase 6: Contract Administration

1. Hold trainings for internal user groups if necessary.
2. Track usage and compare with projected usage.
3. Monitor invoices to insure that contract pricing is correct.
4. Track delivery times, quality, and returns to measure performance against preset standards.
5. Meet with supplier periodically to discuss performance issues and suggest remedies.
6. Refine the Solicitation process as needed.

Attachment 8: Pre-Bid Meeting Procedures

Mandatory and Non-Mandatory Pre-Bid Meetings will follow the same procedures.

Prior to the conference:

1. Procurement will review agenda for items to be covered with the department and get answers with Department Coordinator and create a sign-in sheet.
2. The Department Coordinator will make themselves knowledgeable of the project, market conditions, product lead times, and product availability.
3. The Department Coordinator will secure the site and review the plans reflect current building conditions.

During the conference:

1. Pass around the sign in sheet, and conduct Introductions
2. Review the Scope of Work
3. Review Contractor Questions and Concerns
4. Confirm solicitation Dates / Times
5. Conduct Project Walk-Through

After the conference:

1. Complete the Meeting Minutes and post in addendum with the meeting sign-in sheet.
2. Answer contractor questions and post answers for all to see in an addendum.
3. Re-examine the solicitation after vendor input and questions for any modifications or adjustments that may need to be made. Post an addendum and answers for all to see.
4. If Mandatory, check the sign-in sheet at the opening to those that submit solicitation to verify attendance and responsiveness.

Attachment 9: Price Analysis Methods

The following is a list of the most common price analysis methods used to determine fair and reasonableness. The method to use will vary dependent on the commodity and individual components of the item being procured.

1. Price Competition-(3 or more bidders respond)

This method can be used when there are at least 3-bids and the difference in the top 2 solicitations is within 15% of each other. When these two conditions are met the solicitation responses will be called competitive and therefore determined fair and reasonable. If one price appears extremely low it should be verified with the bidder for understanding and checked for errors.

2. Comparable to Price sold to Federal or State Government

This method involves checking the Federal contracts pricing at GSA (U.S. General Services Administration) or the Michigan contracts through the MiDeal program. These prices are already presumed to be fair and reasonable. If a similar product or service can be found on these sites a copy of the contract pricing information and number can be used for price analysis. NOTE: Pricing differences may occur due to discounts and quantity price break points. These should be reviewed when using this method.

3. Catalog or Established Price List- (only one bidder)

If the bidder has a published catalog open the general public, not a government only catalog, pricing listed in this catalog can be used to determine fair and reasonable. The catalog must be current, within one year. A copy of the pricing page from the catalog and evidence of the date for the catalog will be kept on file. Note any pricing variations such as discounts or shipping.

4. Market Price- (traded commodities)

Where an item has an established market price, verification of an equal or lower price also establishes the price to be fair and reasonable. Sample commodities that best fit this type of price analysis would be lead, coal, silver, grains or fossil fuels.

5. Historical Prices- (limited competition)

If the buyer has a history of the purchase of the item over several years, this information, taking into account inflation factors, can be used to determine a price fair and reasonable. The historical pricing summary must be supported by appropriate documentation.

6. Comparison to a substantially similar item- (custom items)

This method is typically used for custom orders. Typically a custom product can have a base product that has a standard product price that can price analyzed separately from the customization. This base product can be analyzed using any of the methods listed above to find the price fair and reasonable. The customization process will then be analyzed.

7. Sales of the same item sold to other purchases- (no competition & no history)
In the event that there is no competition, history, or public catalogs to verify pricing, the pricing information can be determined reasonable and fair by verifying with others that have purchased from the bidder, however documentation from other purchasers must be collected.

8. Independent Estimate- (no other method available)
When none of the other price analysis methods are available, an independent estimate can be made by the County and compared to determine fair and reasonable. The calculation to determine the estimate must be documented and not involve the bidders. Use of the bidders is not an independent estimate.

