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Section 1 – Introduction

1.1 Purpose
As a public entity, Emmet County (also referred to herein as “the County”) is obligated to conduct procurement activity in a timely, ethical, cost effective and efficient manner, and in accordance with all applicable requirements of its funding and governing organizations. The County also has an obligation to treat all vendors with whom it conducts business in a fair and ethical manner. The purpose of this manual is to provide for the fair and equitable treatment of all persons involved in procurement process of Emmet County; to maximize the purchasing value of public funds; to define standard procedures that will ensure compliance with applicable laws and funding regulations; and to provide safeguards for maintaining a procurement system of quality, integrity, efficiency and transparency.

1.2 Scope
The Emmet County Procurement Policy and Procedures Manual (also referred to herein as “The Procurement Manual”) applies to all purchases and contracts for the procurement of supplies and services, encompassing all forms of procurement and vendor solicitation activities and communications, whether facilitated via written, verbal or electronic methods. All County procurement activity must be conducted in accordance with all applicable federal and state laws and regulations.

As of the effective date of this manual, all policies and procedures herein apply to all Emmet County employees and representatives. However, nothing in this manual shall prevent any department or agency from complying with varying terms and conditions of any grant, gift or bequest that is otherwise legally binding.

1.3 Effective Date
The Emmet County Board of Commissioners has issued approval of this manual effective beginning January 1, 2019.

1.4 Background
The Emmet County Procurement Policy and Procedures Manual is guided by the Emmet County Purchasing Department’s commitment to both their mission statement as well as national and Michigan state professional purchasing organization’s codes of ethics.

Emmet County Purchasing Department Mission Statement
The mission statement of the Emmet County Purchasing Department is to facilitate the timely and efficient procurement of quality goods and services for use by Emmet County departments and agencies at the lowest price or as otherwise in the best interest of the County.

Emmet County Purchasing Department Code of Ethics
The purchasing department subscribes to standards and code of ethics from the National Institute of Governmental Purchasing (NIGP) (See Exhibit 1 - The NIGP Code of Ethics) and the Michigan Public Purchasing Officers Association (MPPOA) (See Exhibit 2 - The MPPOA Code of Ethics).

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Section 2 – General Guidelines

2.1 Summary of Purchasing Requirements
Purchasing methods, vendor selection requirements and required authorizations are determined by thresholds per individual item or service cost as follows:

**Up to $999.99:**
Vendor selection for individual items or services that cost $999.99 and less are authorized by the department head or delegated departmental authority. At this level, purchases do not require purchase requisitions or purchase orders. Quotes and bids are not required. Buying from vendors with the best pricing who will invoice the County, and buying from MI State contracted vendors is encouraged. A list of vendors who will invoice the County is available on the County’s internal information sharing platform. County credit or purchasing cards may be used if other options are not optimal.

**$1,000.00 to $2,999.99:**
Vendor selection for individual items or services that cost $1,000.00 to $2,999.99 are authorized by the department head or delegated departmental authority, and approved by the purchasing department. Purchase requests within this cost threshold that are not in accordance with the most current approved budget may also require review and approval by the county administrator or authorized designee. If practical though not required, the requesting department may obtain and evaluate at least three (3) informal quotes. Purchases requisitions and purchase orders are required. Requesting departments may choose to send purchase orders to their selected vendors.

**$3,000.00 to $24,999.99:**
Vendor selection for individual items or services that cost $3,000.00 to $24,999.99 are authorized by the department head or delegated departmental authority, and approved by both the county administrator or designee and the purchasing director. The requesting department, with assistance as needed from the purchasing department, must obtain at least three (3) informal written quotes, or informal requests for quotation (RFQs). Purchase requisitions and purchase orders are required. Requesting departments must send purchase order to the awarded vendor.

**$25,000.00 or more:**
Vendor selections for individual items or services costing $25,000.00 or greater are authorized by the board of commissioners. Procurement at this level requires formal competitive vendor solicitations referred to as requests for proposals (RFPs), requests for bids (RFBs), or invitations for bid (IFBs). RFPs, RFBs and IFBs completed by the requesting departments in collaboration with the purchasing department. Authorization to procure requires final approval by the county administrator or designee and the purchasing director, and by the board of commissioners. Purchase requisitions and purchase orders are required. Requesting departments must send the purchase order to the awarded vendor.

**$150,000.00 or more:**
For individual items or services costing $150,000.00 or more, the same procedures applying to the $25,000.00 or more cost threshold apply, with the added requirement for the requesting
department, with assistance from the purchasing department, to obtain an independent cost estimate (ICE).

See also, Section 4 - Vendor Selection Processes, Addendum 1 - Procurement Threshold Requirements.

2.2 Budget Adjustments
If the balance in an identified budget account number or budget category is insufficient to accommodate a purchase, the department requesting the purchase may be required to submit to the finance department an appropriately completed and signed budget adjustment form. Operating budget adjustments may require the signature of the county administrator. Capital asset and personnel expense budget adjustments require signature by the county administrator as well as the board of commissioners.

2.3 Delegation of Authority
The department head may assign internal approval responsibilities. All procurements for materials, supplies and/or services $1,000.00 and over will be verified by the purchasing department for compliance in accordance with the Procurement Manual.

2.4 Exceptions to General Rules and Guidelines
Exceptions to the general rules and guidelines apply for certain types of purchases. Addendum 9 – Emmet County – Exceptions to Procurement Rules and Guidelines provides the list of known exceptions. Exceptions such as employee expense reimbursements, conference costs, travel and mileage reimbursement have procedural rules apart from this manual. Circumstances may merit exceptions not specifically identified on the list. Exceptions not specifically named require the approval of the department head or delegated authority, the purchasing director, the finance director and the county administrator.

2.5 Special Purchase Commodities
The procurement of certain items such as furniture, carpet, computer equipment or software, telecommunications, or other equipment requires approval from other departmental staff prior to purchase. Contracts to purchase such items may already be in place, and this additional approval ensures that products or services meet the County standard.

2.6 Blanket Purchase Orders
Blanket purchase orders are useful where there is an agreement with a single vendor to process multiple purchases over a 1-year time period, where costs and details of the anticipated purchases are specific, prices are guaranteed, the vendor is reliable, and ideally where there is an accompanying signed procurement contract. Blanket purchase orders encumber, or set aside, budgeted dollars to help prevent overspending. The purchasing department, in consultation with the requesting department as well as the finance department, will create a blanket purchase order in circumstances where doing so will result in procurement efficiencies and financial benefit for the County.

2.7 Conflict of Interest
All purchases must be secured through the open market. 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, 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 associated with a vendor considered for contract.

For all formal vendor solicitation projects, all employees, officers, agents, elected officials and Board Members of Emmet County participating in the evaluation process must complete an Exhibit 3 - Emmet County Vendor Selection Conflict of Interest Agreement to affirm that they have no real or apparent conflict of interest before participating in the evaluation process for selecting a bidding vendor.

2.8 Gifts and 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, 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 Emmet County affecting the donor or lender.

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

- Acceptance of an occasional non-monetary gift of insignificant value such as accepting food or refreshment of nominal value on infrequent occasions in the ordinary course of luncheon or dinner business or other meetings, or
- Acceptance of unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, or other business items of nominal intrinsic value.

2.9 Food and Beverage Purchases
The purchase of food and beverages must be for a public, not a private individual or group purpose. These expenditures are allowable for use at a regular or special meeting where the public is present; for volunteer or full-time employees, when working an extended period of time; or when dedicating public buildings.

Food and beverage purchases, including coffee and snacks, for employees during normal working hours is otherwise considered for a personal, not a public purpose, and is improper unless specifically provided for either within a collective bargaining agreement or within a duly adopted employment policy of the governmental unit (fringe benefit).

Questions about such purchases should be directed to civil counsel before purchase.

2.10 Capital Asset Procurements
The facilities and assets director assigns a permanent, pre-numbered Emmet County asset tag to any item purchased deemed by them to be an item necessary to be inventoried and controlled. The asset tag shall be assigned at the time the purchase is made and shall be
noted on the purchase order. The asset tag shall be sent to the applicable department and it shall be the department’s responsibility to attach the asset tag to the asset.

Generally, any tangible item with a purchase price of $5,000.00 or greater is a capital asset as defined by the Emmet County Finance Department. The cost of a capital asset is expensed (that is, depreciated) equally over multiple years according to the following schedule of estimated useful lives:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>5 to 15 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 years</td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>15 to 50 years</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>15 to 50 years</td>
</tr>
<tr>
<td>Airport Infrastructure</td>
<td>5 to 50 years</td>
</tr>
</tbody>
</table>

Purchases of capital assets that are expected to exceed the capital budget must be pre-approved by the board of commissioners.

2.11 Emergency Procurements
Exceptions to the Emmet County procurement requirements as outlined herein are justifiable in the event of any emergency whereby the need for the procurement of supplies and or services is extremely urgent, involving the unforeseen development of dangerous conditions which may vitally affect the safety, health, property or welfare of the public; or involving a breakdown of essential machinery or equipment requiring immediate maintenance, repair, or replacement, such that the timely provision of essential county services is threatened.

For procurements costing up to $25,000.00, in the event of a justifiable emergency as described above, the county administrator may waive established solicitation procedures. Written documentation of an emergency waiver must be provided with the purchase requisition. Acceptable documentation may include email correspondence, formal letter, or completion of an Exhibit 4 - Emmet County Sole-source Justification Form signed by the county administrator. Note however, that for certain grant or contractually funded procurements, even in the event of an emergency, a waiver of standard procedures may not be allowable.

2.12 Environmental Procurement
In line with the Federal Water Pollution Control Act (33 USC 1251-1387); Clean Air Act (42 USC 7401-7671); and the Energy Policy and Conservation Act (42 USC 6201) as amended, Emmet County promotes products and practices, which reduce our impact on the environment. Emmet County’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

2.13 OMB Uniform Administrative Requirements for Federal Awards
In procuring goods and services funded by federal awards or pass-through sub-awards, county departments must adhere to Federal OMB Uniform Administrative Requirements for...
Federal Awards Sections 200.318 through 200.326, including general procurement standards, standards for full and open competition, methods of procurement, contracting with small and minority business, women’s business enterprises and labor surplus area firms, bonding requirements, and required contract provisions for non-Federal Entity Contracts Under Federal Awards. The specifications in this manual are within the requirements of OMB Uniform Guidance herein referenced.

2.14 Cooperative Purchasing and MI State Contracted Vendors MiDEAL
Emmet County 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 Emmet County agencies under the Extended Purchasing Program called MiDEAL.

2.15 Minority / Disadvantaged Business Policy
It is the policy of Emmet 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. Emmet County encourages certified minority owned (MBE), women owned (WBE), and disadvantaged business enterprises (DBE) to participate competitively in county procurement actions.

If given federal funding, in accordance with Federal OMB Uniform Administrative Requirements for Federal Awards Sections 200.321, Emmet County must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible by placing qualified small and minority businesses and women's business enterprises on solicitation lists; by assuring that such business are solicited whenever they are potential sources; by dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises; by establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; by using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and by requiring the prime contractor, if subcontracts are to be let, to take these steps as well.

The MBE, WBE and DBE certified vendor may attach certifications when submitting to the County the Emmet County Vendor Setup Request Form. (See Exhibit 8 - Emmet County Vendor Creation Policy and Procedures.) Emmet County Civil Counsel will review and verify all such certifications received.

2.16 Exemption from Local and State Sales Tax
The County is exempt from local and Michigan State sales tax. Vendors may require proof of a signed tax exemption certificate. A copy of Emmet County’s Michigan Sales and Use Tax Certificate of Exemption is available on the County’s internal information sharing platform. Some vendors may charge higher service rates to government entities requesting tax exemption, which may in fact cause pricing to exceed the non-government rates. In such cases, the non-government rate is preferable.
2.17 **File Retention Schedule for Procurement Documentation**

Departments must provide required written documents/reports as established by the purchasing department in accordance with this manual. Retention of all procurement records shall be the responsibility of both the purchasing department as well as the finance department in accordance with the Addendum 10 – Procurement Documentation Retention Schedules. Procurement files will include, but not be limited to, documentation of the rationale for the method of procurement used, selection of contract type, contractor selection or rejection, and basis for the contract price.

2.18 **Non-Compliance/Unauthorized Procurement**

Any procurement made by an Emmet County employee that is not done in accordance with the terms of this Procurement Manual may be considered invalid and non-binding. Depending upon the circumstances, any employee making unauthorized, improperly procured purchases either using personal funds for reimbursement on behalf of Emmet County, or directly through the use of Emmet County funds, may be held personally liable for the cost of such purchases.

County employees must not manipulate transactions to override the provisions of this policy. For instance, requesting departments cannot split individual transactions to fall under lower cost thresholds in an effort to circumvent vendor solicitation requirements.

Non-compliance with this Procurement Manual may be grounds for disciplinary action up to and including termination, and may include civil/criminal prosecution consistent with applicable laws.

All employees authorized to participate in procurement actions are required to read this manual in its entirety and sign a Certificate of Understanding and Compliance Agreement, (see Exhibit 9 – Employee Certificate of Understanding and Compliance Agreement) to be filed in the employee’s personnel file.
Section 3 - Procurement Processes

3.1 Petty Cash Purchases – Limited Use
Use of petty cash funds should be limited. Only departments having an authorized petty cash account can use petty cash for procurements of non-inventory items, and petty cash funds can only be used for purchases costing $100.00 or less. All petty cash expenditures must be approved by an authorized department manager and supported by appropriately detailed receipts.

Each petty cash fund must have a custodian approved by the appropriate department head or delegated departmental authority. New custodians and changes of custodians must be approved by the finance director. Custodians must be county employees.

At least once per year, departments must re-examine whether their petty cash fund is still required to meet the department’s business needs, or whether 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 over the course of one fiscal year.

Required petty cash procedures and forms are available on the County’s internal information sharing platform.

3.2 Purchases for $999.99 or less
The preferred method of payment for procurements less than $1,000.00 is to purchase from a vendor with the best pricing who will invoice the County. A list of vendors who will invoice the County is available on the County’s internal information sharing platform. Buying from MI State contracted vendors is also encouraged. County issued credit cards are another option for purchasing within this price range. However, use of credit cards should be the chosen method only if all other options are not available. For the credit card policy and credit cardholder agreement procedure herein adopted, refer to Exhibit 7 - Emmet County Credit Card Policy and Cardholder Agreement.

For items or services in this price range received, where the County is invoiced, all invoices must be submitted promptly and submitted directly from the vendor to the Emmet County Accounts Payable Department for processing.

3.3 Purchase Requisitions Required for $1,000.00 or Greater
With some exceptions, all procurements costing $1,000.00 or greater generally will require purchase requisitions generated through the County’s financial system.

The requesting department will initiate the purchase requisition and is responsible for the accuracy and adequacy of information supporting the request. All department heads should designate one or more employees to serve as having the authority to prepare requisitions for their department.

The requesting department should submit purchase requisitions to allow ample time to have a purchase order or contract prepared, reviewed, approved, and the corresponding purchase
order issued in time for the material or service to be obtained when needed. The requesting department must give due consideration to the following:

- Consider whether the good or service needed is a routine item, or whether the vendor selection process will require considerable research, competitive quotes or solicitations, sole-source justification and approval, or management or board approval.
- Anticipate whether sufficient time must be allowed for vendors to prepare quotes or solicitation responses; and how much time may be necessary for delivery of the merchandise or performance of the service.
- Plan ahead with the realization that there are many other departments simultaneously making similar requests.

See the following for assistance with purchases costing $1,000.00 or greater:
Addendum 1 - Procurement Threshold Requirements
Addendum 2 - Purchase Requisition & Purchase Order Procedures
Addendum 9 – Emmet County – Exceptions to Procurement Rules and Guidelines

3.4 Purchase Orders (follow an approved purchase requisition)
With some exceptions, a purchase order generally must be prepared within the County’s financial records system for all procurement transactions priced at $1,000 or more.

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 vendor authorization to proceed. Purchase orders clarify purchase terms such as description, quantity and price. Purchase orders encumber expenses within the financial system in advance of payment to assist in managing budgets. Purchase orders may be legally binding.

A purchase order will not be issued without an approved purchase requisition including all necessary supporting documentation from the department. If needed, the procurement must have proper budget and/or board approval before sending the requisition to the purchasing department.

Special Approvals Required for Certain 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 Emmet County standard. Some of these commodities are furniture, computer equipment/software, telecommunications equipment, carpeting, etc. The purchasing department will need to get this approval from the appropriate staff person before issuing a purchase order.

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.
Receiving / Inspection of Goods
Receiving departments must exercise care to inspect goods received to ensure quantity, quality and other specifics of the delivered goods match the purchase order. The receiving departments must compare order receipts, packing slips and invoices from the vendor to the purchase order. The receiving department must electronically document receipt of purchased items within in the financial system software, attaching packing slips or other vendor provided shipping documentation. The receiving department will promptly forward any paper invoices with the delivery directly to the finance department for processing.

Regular versus Confirming Purchase orders
A regular purchase order authorizes a purchase to occur. A confirming purchase order authorizes a purchase that has previously occurred.

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.

Confirming Purchase Order: A purchase order issued after the purchase restating the same terms originally placed orally or by 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 or county administrator review.

Purchase Order Corrections
Purchase order corrections are allowable only under certain circumstances, such as when there is an error in a calculation, when there is an acceptable over shipment, or an acceptable increase in the pricing. Corrections are not necessary when the actual cost is lower than the amount of the purchase order. The purchasing department will eliminate residual amounts remaining on purchase orders as part of the purchase order liquidation process that occurs either with their financial year-end close activities or periodically throughout the year.

If the dollar amount of the procurement ultimately exceeds the limit stated on the approved purchase order, the requesting department must take the necessary steps to assure compliance with the requirements as outlined above in Section 2 – General Guidelines the Delegation of Authority Thresholds in Section 2.1 by obtaining an approved change order. The requesting department in violation should first try to rectify unauthorized procurement. If legal review was originally required for the procurement or contract, then any necessary remediation in order to return to compliance must be managed between the requesting department and county civil counsel. Purchase order corrections are not permissible to change the vendor name. To change the vendor name, the existing purchase order must be cancelled and a new purchase order issued.

3.5 Contracts Required to Procure Services (aka “Procurement Contracts”)
Contracts are generally required to procure services, 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.
For procedures pertaining to the preparation, execution and monitoring of procurement contracts, refer to the following:

Section 7 - Procurement Contracts
Addendum 7 – Contract for Procurement Processing and File Retention Procedures
Section 4 - Vendor Selection Processes

Competition is critical to public procurement and it is essential that requesting departments develop specifications for the goods or services needed to ensure that a sufficient number of quality competitive quotes will be received. Vendor selection process requirements, whether obtaining informal quotes or soliciting for formal bids or requests for proposal, are dictated in accordance with the following dollar cost thresholds per item or service:

4.1 **Up to $999.99 – Vendor Solicitation Processes Not Required** - Purchases for individual items or services costing up to $999.99 require neither an informal nor a formal vendor selection process. At this level, the department head or department delegate must approve the purchase.

4.2 **$1,000.00 to $2,999.99 - Informal Vendor Solicitation Recommended** – If practical though not required, for procurements for individual items or services costing $1,000.00 to $2,999.99, requesting departments may conduct open vendor solicitation via written correspondence, letter, fax, e-mail, or other informal documentation process, based upon three (3) informal quotes, and attach all relevant documentation to the purchase request. The department head or department delegate must approve the purchase requisition. The purchasing department will review the purchase requisition and subsequently issue a purchase order for the vendor to proceed.

4.3 **$3,000.00 to $24,999.99 - Informal Vendor Solicitation Required** – For procurements for individual items or services costing $3,000.00 to $24,999.99, requesting departments must conduct informal open vendor solicitation via written correspondence, letter, fax, e-mail, or other form of documentation process, and evaluate vendor selection based upon three informal quotes. Planned combined dollar cost of purchases for one vendor or contractor over the course of the fiscal year that are expected to cost $3,000.00 to $24,999.99, may require vendor selection based upon three informal quotes. The requesting department will initiate a purchase requisition and attach all relevant documentation including vendor responses and evidence of department head or delegated authorization. Both the county administrator or designee and the purchasing director will review the purchase requisition, and if approved, the purchasing department will subsequently issue a purchase order for the vendor to proceed.

For detailed informal quote collection procedures, refer to the following: [Addendum 3 – Informal Quote Collection Procedures](#)

4.4 **$25,000.00 or Greater – Formal Vendor Solicitation Required** – Purchases for individual items or services costing $25,000.00 or more require formal vendor selection processes. Planned combined dollar cost of purchases for one vendor or contractor over the course of the fiscal year that are expected to cost $25,000.00 or more may require formal solicitations. The requesting department must work with the county administrator to obtain the board of commissioners’ approval to initiate a formal vendor solicitation process. With board approval, the requesting department completes and submits an [Emmet County Request for Formal Solicitation Form (See Exhibit 5)](#) to the purchasing department.
The purchasing department, with information provided by the requesting department including technical specifications, plans and drawings, and other relevant information, drafts the formal solicitation document, whether a formal request for proposal (RFP), a request for bid (RFB), or an invitation to bid (ITB). See Section 9 – Definitions. The purchasing department will process public notices of formal vendor solicitations designating the timing for the opening and closing of the acceptance of responses. Public notice involves advertising in a newspaper of general circulation in and around Emmet County and Northern Michigan. Formal solicitations may require the opening of the responses to be public with at least one (1) other person as a witness.

The requesting department head is responsible for the evaluation of vendor responses, with the assistance of the purchasing director, the county administrator, and the assistant county administrator, and for selecting the winning vendor. The requesting department may choose to organize an evaluation committee to accomplish vendor evaluation and selection. Final vendor selection must have the approval of the board of commissioners.

Upon completion of the vendor solicitation process, the requesting department will initiate a purchase requisition in the county financial system, which both the county administrator or designee and the purchasing director will review. The purchasing department will subsequently issue a purchase order for the vendor to proceed.

Because of the scope of the contracts covered in the formal solicitation processes, the required specifications, terms and conditions, and documentation (written contracts, insurance certificates and bonds where required) are complex and demand considerable time commitment to complete.

Note that grant funding sources may require formal vendor solicitation processes at lower cost thresholds. However, if a grant funding source sets higher formal vendor solicitation cost thresholds, county employees must adhere to the County’s rules.

Throughout the formal vendor solicitation and evaluation process, it is important to proceed with fairness and equity, and to ensure that all information gathered and discussed among the evaluators is kept confidential. While some information can be released under the Michigan Freedom of Information Act, pending public bids to enter into contracts are exempt from disclosure.

The County must 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.

For additional formal vendor solicitation instructions, refer to the following:
- Addendum 4 – Formal Solicitation Procedures
- Addendum 5 – Pre-bid Meeting Procedures
- Addendum 6 – Price Analysis Methods
4.5 Pre-Solicitation Price Reasonableness Analysis for Procurements over $150,000
Emmet County requires an independent cost estimate (ICE) for procurements $150,000 and over, or otherwise as may be required by the funding source. The requesting department should work with the purchasing department to develop the ICE prior to the solicitation of the bids and proposals. All ICEs 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.