Attachment 10: Cooperative Purchasing Procedures

Prior to making the decision to join a cooperative contract, the Procurement Office will review the cooperative agreement for the following items:

1. Compare the cooperative contract for the required product or service to the County's practices, conduct market research, and evaluate whether the use of a cooperative contract is appropriate.
2. Analyze all costs associated with conducting a competitive solicitation.
3. Ensure that the use of the cooperative contract meets all competitive requirements.
4. Review the cooperative contract for conformance with all applicable laws and best practices.
5. Analyze the product or service specifications, price, terms and conditions and other factors such as: cost to utilize the contract, shipping, minimum spend requirements, and availability of contract documentation, to ensure that the cooperative contract produces best value.
6. Ensure that the organization/local required terms and conditions are incorporated into the contract.
7. Incorporate or remove additional terms and conditions by developing an addendum or purchase order that is signed by both procurement and the supplier.
8. Contact the cooperative lead government agency to verify contract application and eligibility.

Documents in the Cooperative Contract File Should Include:

1. Solicitation.
2. The bid tabulation or evaluation with the reason for award.
3. A copy of the winning proposal/bid.
4. A copy of all insurance/bond certifications required by the contract.

Contract Administration for Cooperatives

1. Keep the lead agency informed of any problems with the supplier.
2. Keep the lead agency informed of any specification adherence problems, issues, etc.
3. Resist any tendency to bargain against the contract's fixed pricing.
4. When pricing is established under the cooperative contract, ensure that invoices match the contract prices.

Exhibit 1: The NIGP Code of Ethics



The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by any public sector procurement or materials management organization:

1. Seeks or accepts a position as head (or employee) only when fully in accord with the professional principles applicable thereto and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization.
2. Believes in the dignity and worth of the services rendered by the organization and the social responsibilities assumed as a trusted public servant.
3. Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.
4. Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
5. Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
6. Believes that members of the Institute and its staff should at no time or under any circumstances, accept directly or indirectly, gifts, gratuities or other things of value from suppliers.
7. Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations, but personally remains in the background by emphasizing the importance of the facts.
8. Resists encroachment on control of personnel in order to preserve integrity as a professional manager. Handles all personnel matters on a merit basis. Political, religious, racial, gender and age considerations carry no weight in personnel administration in the agency being directed or served.
9. Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically without discrimination.
10. Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.

Exhibit 2: The MPPOA Code of Ethics

1. A member shall regard public service as a trust, giving primary consideration to the interest of the government we serve.
2. A member shall be governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.
3. A member shall not seek or dispense personal favors, handling all administrative functions objectively on the basis of principle and law.
4. A member identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved and handles each administrative problem objectively and emphatically without discrimination.
5. A member at no time or under any circumstances accepts directly or indirectly, gifts, gratuities, or other things of value from suppliers which might influence or appear to influence purchasing decisions.
6. A member keeps their governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.
7. A member shall strive to improve his/her knowledge of public purchasing methods, techniques, policies, practices and laws.
8. A member shall avoid unfair practices, and conduct all matters with fairness, dignity and honesty.
9. A member seeks nor dispenses personal favors and handles each administrative problem objectively and emphatically without discrimination.
10. A member shall endeavor to effectively and efficiently administer their purchasing responsibility by securing the greatest value for every tax dollar expended.
11. A member shall cooperate with all purchasing organizations engaged in activities which develop and further enhance the profession and counsel fellow procurement officers in the performance of their duties.
12. A member shall practice open competitive bidding based upon adequate and open specifications whenever practical.
13. A member subscribes to and supports the professional objectives of the Michigan Public Purchasing Officers Association.

Exhibit 3: Conflict of Interest

Muskegon County

Conflict of Interest & Evaluation Team Member Guidelines / Agreement

To protect the integrity of the evaluation process, it is essential that each member of the evaluation team understand and abide by the following guidelines.

Fairness and Integrity: It is the responsibility of every member of the evaluation team to ensure that the evaluation is conducted in an impartial, objective and professional manner, and that the same level of effort is extended to the evaluation of all vendor proposals.

Understanding of the Project: Your success as an effective member of the team depends on your comprehensive understanding of the project, and your familiarity with the requirements and specifications contained in the solicitation. It is your responsibility to familiarize yourself with those documents.

Attendance: Evaluation team members must attend all meetings including proposer interviews, presentations, and off-site visits. Team members who do not attend all of the meetings will not be allowed to participate in the evaluations. Committee members must not discuss the evaluation with one another unless all members are present.