Price analysis methods - After ICE responses are received, at various points throughout the vendor solicitation and contracting processes, the requesting department, with assistance from the purchasing director, will conduct a price analysis. A price analysis will be used as the basis for determination of whether a proposed price is fair and reasonable. The method and degree of analysis will be dependent on the facts surrounding the particular procurement. See Addendum 6 – Price Analysis Methods which describes numerous methods for determining price reasonableness. Contracts may require a documented price analysis or re-evaluation as follows:

- Cost-Reimbursement Contracts - Cost-reimbursement contracts are contracts where a contractor is paid for all of their allowed expenses to a set limit, and may include additional payment(s) to allow for a profit. Prices for these contracts must be analyzed and found fair and reasonable prior to execution of the contract.
- Contract Modifications - Modifications (including change orders) to a contract that change the scope of work previously authorized require a price analysis to determine reasonableness. An exception can be made if modification pricing terms were already established in the original document.
- Contract Terminations / Settlements - Terminating a contract, or unilaterally ending it before its stated end requires a price analysis to verify whether the termination settlement is fair and reasonable, regardless of the reason for the early termination of a contract.

During the vendor solicitation process, if the low bidder’s price variance is greater than 15% of the ICE, up or down, the requesting department or evaluation team, with the assistance of the purchasing director, will analyze the variance to determine whether the proposed price can be considered fair and reasonable. Any final acceptance of the submitted price must be documented in writing and retained in the contract file.

4.6 Drafting Specifications in Formal Solicitations
In drafting specifications for formal vendor solicitations, requesting departments must clearly identify all fulfillment requirements, including but not limited to technical specifications, plans and drawings, as well as all other factors as may be necessary to conduct thorough evaluations. Specifications should identify a set of minimum requirements, and should promote equitable competitive bidding.

The requesting department and the purchasing department should exercise care to avoid solicitation language that may negatively impact the goodwill between the County and its suppliers.
In writing specifications requesting departments should avoid the following:

- Placing unreasonable requirements on firms
- Requiring unnecessary experience and excessive bonding

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• 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

4.7 Pre-Bid Meetings with Interested Vendors
Pre-bid meetings are an excellent way of increasing the possibility that the purchasing department 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.

Depending on the size and complexity of the bid/proposal package, soliciting vendor attendance at a pre-bid meeting may be mandatory. 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. At mandatory pre-bid meetings, vendors are required to sign an attendance sheet.

For detailed pre-bid meeting procedures, refer to the following:
Addendum 5 – Pre-bid Meeting Procedures

4.8 Price Analysis Methods
For a list of common price analysis methods, refer to the following:
Addendum 6 – Price Analysis Methods

4.9 Tied Solicitations
In the case of a tie, with all other factors including price considered equal, the selection method will be determined by the county administrator.

4.10 Late Solicitations
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.

4.11 Modification or Withdrawal of Solicitations
• Modification or Withdrawal of Solicitations Prior to Opening
It is common 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.
• **Modification or Withdrawal of Solicitations Subsequent to Opening**

If a mistake or error is discovered by the bidder or by the purchasing department after the bid opening, the resolution is somewhat more complex. If the mistake is an obvious one, the purchasing department 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 department then should proceed in the following manner:

- **Modification Due to 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 purchasing department after verification is made by the bidder. For mistakes other than clerical errors, corrections 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.

- **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.

### 4.12 Board Authority

The Emmet County Board of Commissioners reserves the right to accept or reject any and all bids, proposals or quotes, reserves all rights granted 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 Emmet County Board of Commissioners will maintain documentation for such actions in the appropriate minutes.

### 4.13 Sole-Source Vendor Non-Competitive Awards

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 purchasing department is responsible for confirming sole-source determinations.

To allow for a sole-source or non-competitive procurement, at least one of the following conditions must exist:

- After solicitation of a number of sources, competition is determined inadequate.
- The item or service is only available from a single source and there is no equivalent or comparable product or service provider available to meet the overall need.
- Within the local area where the need is to be met, the vendor is the only source capable of supplying the item. Using a provider outside of the local area will substantially increase the cost or not meet the need of the services requested.
- The required item or service is proprietary, branded, patented, trademarked, copyrighted
or has other proprietary information or trade secrets retained by the owner.

- The required item is under warranty to the contractor and all service agreements and/or maintenance agreements are exclusive to the contractor.
- The item or service is an associated maintenance item or replacement item requiring compatibility to an existing county owned hardware or system, whereby the original manufacturer or supplier is the only available source for such an item. Only compatible items can be used for spares, replacements, or modifications to the current system.
- There is a substantial technical risk in contracting with any other vendor, (e.g. only the selected vendor has been successful to date in implementing and completing this process).
- The service provider selected is predetermined by an outside source such as a Medical Provider, the Courts, or another designated, preapproved source.
- There is a compelling urgency due to an emergency involving the unforeseen development of dangerous conditions which may vitally affect the safety, health, property or welfare of the public; or involving a breakdown of essential machinery or equipment requiring immediate maintenance, repair, or replacement such that the timely provision of essential county services is otherwise threatened.
- The required item or service may be procured through the State of Michigan Extended Purchasing Program, MiDEAL.
- A grantor/funding agency or pass-through entity expressly authorizes a noncompetitive proposal in response to a written request.

For sole-source vendor approval, the requesting department will attach to the purchase requisition all of the following for review by the purchasing director:
- A completed Exhibit 4 - Emmet County Sole-source Justification Form.
- Depending upon the conditions supporting the sole-source procurement, at the discretion of the purchasing director, the requesting department may be required to provide documentation showing that a good faith review was conducted to otherwise exhaust the viability of other potentially available sources.

The purchasing director will review all sole-source vendor requests attached to purchase requisitions and provide written approval by signing as indicated on the Exhibit 4 - Emmet County Sole-source Justification Form, thereby agreeing with the requesting department that the sole-source procurement is in the County’s best interest.
Section 5 – Vendor Relations

5.1 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.

5.2 Vendor Registration
Emmet County does not maintain an independent Vendor Database. Vendors interested in conducting business with County of Emmet are encouraged to register with Bidnet, the County’s authorized third party online formal solicitation provider.

5.3 Removal or Suspension
The purchasing department 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 purchasing department in writing. The purchasing department will then review the complaint and determine the course of action. If the purchasing department determines that removal or suspension is necessary, the purchasing department will send formal notice of removal or suspension. The Purchasing department will maintain a list of any vendors that are suspended or removed from the bidding processes.

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 guaranties 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
- In accordance with Federal OMB Uniform Administrative Requirements for Federal Awards, Section 200.213, non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities. For any procurement over $3,500, to ensure that the proposed vendors are not federally debarred entities, the purchasing department will review Federal System for Award Management (SAM)” reports and attach the relevant reports to the purchase requisition.

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 with proof of correcting actions, if the vendor can satisfactorily demonstrate that the reason(s) they were removed will not recur, then the purchasing department may modify or rescind the removal or suspension.

5.3 Vendor Setup
Vendor setup procedures are designed not only to provide for the maintenance and control of an accurate master vendor file within the county financial system, but also to maximize efficiencies by preventing duplicate or illegitimate vendor payments. For vendor creation policy and procedures herein adopted, refer to Exhibit 8 - Emmet County Vendor Creation Policy and Procedures.

The requesting department, while working with the vendor on terms and conditions relative to the items or services needed, initiates the vendor setup process by obtaining from the vendor, an IRS Form W-9 or W-8BEN (if the vendor is a non-U.S. taxable entity) and a Vendor Setup Request Form, and submitting both forms to the finance department.

The finance department, with the appropriate documentation from the requesting department, enters the new vendor details into the county financial system.
5.4 Vendor Complaint Procedures

The County will handle vendor complaints in a fair and timely manner. The purchasing director will instruct vendors to observe the following steps in order to file complaints:

1. The vendor must contact the purchasing director within seven (7) days of the incident about which he or she has a complaint. The purchasing director may ask the vendor to present the complaint in writing depending upon the circumstances. The purchasing director will investigate the complaint and review all findings with the county administrator. The purchasing director will reply verbally or in writing within seven (7) days to the vendor after discussion with the county administrator.

2. If the vendor is dissatisfied with the response from the purchasing director, the vendor must appeal in writing within seven (7) days to the county administrator. The county administrator will consult with the Board of County Commissioners and direct the follow-up with the vendor in accordance with the resulting directive given by the commissioners.
Section 6 - Prevailing Wage, Bond, & Insurance Requirements

6.1 Prevailing Wage Requirements

Any construction, remodeling or repair contract $100,000 or more (or $2,000 if Federal funds are used) requires the contractor to pay their employees prevailing wages as set forth in the Davis Bacon Act (40 USC 3141-348) and/or the Contract Work Hours and Safety Standards Act. Additional reporting requirements must be met to ensure compliance with this provision. Formal Solicitations must comply with the prevailing wage rates; a wage determination table will be included in the formal bid solicitation.

The successful bidder will be required to submit certified weekly payrolls for all laborers working on the project signifying compliance with prevailing wage guidelines. Such payrolls should be submitted to the construction manager on a weekly basis. Failure to comply can result in delayed payment.

For additional information on the Davis Bacon and Related Acts, please refer to the United States Department of Labor Wage and Hour Division.

6.2 Bonding Requirements

County construction projects and some highly technical projects over certain amounts may be subject to contractor bonding requirements as established in Michigan Act 213 of 1963 and the Federal OMB Uniform Administrative Requirements for Federal Awards, Section 200.325. The purchasing director and the finance director will work together to identify all construction project bonding requirements and review all bonds submitted by prospective contractors as part of the formal bidding process.

- **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, whereby the proposed contractor must at their own cost provide to the County a performance bond and a payment bond.

  A performance bond secures the faithful and complete performance on the part of the contractor for 100% of the contract price. A performance bond secures fulfillment of all of the contractor’s obligations under a contract.

  A payment bond (or labor bond) insures payment of all persons supplying labor and material in the execution of the work provided for in the contract and as required by law. For Emmet County for purposes of compliance with this Act, the Emmet County Finance Director will identify the required payment bond amount.

- **Federal OMB Uniform Administrative Requirements for Federal Awards, Section 200.325** covers construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, originally set at $150,000, whereby the Federal awarding agency or pass-through entity determines whether the agency’s interest is adequately protected and if not, requires minimum bonding as follows:
  - A bid guarantee from each bidder equivalent to 5% of the bid price with a firm commitment such as a bid bond, certified check, or other negotiable
instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

- A performance bond on the part of the contractor for 100% of the contract price to secure fulfillment of all the contractor's obligations under such contract.

- A payment bond on the part of the contractor for 100% of the contract price to assure payment of all persons supplying labor and material in the execution of the work provided for in the contract and as required by law.

A material bond is another type of construction contract bond intended to ensure that property/equipment used in the contract.

Emmet County bidding vendors must submit any required bonds, with the exception of bid guaranties, with their formal bid solicitation, and submission must occur at least ten (10) days prior to the commencement of work under the contract.

Because guaranties have a financial impact on proposers as long as they are in effect, unused bid guaranties should be returned to proposers as soon as it is determined that they have no reasonable chance of winning the contract. The purchasing director will return any unnecessary bid guaranties to proposers.

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

6.3 Insurance Requirements

Insurance requirements and Hold Harmless Agreements are intended to ensure that 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.