Confidentiality: Evaluation team members must not communicate with individuals outside of the evaluation committee on the nature or content of the written proposals, product demonstrations, interviews, evaluation proceedings, deliberations of the evaluation team, or express individual opinions about the proposers or the project. The names of the proposers that have submitted responses must also be held in confidence. Some team members may be compelled to communicate the details of their involvement with their supervisor, department head, or other superior(s) from time to time. However, it is imperative that the panel member convey the importance of confidentiality to those individuals.

More importantly, evaluation team members must not communicate with proposers about this project outside of any scheduled and sanctioned evaluation activity, without the knowledge and approval of the Procurement Office. If any member of this evaluation team has any reason to contact one or more proposers participating in this solicitation, even if the matter is not directly or indirectly related to this project, they must immediately divulge the nature and reason for the contact to the Procurement Office. The Procurement Office will then determine if that activity poses a conflict with the person's participation on this evaluation committee.

Conflicts of Interest: You may not participate as a member of this committee if you, or a family member, have a personal interest in any company that may submit a proposal. A family member is defined as your spouse, children, grandchildren, brothers, sisters, half-brothers or half-sisters, brothers- and sisters-in-law, children of your spouse, and children of your brothers, sisters, half-brothers, or half-sisters. You must agree that if you currently have, or later discover, a conflict of interest which meets these criteria, you will declare the circumstances immediately to the Procurement Office, and remove yourself from the committee. You also acknowledge that you have a responsibility to prevent the appearance of a conflict of interest.

By signing below, you are confirming that you understand and will adhere to these guidelines. You are also confirming that you do not currently have a conflict of interest that would prevent your participation in this process.

Signature: _____ Date: _____

Printed Name: _____

Project Title: _____

Exhibit 4: Sole Source Justification Form

Single/ Sole Source Justification

Please explain why the recommended vendor is the only vendor that can meet the required needs. Are there other vendors who can do this job? What conditions (e.g. technological superiority, or performance risks, etc.) exist so that the recommended vendor has a significant advantage over any other vendor who can do this job?

It is important to sufficiently address the key reason for awarding an order without soliciting competitive bids/quotes. The rationale must be clear and convincing, avoiding generalities and unsupported conclusions.

Vendor Name: _____ Requisition #: _____

Complete the Following Checklist

A specific contractor is the only source of the required item because (check all that apply)

- | | |
|--------------------------|---|
| <input type="checkbox"/> | It is the only source capable of supplying the item/need in the local area where the required need is to be met. Using a provider outside of the local area will substantially increase the cost or not meet the need of the services requested. |
| <input type="checkbox"/> | It is not possible to obtain competitive bids for consideration. Documentation* is attached to verify market research to preclude other brands or vendors considered and justification of Single Qualified Source. |
| <input type="checkbox"/> | The required item(s) is proprietary to the Contractor and the product/service is only available from one authorized dealer in the local area. (Branded, Exclusive, Trademarked, Copyright...) |
| <input type="checkbox"/> | The required item(s) is under warranty to the Contractor and all service agreements / maintenance agreements are exclusive to the Contractor. |
| <input type="checkbox"/> | The required item(s) needed to be compatible or interchangeable with existing hardware or system currently in place. Only compatible items can be used for spares, replacements, or modifications to the current system. The compatible item can only be procured from one source. |
| <input type="checkbox"/> | There is a substantial technical risk in contracting with any other contractor, (e.g. only one contractor has been successful to date in implementing / completing this process / project). Documentation* is attached to verify market research to preclude other brands or vendors considered and justification of Single Qualified Source. |
| <input type="checkbox"/> | The service provider selected is predetermined by an outside source such as a Medical Provider, Courts, or other preapproved source and the services cannot be Bid |
| <input type="checkbox"/> | A grantor/funding agency or pass-through entity expressly authorizes a noncompetitive proposal in response to a written request. Documentation is attached. |

*Documentation- Examples of documentation to attach include: A narrative explaining market research, reference checks on vendors, or a clearly written explanation of why a vendor meets the Sole Source Justification Description and any written information gathered in making this determination.