Insurance requirements will be written and reviewed by county administration. All formal solicitations will be forwarded to county administration before posting for review of writing of the insurance requirements. All insurance documents from the awarded vendor must be submitted to the county administration for inspection and approval before a project can start.
Section 7 - Procurement Contracts

For Emmet County procurement purposes, a procurement contract is a formal written agreement between the county board and a selected vendor, consultant or contractor to provide specified goods or services to the County at an agreed upon price. All procurement contracts committing the County to procure, including but not limited to those with consultants, contractors, attorneys, physicians, leases, etc., must be reviewed by county civil counsel before the signing of the contract; and subsequently approved and signed by the board of commissioners or whomever the board of commissioners may authorize to approve and sign on their behalf.

7.1 Contract Development and Execution
After a vendor is selected to provide goods or services that will require a contract or contracts, the requesting department will work directly with the vendor to expedite the contract execution process, negotiate, modify and finalize contract terms, obtain the approval of the purchasing department and county civil counsel, and work with civil counsel to obtain approval of the board, and gather the necessary signatures. The requesting department will process an associated purchase order in the county financial system and attach the signed contract and any vendor service agreements to the purchasing order. (See Section 3 - Procurement Processes) The purchasing department will review the contract file for completeness and provide procurement contract file storage and long term retention (See Addendum 10 – Procurement Documentation Retention Schedules). The purchasing department will assist the requesting department with any settlement of claims, controversies and disputes that may arise. The finance department will process associated invoice payments and contracted retainage, deposits and returns. The requesting department will direct contract close-outs.

7.2 Contract Amendments / Change Orders
Emmet County has a right to order changes (including deletions) to existing contracts, to revise contract terms, including but not limited to details impacting price, specifications, or completion dates, provided that those changes are within the general scope of the original contract. 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 solicited as competitive procurements.

7.3 Contracted Project Close-Out Sequence
At least 60 days prior to the contracted completion date, the department head shall contact the project manager to confirm that no further contractor effort will be required after the specified contract completion date and that the contract may be closed out. This is to allow for sufficient lead time for any follow-up effort or to negotiate and extend the period of performance if necessary. 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 some cases, contract close-out will not occur immediately after the completion date of the contract, but over a period of time. Some close-out activities, such as final audits, may occur after the contract completion date. The project’s department head is responsible for ensuring
that their contracts are closed in a timely manner and that all close-out actions are sufficiently documented.

**Upon completion of the work under the contract**, the department head or project manager shall send a close-out letter to the contractor. A close-out letter contains the necessary forms for requesting assignment of rebates and credits, release of liability and contractor’s closing statement.

**Upon receipt of the contractor’s closing documentation**, the department head or project manager shall review the documents for completeness and, if acceptable, take appropriate action to complete the project close-out. The department head or project manager will ensure that retainage withheld pursuant to the contract provisions is returned to the contractor upon completion of all of the following:

- Department head or project manager review and approval of all contractor closing documentation
- Final disposition of county property
- Final agreement with the County regarding the amount of final payment due

**Upon completion of the contract close-out process**, the department head or the project manager will forward the project close-out files to the purchasing department for central record keeping. The purchasing department will review the procurement contract file for completeness and organization. The purchasing director will ensure that the procurement contract file includes documentation of all of the following:

- Close-out documents, close-out letter, close-out forms, retainage return documentation and all other relevant information
- Contract including all revised versions or authorized changes
- Purchase requisition and purchase order
- RFP procurement summary or Sole Source Justification form if applicable
- Cost and price analysis for contract
- Vendor solicitation advertisement copy
- Correspondence from solicitation to close-out

For additional information regarding procurement contract documentation and retention: [Addendum 7 – Contract for Procurement Processing and File Retention Procedures](#)

**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 purchasing director. The complaint filing procedure as established in [Section 5 – Vendor Relations (See Section 5.4)](#) shall be followed.
Section 8 – Responsibilities, Forms, References

8.1 Responsibilities

County Board of Commissioners (BOC)
- Discretionary authority to accept or reject any and all bids, proposals, or quotes
- Discretionary authority override provisions within the Procurement Manual as may be deemed necessary in the best interest of the County
- Approve and sign contracts
- Approve all purchases priced at $25,000.00 or greater
- Review and approve new or revised Procurement Manual rulings
- Maintain documentation of procurement related discussion in meeting minutes

Civil Counsel
- Review and approve formal bid awards to vendors
- Assist the requesting department with drafting and finalizing procurement contracts
- Review and approve vendor procurement contracts and contract modifications
- Obtain board approval of procurement contracts and gather necessary signatures
- Assist county staff as necessary with contract compliance
- Review and approve new or revised Procurement Manual rulings
- Review MBE, WBE, DBE (minority, women, disadvantaged businesses) certifications

County Administrator
- Oversee all County departments procurement activities
- Review and approve all purchase requisitions priced at $3,000.00 or greater or delegate this authority
- Approve exceptions to the general procurement rules and guidelines
- Waive rules for vendor solicitation in the event of an emergency
- Work with departments to obtain board approval to initiate formal vendor solicitations for projects anticipated to cost $25,000.00 or greater
- Assist in evaluating formal solicitation responses
- Assist in the mediation of vendor complaints
- Authorize purchases in excess of budget as necessary

County Committees
- Review and approve budgeted purchases as designated by the board of commissioners
- Where designated by the board of commissioners, approve and sign contracts within budget approved amounts
- Maintain documentation of procurement related discussion in meeting minutes

Finance Department Staff (Accounts Payable)
- Process invoices and contracted retainages and returns
- Maintain vendor records in the county financial system
- Reconcile vendor statements to county financial records
- Maintain financial and cost accounting record retention
Finance Director
- Oversee finance department procurement related activities
- Approve exceptions to the general procurement rules and guidelines
- Approve new petty cash funds, custodians and transaction approvers
- Review and approve formal solicitation documents
- Work with the purchasing director to identify all construction project bonding requirements

Purchasing Department Staff
- Assist the requesting department with the gathering of informal quotes and bids from vendors
- Work with the requesting department to complete formal competitive vendor solicitation documents including RFPs, RFBs, RFQs and IFBs
- Open formal vendor solicitations
- Assist the requesting department with navigating the creation of purchase requisitions and purchase orders within the county financial system
- Verify compliance with this manual on all purchases priced at $3,000.00 or more
- Organize, review and maintain the procurement contract files

Purchasing Director
- Oversee purchasing department procurement activities
- Lead the County in the management and facilitation of all Emmet County procurement practices in accordance with this manual
- Review and approve all purchase requisitions priced at $3,000.00 or more
- Assist the requesting department with pre-bid meeting agendas
- Assist the requesting department with the settlement of contracts claims, controversies and disputes

Requesting Department Head
- Oversee all of respective department’s procurement activities
- Ensure staff have department head approval or the approval of delegated authority to purchase
- Delegate internal departmental procurement authority
- Authorize the initiation of informal vendor solicitations for procurements expected to cost from $3,000.00 to $24,999.99
- Work with the county administrator in taking to the board of commissioners, requests for approval to conduct formal vendor solicitations for individual procurements priced at $25,000.00 or greater
- Review and approve and purchase requisitions
- Review and approve purchases invoiced or paid by credit card
- Authorize petty cash expenditures

Requesting Department Staff or Project Manager
- With approval from the respective department head, initiate purchase requisitions, attaching required supporting documentation such as copies of quotes, bids, relevant board motions and signed procurement contracts
• Facilitate vendor solicitations
• Draft specifications for vendor solicitations and procurement contracts
• Draft pre-bid meeting agendas
• Organize and lead pre-bid meetings and gather attendee signatures
• Facilitate vendor completion of the “Vendor Setup Request Form” and W9 or W-8BEN
• Attach signed contracts and vendor service agreements to purchase requisitions
• Forward approved purchase orders to vendors (required for orders $3,000 or greater)
• Document in the financial system software, receipt of items and services purchased as listed in purchase orders
• Work with the purchasing department to close-out purchase orders after purchased goods and services are fully received
• Inspect and test products received
• Assuring compliance with bond and insurance requirements
• Negotiate of changes and modifications to purchase orders and procurement contracts
• Administer procurement contract close-outs, terminations, or cancellations and forward all project close-out files to the purchasing department for central record-keeping
• Ensure that vendor invoices are being sent promptly and directly to the accounts payable department for processing

Vendors
• When providing goods and services on credit, verify the identity of the Emmet County employee requesting the purchase, and sell only to authorized employees
• Submit promptly all invoices payable by the County directly to the Emmet County Accounts Payable Department for processing
• Work with the Emmet County Purchasing Director to resolve vendor complaints
• Comply with applicable vendor response procedures when submitting formal bids

8.2 Forms
The following forms are shown as exhibits at the end of this manual. The forms are also available (some as electronically fillable forms) on the County’s internal information sharing platform.

Exhibit 3 - Emmet County Vendor Selection Conflict of Interest Agreement

Exhibit 4 - Emmet County Sole-source Justification Form

Exhibit 5 - Emmet County Request for Formal Solicitation Form

Exhibit 7 - Emmet County Credit Card Policy and Cardholder Agreement

Exhibit 8 - Emmet County Vendor Creation Policy and Procedures

Exhibit 9 – Employee Certificate of Understanding and Compliance Agreement
8.3 References
Narrative issued by The Michigan Department of Treasury, Local Audit and Finance Division (See page 8 of 9), identifying a list of examples of unlawful purchases by a governmental unit; MI Department of Treasury, July 2005, https://www.mml.org/resources/publications/one_pagers/lawful_expenditures.pdf.


Davis Bacon Act (40 USC 3141-348), United States Department of Labor, https://www.dol.gov/WHD/regs/statutes/dbra.htm

Federal OMB Uniform Administrative Requirements for Federal Awards Sections 200.318 through 200.326, https://www.ecfr.gov/cgi-bin/text-idx?SID=90a7821f1b1a7ab7faf2d7472792ec&mc=true&node=pt2.1.200&rgn=dvy5#se2.1.200_1325


8.4 Procurement Policy and Procedures Manual – Document History
Revised, January, 2019
Revised, December, 2017
Revised, 2013
First Approved, 2008
Section 9 – Definitions

**Bid** – A detailed written response by a bidding vendor to a formal vendor solicitation, including pricing and terms the bidding vendor is willing to provide for goods or services per specifications described in the solicitation. A submitted bid is considered binding if accepted by the soliciting entity. The soliciting entity’s evaluation of bids submitted takes into consideration not only pricing, but also including but not limited to qualifications such as vendor reputation, proximity, quality of product, regulatory requirements and potential for conflict of interest.

**Bid Bond** – A debt secured by a bidding vendor guaranteeing that the bidder will accept the obligation to fulfill the specifications within the solicitation if chosen as the winning bidder. Bid bonding is required by the Michigan Act 213 of 1963 for contracts costing $50,000 or more for the construction, alteration or repair of any public building or public work or improvement.

**Contract** – A legally enforceable binding agreement, usually in writing, between two or more persons or parties stating the terms and conditions for an exchange between the parties for money, goods or services. All Emmet County contracts must be appropriately approved and signed, either by the chair of the board of commissioners, or by others with authority as designated by the board of commissioners. Contract procedures defined in the Emmet County Procurement Manual specifically pertain to contracts to procure goods or services, referred to in the Procurement Manual as “procurement contracts”.

**Cooperative Purchasing** – The combination of procurement requirements of two or more public agencies in order to obtain the benefits of volume purchases and/or reduction in administrative costs.

**Encumbrance** – A setting aside of budgeted funds within the financial system for a particular vendor order or award with the purpose of avoiding budget overrun.

**Formal Solicitation** – A formal request to qualified vendors, announced by the County via a public notice, to answer within a specified time period, with a sealed response to the request to bid or provide information relative to the provision of an item or service in accordance with detailed performance specifications. Common formats for formal solicitations are referred to as requests for proposals (RFPs), request for qualifications (RFQs), requests to bid (RTBs)/invitations to bid (ITB), or requests for information (RFIs). Formal solicitations are generally required on all purchases of individual items or services costing in excess of $24,999.99. The opening and evaluation of sealed bids is also a formal process, often involving an evaluation team or committee. Vendors are evaluated and selected based on not just pricing, but also on merit relative to a series of predetermined qualifications and ability to fulfill specifications outlined in the solicitation.

**Hold Harmless Agreement** – A legal agreement that one party will not hold another party liable for specified damages, intended to ensure that 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.

**ICE – Independent cost estimate** – Required by the County for procurements $150,000 and over, and developed prior to the solicitation of the bids and proposals to establish a written record of the
anticipated vendor price responses and used as a baseline for determining the reasonableness of vendor responses.

**IFB or ITB – Invitation for Bid or Invitation to Bid** – A formal method for acquiring goods, services, and construction for public use in which an award is made to the lowest responsive bidder, based solely on the response to the criteria set forth in detailed written specifications. RFBs and IFBs generally do not include discussions or negotiations with bidders, with the exception of any discussions required to determine/confirm responsiveness and responsibility. The RFB or IFB method 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. If approved, a formal bid is binding.

**IRS Form W-8BEN** -- The form required by the IRS to be kept on file in the County’s financial records to identify a foreign (non-U.S.) individual or entity’s tax payer identification number, legal name and address for purposes of accurate annual reporting of total payments to the individual or tax payer.

**IRS Form W-9** – The form required by the IRS to be kept on file in the County’s financial records to identify a U.S. individual or entity’s tax payer identification number, legal name and address for purposes of accurate annual reporting of total payments to the individual or tax payer.

**Informal Solicitation** – An informal request (not a sealed bid as in a formal solicitation) to a qualified vendor, or vendors, to informally quote a price, ideally in writing, to provide an item or service to the County. The County encourages but does not require departments to issue informal solicitations to vendors on purchases costing under $3,000.00. Three (3) written informal quotes are generally required prior to purchasing an item or service costing $3,000.00 to $24,999.99. Evaluation of responses and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance, and reliability.

**Invoice** – A document from a vendor or service provider identifying pricing on a detailed description of items or services provided to the receiving entity, requesting payment and usually identifying terms of payment. Generally, for Emmet County, the County directs the vendor to deliver invoices directly to the accounts payable department from payment processing.

**Item** – In application to purchasing threshold requirements, “per item” is defined dependent upon the circumstances. “Per item” may refer to numerous items (plural) from a single vendor, for a single use, for a specific project or purpose.

**Packing Slip** – A document from the vendor, usually attached to the outside of a package upon delivery that itemizes in detail the contents of the package or shipment. The receiving department should compare the packing slip the purchase order to ensure the items received conform to the original order and to identify whether the order is fulfilled and ready to be liquidated, or whether receipt of additional items ordered is pending.

**Petty Cash** -- A small amount of cash on hand to cover small dollar unexpected business needs. Petty cash use should be limited. Emmet County petty cash funds held and replenished at the department level must be authorized by the county finance director, and the use of the funds
controlled by an approved custodian within each respective department. Use must be monitored and funds used must be reconciled with funds available on a regular basis.

Pre-Bid Meeting – A meeting which may be held prior to the opening of a formal vendor solicitation to inform potential suppliers of the detailed requirements of the solicitation and to provide an opportunity for prospective bidders to ask questions related to the solicitation package.

Professional Services – Services rendered by members of a recognized profession which involve extended analysis, exercise of discretion, and independent judgement in their performance, and an advanced, specialized type of knowledge, expertise or training customarily acquired either by a prolonged course of study or equivalent experience in the field. Emmet County procurement of certain professional services, such as legal services, autopsy services, or any professional services ordered by the board of commissioners or the courts, may not require vendor solicitation and evaluation processes. Emmet County procurement of other professional services such as architectural, engineering, accounting and auditing, and financial advisory, generally will require vendor solicitation and evaluation processes for vendor selection.

Public Notice of Formal Solicitation – A notification via advertisement to all members of the local and surrounding communities, or including the wider community as may be relevant, designating the formal opening and closing of a formal bidding process for a specified county procurement effort.

Purchase Order – Following the approval of a purchase requisition, a purchase order is created by the buying entity placing an order with a vendor for a product or service, authorizing the vendor to proceed. Purchase orders clarify purchase terms such as description, quantity and price. Purchase orders encumber expenses within the financial system in advance of payment to assist in managing budgets. Purchase orders may be legally binding. With some exceptions, Emmet County generally requires purchase orders for items or services costing $1,000.00 or more.

Purchase Requisition – A document initiated within an entity’s financial system by a requesting department informing the entity’s purchasing department of an intent to purchase goods or services. After a purchase requisition is initiated and approved in accordance with the Emmet County procurement rules, the purchasing department will proceed with reviewing the requisition and generating a corresponding purchase order.

Quote – A price given in response to an informal vendor solicitation, which may either be precise or in some cases merely a rough approximation, indicating what the responding vendor is willing to charge to provide the specified goods or services. Though generally considered more firm than estimates, quotes are not legally binding and prices ultimately charged for goods or services subsequently provided may fluctuate.

RFB – Request for Bid – Same as an IFB or ITB (see definition above)

RFI – Request for Information - A formal 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 formal solicitation. With an RFI, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.
RFP -- Request for Proposals – A formal method to solicit proposals from potential providers (proposers) for goods and services whereby price is usually not a primary evaluation factor. An RFP provides for the negotiation of all terms, including price prior to contract award. The requirements of an RFP are described in a performance or functional specification, and prospective vendors or 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. An RFP may include a provision for the negotiation of best and final offers. An RFP may follow a single-step or multi-step process beginning with RFI or RFQ processes prior to soliciting or negotiating for pricing to ensure vendors submitting pricing are qualified and that they understand and can fulfill all specifications.

RFQ – Request for Qualifications (Formal Solicitation) - A formal document issued by the procurement entity to obtain statements from prospective vendors of their qualifications to fulfill procurement specifications. RFQs are commonly issued for the procurement of architectural and engineering services. The most qualified responder will be offered an opportunity to enter negotiations for award.

RFQ – Request for Quotation (Informal Solicitation) – An informal request for quotation procurement process generally used for small orders under a certain dollar thresholds (for Emmet County, under $25,000). A request is sent to suppliers along with a description of the goods or services needed and the supplier is asked to respond accordingly by a predetermined date.

Sole Source Justification – A justification for why only one vendor is available that has the ability to fulfill the necessary requirements for the procurement of a particular item or service. A completed Sole Source Justification Form with the necessary signed approvals is generally required in place of informal or formal vendor solicitations for any Emmet County purchases costing $3,000.00 or more.

Specifications – Detailed technical requirements of goods or services to be provided as described within formal solicitations to vendors. May include plans and drawings and clarifications as to what factors will be considered in the evaluation of bid responses. Specifications should identify a set of minimum requirements, and should promote equitable competitive bidding.

Vendor – A person or business entity, corporation, partnership or sole-proprietorship, joint venture or other non-governmental entity in business to sell goods or services, also referred to herein as a bidder or contractor.

Vendor Statement – A statement of account from a vendor listing past invoices issued, payments made, credits applied, unpaid balances due, and other relevant information. Not all vendors issue statements. The accounts payable department should verify the accuracy of all statements it does receive. However, depending upon the circumstances, after reconciling, the accounts payable department may choose to dispose of the vendor statements that merely reiterate documentation already retained in the County’s financial records.

Written Approval – Written approval can be organizationally or legally binding if in either electronic or paper format with a signature, via email notification, letter, standardized form, or note, signed by any person(s) thereby intended to communicate authorization to approve a motion or transaction in accordance with the given circumstances.

Effective January 1, 2019
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Addendum 1 - Procurement Threshold Requirements

Emmet County

Procurement Threshold Requirements*

<table>
<thead>
<tr>
<th>Dollar Cost per Item to Procure **</th>
<th>Line Item Budgeted?*</th>
<th>Initial Authorization to Purchase</th>
<th>Vendor Bid or Proposal Selection Process</th>
<th>Purchase Requisition Process Required?</th>
<th>Final Authorization to Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash ($100 and less)</td>
<td>Yes</td>
<td>Department Head or Delegated Departmental Authority</td>
<td>N/A</td>
<td>No</td>
<td>Department Head or Delegated Departmental Authority</td>
</tr>
<tr>
<td>$999.99 and less</td>
<td>Yes</td>
<td>Department Head or Delegated Departmental Authority</td>
<td>N/A - Unless Required by Grantor</td>
<td>No</td>
<td>Department Head or Delegated Departmental Authority</td>
</tr>
<tr>
<td>$1,000- $2,999.99</td>
<td>Yes</td>
<td>Department Head or Delegated Departmental Authority</td>
<td>Informal Bids or Quotes Preferred</td>
<td>Yes</td>
<td>Purchasing Department</td>
</tr>
<tr>
<td>$3,000- $24,999.99</td>
<td>Yes</td>
<td>Department Head or Delegated Departmental Authority</td>
<td>Informal Quotes or Sole-source Justification Required</td>
<td>Yes</td>
<td>County Administrator or Delegate, and Purchasing Director</td>
</tr>
<tr>
<td>$25,000 and more ***</td>
<td>Yes</td>
<td>Board of Commissioners</td>
<td>Formal Solicitations or Sole-source Justification Required</td>
<td>Yes</td>
<td>County Administrator or Delegate, and Purchasing Director, and Board of Commissioners</td>
</tr>
</tbody>
</table>

* Any purchases not in accordance with the most current approved budget may require review and preapproval by the county administrator or authorized designee. Depending upon the circumstances, any employee making unauthorized, improperly procured purchases on behalf of or using Emmet County funds may be held personally liable for the cost of such purchases.

** Planned combined dollar cost of purchases for one vendor or contractor over the course of the fiscal year fall within the $3,000 - $24,999.99, may require informal quotes; or that exceed $24,999.99, may require formal solicitations.

*** An ICE (Independent cost estimate) is required at $150,000 or more cost to procure. (See Section 4 - Vendor Selection Processes Paragraph 4.5 Pre-Solicitation Price Reasonableness Analysis for Procurements over $150,000.)
Addendum 2 - Purchase Requisition & Purchase Order Procedures
Emmet County
Purchase Requisition & Purchase Order Procedures

Purchase Requisition Procedures

The authorized staff of the requesting department, will initiate purchases for items priced at $1,000.00 or greater, by entering a purchase requisition into the County’ financial systems software, including attachments of all supporting documentation, for routing and approval in accordance with the appropriate solicitation and authorization processes as required at the various procurement thresholds outlined in Section 2 – General Guidelines above.

1. The requesting department will obtain prices or solicit vendors for the items or services as required given the individual item price, which may require either an informal or a formal vendor solicitation process.

2. The requesting department will enter the vendor information into the financial software application and attach all supporting documentation, which may include documentation of the solicitation process.

3. The requesting department will forward, via the financial software application, the purchase requisition and all supporting documentation to the appropriate authority for their review and approval.

4. The appropriate authority will review and approve the requisition for compliance with purchase pricing threshold 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 to the county administrator or designee for approval. If needed, the procurement must have proper board approval as well before sending the requisition to the purchasing department.

5. The requesting department should follow 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 purchasing department will review and post the purchase request to the financial accounting system after all other approvals are documented and final.

7. The purchasing department will verify that procurements over $3,500.00 are not to entities that are debarred by reviewing and attaching System for Award Management (SAM) reports to the Purchase requisitions. (Federal System for Award Management (SAM)” reports).