Comments: _____

Signature _____ Date _____

Emergency Purchase:

- | | |
|--------------------------|---|
| <input type="checkbox"/> | Emergency: It is the only source capable of supplying the item/need in time to meet the required need due to an unforeseen situation involving the breakdown of machinery and/or a threatened termination of essential services, including maintenance and repair of essential office equipment, or a dangerous condition develops, or when supplies are needed for immediate use which may vitally affect the safety, health, property or welfare of the public. |
|--------------------------|---|

For Emergency Purchases:

Administrator Signature _____ Date _____

Exhibit 5: Petty Cash Reconciliation Form

PETTY CASH RECONCILIATION
To Be Filed With Request for Replenishment

Total Cash on Hand (bills and coins)	\$ _____	(1)	
Vouchers on Hand not turned in (should be \$0)	\$ _____	(2)	
Other on Hand (Identify):			
_____	_____	(3)	
Total Cash and Other (Sum 1-3)	\$ <u>_____</u>	---(4)->	\$ _____
Vouchers Being Turned In for Reimbursement		(5)	_____
Total Cash and Vouchers (Lines 4 + 5)		(6)	_____
Cash Over/Short		(7)	_____
Board Authorized Limit (Lines 6 + 7)		(8)	\$ <u>_____</u>

Petty Cash Custodian	Date
----------------------	------

Department Review/Approval	Date
----------------------------	------

Instructions:

- 1 Fill in all amounts on form and sign/date
- 2 Attach each petty cash voucher with original receipt
- 3 Enter into BS&A AP module; scan/attach vouchers/receipts
- 4 Obtain department review/approval
- 5 Forward to Accounts Payable office for processing replenishment check

Exhibit 6: Request for Procurement Quote / Formal Solicitation Form

MUSKEGON COUNTY

REQUEST FOR PROCUREMENT QUOTE / FORMAL SOLICITATION

DEPARTMENT: _____ DATE REQUESTED: _____

CONTACT: _____ TITLE: _____

PHONE: _____ EMAIL: _____

BOARD MOTION #: _____ WHICH BOARD? _____ BOARD APPROVAL DATE: _____

ESTIMATED COST: _____ BREAKDOWN: LABOR: _____ \$ / % MATERIAL: _____ \$ / %

PREFERRED CLOSE BY DATE: _____ ESTIMATED AWARD BY DATE: _____
(Please select a Tue or Fri)

CONTRACT TERM: _____ SUSTAINABILITY REVIEW: YES NO

PRE-BID MEETING: YES NO MANDATORY: YES PRE-MEETING PURPOSE: _____

PREFERRED DATE _____ A.M P.M LOCATION: _____
(Please select a Mon or Wed)

PRODUCT / SERVICE: _____

BRIEF DESCRIPTION: _____

SPECIFICATION CONSULTANT NAME: _____ CONSULTANT CONTACT INFO: _____

SPECIFICATIONS: Please email as **Microsoft Word** document to Purchasing@co.muskegon.mi.us. Images may be in PDF format.

GRANT FUNDED: YES NO GRANT NUMBER: _____

If yes, please indicate percentage of project funding in applicable funding source: (100%)

FEDERAL: _____ % STATE: _____ % LOCAL: _____ % COUNTY MATCH: _____ %

CONSTRUCTION CONTRACTS: LIQUIDATED DAMAGE, if applicable: \$ _____ / DAY

DOES THIS REQUEST NEED TO BE ADVERTISED? YES NO ACCOUNT TO CHARGE AD: _____

MUSKEGON CHRONICLE OTHER? LIST: _____

Exhibit 7: Unlawful Government Unit Procurements

Unlawful purchases for a Governmental Unit include:

1. Contributions to churches, veterans, non-profit organizations
2. Payment of funeral expenses for a person injured on government property
3. Donations to a private ambulance or EMS service not under contract with the governmental unit
4. Donations, including use of property or equipment to Little League, Scouts, Big Brothers/Big Sisters.
5. Donations to community organizations
6. Expenses for private road construction or maintenance
7. Office refreshments, picnics
8. Presents to officials and employees or retirement recognition events
9. Flowers to the sick or departed
10. Mileage of officials and employees to and from their residence to the city, township or village hall, county building or meeting rooms
11. Per Diem compensation to township supervisor, clerk and treasure on a salary basis for attending township board meetings. (Check City and Village Charters for their compensation procedures or restrictions) Extra compensation for summer tax collections unless part of the initial salary resolution or authorized within statutory procedures for an increase in salary
12. Extra compensation for special elections unless part of initial salary resolution or authorized under statutory procedures for an increase in salary.

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