8. The requesting department immediately reviews the completed purchase requisition, ensuring accuracy of detail, consistency with expected impact on the departmental budget, and all other relevant information. The requesting department creates a change order if any necessary changes need to be made.
Addendum 2 - Purchase Requisition & Purchase Order Procedures – (Continued)

**Purchase Order Procedures**

1. The requesting department will initiate the purchase requisition and follow all steps as listed in accordance with the Procurement Manual.

2. Following the completion and final approval of the respective purchase requisition from the requesting department, the purchasing department issues the purchase order.

3. The purchase order description detail will specify the individual items or services being ordered in accordance with the approved purchase requisition.

4. The requesting department must send a copy of the purchase order to the awarded vendor for all purchases priced at $3,000.00 or greater.

5. After the purchase order is created and the vendor delivers the goods and services in accordance with the purchase order, the requesting department will document in the financial system software, receipt of items and services as they are received.

6. The requesting department will work with the purchasing department to close-out purchase orders after purchased goods and services are fully received.

**Creating Confirming Purchase Orders in Extenuating Circumstances for Qualifying Purchases Previously Executed Without a Purchase Requisition**

Confirming purchase orders should only be used in extreme situations when a purchase request could not be done in advance.

1. Absent any legitimate exception, after goods or services are procured, if the finance department determines that a purchase order should have been completed prior to the purchase, then the finance department will notify the department originating the purchase that a confirming purchase order must be completed.

2. The process for creating a confirming purchase order is identical to the process for completing a regular purchase order.

3. 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.
Addendum 3 – Informal Quote Collection Procedures

Emmet County
Informal Quote Collection Procedures

Requesting Department Collected Quotes
Departments are encouraged, though not required, to obtain informal quotes for procurements expected to cost $1,000.00 to $2,999.99. Departments are required to obtain informal quotes for procurements expected to cost from $3,000.00 to $24,999.99.

1. The requesting department must clearly identify the product or services needed in order to clearly communicate the product or service specifications to the solicited vendors.

2. The requesting department, with assistance from the purchasing department as needed, will identify at least 3 qualified vendors who can provide the desired goods or services or equivalents according to the identified specifications. The purchasing department can help the requesting department identify vendors already setup in the financial system that are able to provide the items or services needed. Otherwise, any new solicited vendors can be setup merely as bidding vendors and need not be setup in the county’s financial system (See Exhibit 8 - Emmet County Vendor Creation Policy and Procedures), unless/until ultimately awarded the order.

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 will document all quotes, and scan and attach the appropriate documentation in the financial system as part of the associated purchase requisition. Attachments include copies of quotes received and any other documentation relative to each vendor quote as may be deemed appropriate.

5. The department head or the delegated department authority will review the purchase requisition and indicate approval of the selected vendor in the county financial system if the price quoted is reasonable and the vendor selected can fulfill the required specifications.

6. If the request is over budget, the request will require written approval to exceed budget from the county administrator or designated authority. Depending upon the circumstances, requests over budget may also require the approval of the board of commissioners.

7. The county administrator or designee will review all purchase requisitions priced at $3,000.00 or greater. The purchasing department will review and approve all purchase requisitions and generate a purchase order to procure the item or service.

8. For purchases costing $3,000.00 or more, the requesting department must deliver a copy of the purchase order to the awarded vendor along with any additional documentation deemed necessary for the vendor to process the order.
Addendum 4 – Formal Solicitation Procedures

Emmet County

Formal Vendor Solicitation Procedures

Initiating the Process and Information Gathering – Primarily the Responsibility of the Requesting Department with Assistance from the Purchasing Department

1. For individual purchases expected to cost $25,000.00 or greater, the requesting department will obtain approval from the county administrator and the board of commissioners, completing an Exhibit 5 - Emmet County Request for Formal Solicitation Form.

2. The requesting department will determine the user base (those using the service or goods), and discuss their needs including the product/service requirements.

3. The requesting department will select a group of users to consult as a guidance committee for the solicitation process.

4. The requesting department will determine if an outside consultant should be involved in the process including the evaluation.

5. The requesting department will check for cooperative opportunities with equitable cooperatives including federal, and state surplus property. (See Addendum 8 – Cooperative Purchasing Procedures.)

6. The requesting department will compile the specifications for the formal solicitation, while considering whether consolidating similar products or specifications or unbundling products may be beneficial.

7. The requesting department will consider who are potential suppliers.

8. The requesting department will determine the need for a pre-bid meeting with potential suppliers and the guidance committee if necessary.

9. The requesting department if applicable will test potential products, or research various options.

10. The requesting department will determine method of delivery, project time tables, and consult with the finance department regarding invoicing time cycles.

11. The requesting department, with assistance from the finance department and county civil counsel, will establish penalties (liquidated damages), if applicable, for not meeting performance standards.

12. The requesting department will determine evaluation criteria and performance standards and make a list of negotiable items if any, and create an evaluation matrix for scoring responses.

13. The requesting department will select an evaluation panel to evaluate the solicitations.
Addendum 4 – Formal Solicitation Procedures – (Continued)

Drafting the Formal Solicitation Document – The RFP, RFQ or ITB – Primarily the Responsibility of the Purchasing Department

1. The purchasing department will draft the RFP, RFQ or ITB document for the solicitation. The requesting department will assist the purchasing department in drafting the scope of work and the technical specifications.

2. Specifications will include any required insurance and bonding requirements. (See Section 6 - Prevailing Wage, Bond, & Insurance Requirements.)

3. Solicitations must be written in a manner providing full and open competition. Conflict of interest, even the appearance of a conflict of interest, is prohibited. (See Section 2.2, Conflict of Interest).

4. If applicable, the appropriate staff will review prevailing wage requirement specifications. (See Section 6 - Prevailing Wage, Bond, & Insurance Requirements.)

5. Proposals will be written using the two envelope method where pricing will be in a second sealed envelope to be opened after the review of the first sealed envelope containing the vendor’s response to the proposal’s technical specifications.

6. The purchasing department will submit a final draft of the formal solicitation document to the following authorities for approval:
   a. Requesting department head
   b. Finance Director
   c. County Administrator
   d. Information Technology Director – if applicable
   e. Facilities Director – if applicable
   f. Federal awarding agency - if federally funded

Opening the Formal Vendor Solicitation – Primarily the Responsibility of the Purchasing Department

1. The purchasing department with at least one witness present will publicly and impartially open the formal solicitation by posting a notice of the solicitation on the county website, and if requested, by advertising the solicitation in the local paper.

   If required by the solicitation, the County will hold a pre-bid meeting with suppliers. (See Addendum 5 – Pre-bid Meeting Procedures.)

2. Allow vendors a window to ask questions and post answers publicly so all potential bidders have equal access to them.

3. The purchasing department will post addendums to the formal solicitations publicly to provide equal access to all potential bidders.
Addendum 4 – Formal Solicitation Procedures – (Continued)

4. The purchasing department will time stamp the solicitations when received.

5. The purchasing department will evaluate bidder responsiveness, determining whether the bidders provided the required documents with their solicitations.

Evaluation of Vendor Responses – Primarily the Responsibility of the Requesting Department and the Evaluation Committee:

1. The requesting department will facilitate the evaluation of the solicitations.

2. Evaluation team members will complete the Conflict of Interest and Evaluation Team Member Guideline Agreement as provided in Exhibit 3 - Emmet County Vendor Selection Conflict of Interest Agreement.

3. The requesting department will gather training materials if necessary for educating the evaluation committee.

4. The requesting department or the evaluation committee will create an evaluation matrix for scoring vendor responses to the technical specifications of the solicitation.

5. The requesting department or the evaluation committee will open the responders’ first of two sealed envelopes, containing responses to technical specifications, and evaluate and score the responses accordingly.
   a. In evaluating responses, the requesting department or evaluation committee will determine if the recommended for award bidder is “responsible”, i.e. determine if they can adequately meet the requirements stated in the bid and check references as needed.
   b. The requesting department or the evaluation committee will interview prospective supplier(s) if they are new to the district, visiting suppliers’ locations as needed to verify qualifications.
   c. The requesting department or the evaluation committee will ask bidders for clarifications as needed.
   d. In scoring responses, evaluators should include comments on evaluation forms that provide justification for the scores.
   e. Evaluators should know that their score cards (with names removed) may be requested under the Michigan Freedom of Information Act (FOIA) after the bid is awarded.

6. The purchasing department will open the responders’ second sealed envelope, containing pricing, and provide pricing scores to the requesting department or evaluation committee to be combined with the scores on technical merits.

7. If federally funded, responses may be reviewed by the federal awarding agency or pass-through entity.
Addendum 4 – Formal Solicitation Procedures – (Continued)

Awarding the Project to the Winning Bidder – Primarily the responsibility of the Requesting Department:
1. The requesting department will write a board motion including justification for a winning bidder based on their thorough evaluation of all vendor responses to both technical and pricing specifications, and submit to the board of commissioners for final approval.

2. With board approval, the requesting department will notify the winning bidder and proceed with the winning bidder to the drafting of the procurement contract (See Addendum 7 – Contract for Procurement Processing and File Retention Procedures.)

3. The requesting department will initiate a purchase requisition. Attachments must include a copy of the signed contract. All other documentation of the formal solicitation and contracting process will be retained by the purchasing department as part of the master contract file. (See Section 7 - Procurement Contracts) and (Addendum 7 – Contract for Procurement Processing and File Retention Procedures.)

4. Both the county administrator or designee and the purchasing department will review the purchase requisition and either return it to the requesting department if any changes are necessary, or approve the requisition and generate a purchase order to procure the item or service and create an encumbrance in the county financial system for the anticipated amount of actual expenditure.

5. The requesting department is responsible for delivering a copy of the purchase order to the vendor along with any additional documentation necessary for the vendor to proceed.
Emmet County
Pre-Bid Meeting Procedures

Prior to the Pre-Bid Meeting:
1. The department head will make themselves knowledgeable of the project, market conditions, product lead times, and product availability.

2. The requesting department, with the assistance of the purchasing director, will draft a pre-bid meeting agenda.

3. The requesting department will secure the meeting time and location, and send invitations to the soliciting vendors.

During the Pre-Bid Meeting:
1. The requesting department staff will document meeting minutes and gather attendee signatures.

2. The requesting department will conduct a project walk-through including a review of the project specifications and confirmation of solicitation dates and times.

3. Vendors will be given the opportunity to ask questions and express concerns.

After the Pre-Bid Meeting:
1. The requesting department will complete the pre-bid meeting minutes. The purchasing department will include the meeting minutes and the meeting attendance sheet as an addendum to the formal solicitation made available to the public on the County website.

2. The requesting department will answer contractor questions and document questions and answers as an addendum to the formal solicitation made available to the public on the County website.

3. Given vendor input and questions during and after the pre-bid meeting, the requesting department, with the assistance of the purchasing director, will re-examine the draft of the formal solicitation to consider whether any modifications or adjustments may be necessary.

4. If the pre-bid meeting is mandatory, purchasing department staff will subsequently verify at the bid opening that each of the bidding vendors were in attendance.
Addendum 6 – Price Analysis Methods

Price Analysis Methods Commonly Used to Determine Fair and Reasonable

1. **Price Competition (3 or more bidders respond)** - When there are at least 3-bids and the difference in the top 2 solicitations is within 15% of each other, the solicitation responses are considered competitive and therefore fair and reasonable. Where the price appears extremely low, it should be verified with the bidder and checked for errors.

2. **Comparable to Price sold to Federal or State Government** - This method involves checking the federal contract pricing at the GSA (U.S. General Services Administration) or the Michigan contracts through the MiDEAL program. These prices are presumed to be fair and reasonable. If a similar product or service can be found on these sites a copy of the information with identifying contract numbers 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, the catalog’s pricing can 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 documented.

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 price that can be analyzed separately from the customization. The base product can be analyzed any method herein listed 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.
Effective January 1, 2019

Addendum 7 – Contract for Procurement Processing and File Retention Procedures

_Emmet County_

**Contract for Procurement Processing and File Retention Procedures**

Because of the desired legal protection and formality of contracts, all procurement contracts with vendors must be approved and signed by the Emmet County Board of Commissioners. The board of commissioners may otherwise designate authority to another departmental board person employed by the County as appropriate. These procedures provide instruction for the processing of procurement contracts and procurement contract record keeping.

1. The requesting department will send a draft of the procurement contract, including the pricing page, terms & conditions and signature page to county civil counsel for review and approval. If the supplier is providing the contract, the requesting department should ensure that the vendor sends it to county civil counsel as early as possible to avoid delays.

2. County civil counsel will work with the requesting department and the vendor to finalize the terms of the procurement contract.

3. Civil counsel will present the final contract to the board of commissioners for review and motion to approve.

4. With board motion to approve, the board chair or the board designated authority will sign the contract and the requesting department will forward the contract to the vendor to sign.

5. When the contract is fully signed by all parties as required, the requesting department will electronically scan and attach a copy of the signed contract and all applicable board motions, and other supporting documentation as deemed appropriate, to the resulting purchase requisition in the purchasing module of the county financial system.

6. The requesting department will make a copy of the original signed contract and deliver the copy to the office of civil counsel.

7. The requesting department will deliver the original signed contract to the county clerk, unless the original is otherwise required to remain within a department. If the original signed contract must remain within the department, the requesting department will deliver a copy of the contract to the county clerk.

8. The purchasing department, when given the signed copy of the contract, board motions and other supporting documentation attached to the purchase requisition, will review the purchase requisition and create the purchase order.

9. The purchasing department is responsible for the organization and retention of the completed procurement contract file. The purchasing department will review the contract file for completeness and work with the requesting department to fill in any missing information as necessary. The procurement contract file should include documentation of all of the following:

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*Effective January 1, 2019*

*Page 47 of 64*
Addendum 7 – Contract for Procurement Processing and File Retention Procedures – (Continued)

- Close-out documents, close-out letter, close-out forms, retainage return documentation and all other relevant information
- A complete copy of the contract including all revised versions or authorized changes
- Related board motions
- Purchase requisition and purchase order
- RFP procurement summary
- Cost and price analysis for contract
- Vendor solicitation advertisement copy
- Correspondence from solicitation to close-out

10. The purchasing department will create a contract code in the financial software, including an electronic copies of the contract, board motion and other supporting documentation. The contract code will have the terms traceable to the board motion and the contract. If the two are not consistent the board motion will take priority.

11. The purchasing department will maintain a paper copy of the contract.
Addendum 8 – Cooperative Purchasing Procedures

Emmet County
Cooperative Purchasing Procedures

Prior to making the decision to join a cooperative contract, the purchasing department 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.
Emmet County
Exceptions to Procurement Rules and Guidelines

Exceptions to the rules and guidelines as stated in the Procurement Manual apply for certain types of purchases. Circumstances may merit exceptions to the rules for types of purchases that are not specifically identified on the following list. Exceptions for types of purchases not specifically named here require the written approval of the department head or delegated authority and the purchasing director for per item or service purchase amounts costing less than $3,000.00. Exceptions for items or services costing $3,000.00 or greater require additional written approval by the county administrator or designee. Exceptions for items or services costing $25,000.00 or greater require additional written approval by the county administrator and the board of commissioners, and may require formal solicitation procedures.

The following types of purchases require neither purchase requisitions nor purchase orders; nor do the following require vendor solicitations nor sole source justifications:
- Court ordered costs (e.g. attorney requested transcripts, clinical evaluations)
- Dental services for agency clients
- Employee expense reimbursements – conference costs, travel costs
- Fleet Fuel
- Foster care/ care-giver / child-liaison costs
- Intergovernmental transactions – health department and other
- Jury expenses, supplies, meals
- Laboratory services for agency clients
- Law Book Subscriptions
- Legal services
- Medical services for agency clients
- Membership fees/dues
- MDOC (MI Department of Corrections) court related expenses
- Mileage reimbursement
- Pharmacy services for agency clients
- Postage/Shipping – USPS, DHL, Fed Ex, UPS
- Professional services – legal services, BOC or court ordered services, autopsy services
- Psychological evaluations and assessments
- Public Notices/Advertisements
- Real estate purchase/sales costs
- Recycling Services
- Residential center and detention center costs
- Subscriptions
- Temporary employment services
- Transporter services
- Trust in agency/pass-through costs (consult with the finance director for additional guidance)
- Utilities/Telephone/Internet
- Visiting judge expenses
- Witness expenses

Note: Terms and conditions of any grant, gift or bequest that are otherwise legally binding also may preclude rules and guidelines within this manual.
Emmet County

Procurement Documentation Retention Schedules

Procurement related files maintained within the purchasing department and associated retention schedules are as follows:

<table>
<thead>
<tr>
<th>Type of Document</th>
<th>Length of Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchasing Records - Acquisition, Supply, and Contract Related Records</strong></td>
<td></td>
</tr>
<tr>
<td>Purchase Requisitions and Purchase Orders:</td>
<td>6 years after cancellation or completion of the contract</td>
</tr>
<tr>
<td>These documents may include but are not limited to price quotes, sole-source forms, approvals, procurement logs, and receiving documents.</td>
<td></td>
</tr>
<tr>
<td>Procurement Contracts and Related Records or Documents:</td>
<td>6 years after cancellation or completion of the contract</td>
</tr>
<tr>
<td>These records document procurement agreements between the County and other agencies, municipalities, private or other public entities or individuals. Types of agreements covered include contracts, purchase orders, leases, memoranda of 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.</td>
<td></td>
</tr>
<tr>
<td>Contractor Payrolls under Construction Contracts:</td>
<td>6 years after cancellation or completion of the contract</td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Vendor Solicitations Files:</td>
<td>6 years after cancellation or completion of contract</td>
</tr>
<tr>
<td>These documents may include but are not limited to documents related to the writing, issuing, responses, summaries, final award and contract.</td>
<td></td>
</tr>
</tbody>
</table>
Addendum 10 – Procurement Documentation Retention Schedules (Continued)

Procurement related files maintained within the Finance Department and associated retention schedules are as follows:

<table>
<thead>
<tr>
<th>Type of Document</th>
<th>Length of Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial and Cost Accounting Records</strong></td>
<td></td>
</tr>
<tr>
<td>Invoices and Related Documents:</td>
<td>7 years from end of current fiscal year</td>
</tr>
<tr>
<td>These documents may include but are not limited to invoices, vendor statements, packing slips, notices of receipt of goods or services, payment authorizations, procurement logs, petty cash records, reconciliations, employee travel expense reimbursement requests, inter agency billings, and vendor standardized contracts.</td>
<td></td>
</tr>
<tr>
<td><strong>Procurement Card and Fuel Card Program Records:</strong></td>
<td>7 years from end of cardholder active date</td>
</tr>
<tr>
<td>These records may include but are not limited to support authorizing county employees to use a county owned procurement card and/or fuel card, cardholder applications, cardholder agreements, cardholder acknowledgements, county-wide summary and individual cardholder statements from the procurement or fuel card bank servicer, receipts for individual card purchases attached to individual cardholder statements.</td>
<td></td>
</tr>
<tr>
<td><strong>Warrants Paid, Cancelled, and Voided (other than Warrants for Salaries and Wages):</strong></td>
<td>7 years from end of current fiscal year</td>
</tr>
<tr>
<td>These records may include but are not limited to warrants written, cleared, cancelled or stopped, undeliverable, and reissued. Files may contain signed affidavits and other supporting documentation as deemed necessary by the County.</td>
<td></td>
</tr>
<tr>
<td><strong>Year-End Closing Records:</strong></td>
<td>7 years from end of current fiscal year</td>
</tr>
<tr>
<td>These records may include but are not limited to documents and records related to the year-end financial account closing process such as, the general ledger, trial balance reports, individual account reconciliations, accounts payable and encumbrance records, documentation describing closeout problems and resolution, and all other related correspondence.</td>
<td></td>
</tr>
</tbody>
</table>
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, which might influence or appear to influence purchasing decisions.

7. Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.

8. Resists encroachment on control of personnel in order to preserve integrity as a professional manager.

9. Handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics.

10. Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically without discrimination.

11. Subscribes to and supports the professional aims and objectives of NIGP - The Institute for Public Procurement.
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 service.

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 neither 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 - Emmet County Vendor Selection Conflict of Interest Agreement

Emmet County

Vendor Selection - Avoidance of Conflict of Interest
Bid Evaluation Participant/Evaluation Team Member Agreement

To protect the integrity of the evaluation process, it is essential that each member of the evaluation team, and all other county employees, officers, agents, board members and other elected officials participating in a vendor award, 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 purchasing department. 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 purchasing department. The purchasing department 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 in this vendor selection process 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 purchasing department 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 of Participant: ___________________________________________ Date: ________________

Participant Printed Name: _____________________________

Project Title/Vendor Solicitation Reference: _____________________________

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Exhibit 4 - Emmet County Sole-source Justification Form

Emmet County - Sole-Source Non-Compete Justification Form

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 exist so that the recommended vendor has a significant advantage over any other vendor who can do this job? It is important to sufficiently justify awarding an order without soliciting competitive bids/quotes. The justification must be specific, clear, supported and convincing.

Item or Service Requested ______________________________________________________________________________________

Vendor Name:_________________________________________________________________ Requisition #: __________________

Complete the Following Checklist – Check all that apply for why a specific vendor is the only source for the item or service

☐ After solicitation of a number of sources, competition is determined inadequate.

☐ The item or service is only available from a single source and there is no equivalent or comparable product or service provider available to meet the overall need.

☐ Within the local area where the need is to be met, the vendor is the only source capable of supplying the item. Using a provider outside of the local area will substantially increase the cost or not meet the need of the services requested.

☐ The required item or service is proprietary, branded, patented, trademarked, copyrighted or has other proprietary information or trade secrets retained by the owner.

☐ The required item is under warranty to the contractor and all service agreements and/or maintenance agreements are exclusive to the contractor.

☐ The item or service is an associated maintenance item or replacement item requiring compatibility to an existing county owned hardware or system, whereby the original manufacturer or supplier is the only available source for such an item. Only compatible items can be used for spares, replacements, or modifications to the current system.

☐ There is a substantial technical risk in contracting with any other vendor, (e.g. only the selected vendor has been successful to date in implementing / completing this process / project).

☐ The service provider selected is predetermined by an outside source such as a Medical Provider, the Courts, or another designated, preapproved source.

☐ There is a compelling urgency due to an emergency involving the unforeseen development of dangerous conditions which may vitally affect the safety, health, property or welfare of the public; or involving a breakdown of essential machinery or equipment requiring immediate maintenance, repair, or replacement such that the timely provision of essential county services is otherwise threatened, such that the timing does not allow for the inherent delays of the competitive vendor solicitation process. Requires county administrator signature below.

☐ The required item or service may be procured through the State of Michigan Extended Purchasing Program, MiDEAL.

☐ A grantor/funding agency or pass-through entity expressly authorizes a noncompetitive proposal in response to a written request.

Attach all relevant supporting documentation such as, a clearly written explanation for the justification(s) selected above; documentation showing that in good faith market research or a thorough review was conducted to otherwise exhaust the viability of any other sources; reference checks on vendors considered; any other written information gathered in making this determination.

Comments: ________________________________________________________________________________________________

_________________________________________________________________________________________________________

_________________________________________________________________________________________________________

Signature of Requesting Department Head __________________________________________ Date____________________

Signature of Purchasing Director ______________________________________________________ Date____________________

County Administrator Signature Required In the Event of an Emergency:

County Administrator Signature__________________________________________ Date____________________
Exhibit 5 - Emmet County Request for Formal Solicitation Form

Emmet County

Request for Formal Vendor Solicitation

<table>
<thead>
<tr>
<th>DEPARTMENT:</th>
<th>DATE REQUESTED:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTACT:</td>
<td>TITLE:</td>
</tr>
<tr>
<td>PHONE:</td>
<td>EMAIL:</td>
</tr>
<tr>
<td>BOARD MOTION #:</td>
<td>BOARD APPROVAL DATE:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESTIMATED COST:</th>
<th>BREAKDOWN: LABOR:</th>
<th>MATERIAL:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ / %</td>
<td>$ / %</td>
</tr>
</tbody>
</table>

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

PRE-BID MEETING:
- [ ] YES
- [ ] NO

MANDATORY:
- [ ] YES
- [ ] NO

SUSTAINABILITY REVIEW:
- [ ] YES
- [ ] NO

PREFERRED DATE
(Please select a Mon or Wed)
- [ ] A.M
- [ ] P.M

LOCATION:______________________________________

PRODUCT / SERVICE: ____________________________________________

BRIEF DESCRIPTION: ____________________________________________

SPECIFICATION CONSULTANT NAME: ________________________________

CONSULTANT CONTACT INFO: ______________________________________

SPECIFICATIONS: Please email as MS Word document to acarney@emmetcounty.org. 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:________________________________________

LIST ADVERTISER(S): ____________________________________________

Please direct any suggested suppliers to register as a supplier at www.bidnetdirect.com/mitn/EMMET-county

DO NOT SEND COMPLETED SOLICITATION REQUESTS TO SUPPLIERS.

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Exhibit 6 - Unlawful Government Unit Procurements

A 2005 narrative issued by The Michigan Department of Treasury, Local Audit and Finance Division (See page 8 of 9), identifies a list of examples of unlawful purchases by a governmental unit including the following:

“Contributions to churches, veterans, non-profit organizations
Payment of funeral expenses for a person injured on government property
Donations to a private ambulance or EMS service not under contract with the governmental unit
Donations, including use of property or equipment to Little League, Scouts, Big Brothers/Big Sisters.
Donations to community organizations
Expenses for private road construction or maintenance
Office refreshments, picnics
Presents to officials and employees or retirement recognition events
Flowers to the sick or departed
Mileage of officials and employees to and from their residence to the city, township or village hall, county building or meeting rooms
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
Extra compensation for special elections unless part of initial salary resolution or authorized under statutory procedures for an increase in salary.

The foregoing is not intended to be an exhaustive list of legal or illegal expenditures, but is an attempt to explain the most common questions and concerns raised on these issues…”

*This information is a summary based on a narrative published by Michigan Department of Treasury Local Audit and Finance Division 4th Floor, Treasury Building Lansing, Michigan 48922 that was Copyright © 2005 State of Michigan.
Effective January 1, 2019

Exhibit 7 - Emmet County Credit Card Policy and Cardholder Agreement

Emmet County

Credit Card Policy

A. The county administrator, or designee, and the finance director are responsible for Emmet County’s credit card issuance, accounting, monitoring, retrieval and generally oversight and ensuring compliance with this credit card policy. Elected officials and department heads shall approve issuing of a credit card to their employees.

B. An authorized Emmet County officer or employee may use a credit card only to purchase goods and/or services for official Emmet County business. Credit card purchases are limited to business transactions in the performance of county business. Credit cards shall not be used for cash advances, merchant category exclusions (e.g., liquor, tobacco products) or for personal use.

C. The officer or employee using a credit card must notify the vendor or merchant that the transaction is tax exempt for goods or services either purchased in, or purchased and shipped from out of state, and received within the State of Michigan. If the vendor requests documentation for tax and audit purposes, provide an approved letter from Emmet County.

D. An officer or employee issued a credit card shall submit to the finance director, or designee, documentation detailing the goods and/or services purchased the cost of the goods and/or services, the date of the purchase, and the official business for which the goods and/or services were purchased. When the card is used for travel and/or meals for county business, the employee must fill out a business expense report showing the purpose of the travel or out of county meal(s) along with corresponding original itemized receipts.

E. An officer or employee issued a credit card is responsible for its protection and custody and shall immediately notify the finance director, or designee, if the card is lost or stolen.

F. An officer or employee issued a credit card shall immediately return the credit card to the finance director or designee upon the termination of his/her employment.

G. A system of internal controls will monitor the use of credit cards issued by Emmet County.

H. All credit card purchases must be approved by department heads. All monthly credit card statements, must have all receipts attached and must be approved by the finance director or designee.

I. The balance including interest due on an extension of credit under the credit card arrangement shall be paid for within not more than 60 days of the initial statement date.

J. An employee issued a county credit card shall be required to sign a cardholder’s agreement. Any inappropriate use of credit cards issued by Emmet County will be subject to disciplinary action, loss of credit card use, termination and/or penalties as authorized by law.

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Page 59 of 64
K. Credit card purchases shall be made in accordance with the Emmet County Procurement Policy and Procedures Manual.

L. The county administrator is empowered to adopt and amend, as necessary, any credit card procedures appropriate to carry out this policy.

M. A copy of the credit card policy, procedures and any subsequent amendments shall be made available to the public.
Emmet County

Credit Cardholder Agreement

I, ____________________________________________, hereby acknowledge receipt of the

(Name the Type of Card) __________________________________________________________

Credit Card # XXXX – XXXX – XXXX – ______ (credit card number - last 4 digits only).

I understand that improper use of this card may result in disciplinary action as well as personal liability
for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this
agreement and the County's Credit Card Policies and Procedures and confirm that I understand all of the
terms and conditions therein.

As a holder of this credit card, I agree to accept the responsibility and accountability for the protection
and proper use of the card. I will return the card to the finance director upon demand during the period
of my employment. I understand that the card is not to be used for personal purchases and that I must
have the original receipt for every purchase. If the card is used for personal purchases or for purchases
for any other entity, or if I fail to provide an original sufficiently detailed receipt substantiating a
legitimate business expense in accordance with current procedures, Emmet County is entitled to
reimbursement from me for such purchases. Emmet County is entitled to pursue legal action if
necessary, to recover the cost of such purchases, in addition to any related collection costs and
reasonable attorney fees.

Signature ________________________________ Date ________________
(Cardholder)

Signature ________________________________ Date ________________
(Department Head)

Signature ________________________________ Date ________________
(Finance Director)

Effective January 1, 2019
Page 61 of 64
Exhibit 8 - Emmet County Vendor Creation Policy and Procedures

Emmet County

Vendor Creation Policy and Procedures

Purpose

To provide for the maintenance and control of an accurate vendor master file within the Emmet County financial system. The policy intent is to maximize efficiencies and ensure accuracy of information.

Policy Statement

Creation and maintenance of vendor files in the financial system is controlled by the finance department. The finance department is responsible for maintaining the vendor information identifying information within the financial system, and ensuring that there is only one identifying vendor file for each vendor. The department requesting either the addition of a new vendor, or a change to current vendor information within the system, is responsible for communicating with the vendor to obtain the necessary forms for the addition or change.

The county administrator is empowered to adopt and amend, as necessary, any vendor setup procedures appropriate to carry out this policy. A copy of the vendor creation policy, procedures and any subsequent amendments shall be made available to the public.

Definitions

• DBA – doing business as
• W-9 – IRS form required for taxpayer identification number and certification for US companies
• W-8BEN – IRS form required for certification of foreign vendors

Procedures

• For either a new vendor or a change to an existing vendor, the requesting department works with the vendor to obtain a completed Vendor Setup Request Form and either the W-9 form or the W-8BEN form (the IRS requires a W-9 or W-8BEN forms held on file to ensure that all vendor tax identification numbers, names and addresses in the county system match IRS records).
• The vendor returns the forms, by email to apinvoices@emmetcounty.org or by fax to 231.348.0633.
• The finance department notifies the requesting department when the vendor is accessible in the financial system.
INSTRUCTIONS:
1. Please complete all information consistent where applicable with your W-9/W-8BEN detail
2. Sign and date where indicated
3. Attach a current completed IRS Form W-9 form (U.S. vendors) or W-8BEN (foreign vendors)
4. Email or fax to the Emmet County Accounts Payable apinvoices@emmetcounty.org, or fax to 231-348-0633

Vendor Name: (same as line 1 on W-9 or W-8BEN) _____________________________________________

DBA: (same as line 2 on W-9 (is not on W-8BEN)) ____________________________________________

Vendor Address: ________________________________________________________________________ Zip Code: __________

DUNS number: ______________________ (A DUNS number is required for all federal grant funds)

How do you wish to receive Purchase Orders (please circle one): Email Mail Fax

Please provide one: SSN_______-_______-_______ or Federal ID: __________-____________________

Contact Name: ____________________________________________________________ Title: ____________________________

Contact Phone: _______________ Fax: _______________ Contact Email: ___________________________

Website: ________________________________________________________________________________

Summary of goods or services providing to Emmet County _____________________________________________

_______________________________________________________________________________________

Local Supplier/ WBE/ MBE/ DBE Status (Please select all that apply, and if available, please attach certification):

_____ Local Supplier _____ Women Owned (WBE) _____ Minority Business (MBE) _____ Disadvantaged Business (DBE)

Payment Terms:

_____ Net 30 unless otherwise negotiated

_____ Immediate (negotiated) _____ Net 10 (negotiated) _____ Net 20 (negotiated) _____ Other (negotiated) (specify) ______

Remit to Name (if different than above): ________________________________________________________________________________

Address (if different than above): ___________________________________________________________________________________ Zip Code: __________

Vendor Signature: ___________________________________________________________________ Date: ______________

County of Emmet Use Only

☐ New Vendor

☐ Change to Existing Vendor

Vendor No: ___________________________ Review Date: __________________ Reviewer’s Initials: ____________

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Exhibit 9 – Employee Certificate of Understanding and Compliance Agreement

Emmet County
Procurement Policy and Procedures Manual
Employee Certificate of Understanding and Compliance Agreement

Form Instructions:
1. If you participate in any procurement related activities in your role as an employee for Emmet County, please read the most current version of Emmet County Procurement Policy and Procedures Manual. Please contact the purchasing director if you have any questions or concerns regarding the contents of the manual and your responsibilities as an Emmet County employee relative to the terms therein.

2. Print this form, sign and deliver to the Emmet County Purchasing Director.

Contact information:
Angela Carney
Purchasing Director
Emmet County Purchasing Department
200 Division Street, G92
Petoskey, MI 49770
acarney@emmetcounty.org
231.348.0627

Certificate of Understanding and Compliance Agreement:
I certify that I have read the Emmet County Procurement Policy and Procedures Manual, the version with the last revised date as indicated below, and I certify that I understand my responsibilities with regard to the rules and guidelines contained therein. I hereby agree to comply with these rules and guidelines to the best of my understanding and abilities. Where my procurement-related actions for Emmet County may call for reasonable circumstantial exceptions to the terms within the said manual, I will obtain the requisite authorized approvals to proceed. I understand that non-compliance on my part may be grounds for disciplinary action up to and including termination, and may include civil/criminal prosecution consistent with applicable laws.

Emmet County Procurement Policy and Procedures Manual Version:

Date last revised: _____________________________

Employee Signature _____________________________ Date _____________________________

Purchasing Director _____________________________ Date _____________________________

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