



Ottawa County

PURCHASING POLICY

I. POLICY

All departments, agencies and county funded activities (“Funded Units”) are subject to this Policy. Ottawa County is committed to excellence and the delivery of cost-effective public services that properly respect value of public tax dollars. To accomplish these objectives, the County engages in purchasing activities that are fair, open and equitable and implement procedures designed to support and maintain an efficient procurement system of cross-departmental collaboration, innovation, quality and integrity for all Funded Units. This policy focuses on the acquisition of goods and services for county funded operations and is to work in conjunction with the County’s Contracting Authorization and Form Policy.

II. STATUTORY REFERENCES

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL §46.11(m); Act 156 of Public Acts of 1851, as amended. See also, §MCL 205.54(7); Act 167 of Public Acts of 1933. and the Michigan Sales and Use Tax Rule, 1979 MAC Rule 205.79

III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

The original Board Policy on this subject matter was adopted on 05/23/95.

Board of Commissioners Resolution Number and Policy Adoption Date: March 24, 2020

Board of Commissioners Review Date and Resolution Number:

Name and Date of Last Committee Review: Planning and Policy Committee, March 17, 2020

Last Review by Internal Policy Review Team: February 13, 2020



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IV. PROCEDURE

A. APPLICATION

1. This policy applies to the procurement of all goods and services for Ottawa County Funded Units, which include the County's constituent departments, agencies, and the courts and other activities that receive County appropriations.
2. All purchasing activities and procedures will comply with all federal, state and local laws, as well as any applicable funding regulations.
3. The Board of Commissioners appropriates amounts sufficient for the reasonable and necessary operations of County Funded Units for each fiscal year. Each Funded Unit is responsible to manage and maintain a budget for goods, services or construction purchased by or on their behalf.
4. The County Administrator ("Administrator") oversees and authorizes the Fiscal Services Director and Purchasing Manager to direct all County functions related to the purchase of goods, services and construction.
5. This Policy shall be administered by the Purchasing Division of the Fiscal Services Department.

B. VALUES

1. **Best Business Practice:** The County conducts procurement transactions based on best practice standards of the National Institute of Government Procurement and the American Bar Association Model Procurement Code for State and Local Governments with an emphasis on departmental expertise and a commitment to quality.
2. **Effective, Standardized Processes:** The County maintains standardized procurement processes to support efficient organizational operations, enhance economies of scale, and promote cross-departmental collaboration.
3. **Employee Training:** The County supports employee training and education appropriate to the level of delegated procurement authority and responsibility. Training materials and Standard Operating Procedures ("SOPs") will be maintained by the Purchasing Division.



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4. **Fair, Open and Equitable Competition:** The County conducts procurement transactions by fair and open competition to reduce the opportunity for favoritism and to inspire public confidence that purchases are equitable and economical. The Purchasing Manager, in collaboration with Funded Units, will oversee the fair and equitable treatment of existing and potential vendors in their relationships with the County.
5. **Advisory Group:** The County will maintain a Purchasing Advisory Group consisting of representatives from Fiscal Services and various Funded Units. The Advisory Group will collaborate with the Fiscal Services Department on County purchasing matters.
6. **Contracting:** Corporation Counsel oversees the contracting authorization and form process and will direct the Purchasing Manager regarding contracts resulting from County purchasing activities. Funded Units are responsible for the administration of contracts resulting from purchasing activities to ensure that a contractor is performing in accordance with the specifications, terms and conditions under which the contract was awarded.
7. **Nondiscrimination:** Every contract or purchase order issued by the County is entered into under provisions requiring the contractor, subcontractor or vendor not to discriminate against any employee or applicant for employment because of his/her race, religion, sex, color, national origin, height, weight, handicap or marital status.
8. **Ethics and Accountability:** Offering or receiving any gratuities, personal benefit, or kickback in connection with any purchasing or contracting decision violates ethical standards and the value of fair competition and is therefore strictly prohibited.
9. **Failure to Follow Policy:** The County is not responsible for the costs of goods and services ordered or purchased by any County official or employee that are not obtained in accordance with this policy. Contracts negotiated outside of this policy will be considered invalid and non-binding.
10. **Conflict of Interest:** County employees will always use sound judgement in avoiding actions or commitments that might create a conflict of interest in connection with any procurement transactions.
11. **Funded Unit Protests:** The Administrator will decide on the merits of any County department protest against any procurement decision made by the Fiscal Services Director and Purchasing Manager and that determination shall be final and conclusive. For other Funded Units, the Administrator, Corporation Counsel and Purchasing



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Manager shall meet with the chief administrative officer of the Funded Unit to resolve any purchasing and/or contractual authorization and form issues.

C. STANDARDS FOR PROCUREMENT

1. **Spend Thresholds:** The County will maintain procurement procedures that are determined by the dollar amount of the procurement, as follows:
 - a. **Purchases Less than \$2,500, or “Micro Purchase”:** These purchases do not justify the administrative time and expense necessary for a competitive solicitation process and do not require documentation of quotes. Purchase requirements will not be artificially divided in order to constitute a micro purchase.
 - b. **Purchases Between \$2,500 and \$35,000, or “Informal Solicitation”:** These purchases require a competitive price quotation or proposal for goods, services or construction in which a well-defined scope is conveyed by phone, email, or online bid system and do not require a formal sealed bid or proposal, public opening or other formalities. Purchase requirements will not be artificially divided to avoid a formal solicitation.
 - c. **Purchases greater than \$35,000, or “Formal Solicitation”:** These purchases require a competitive bid or proposal for goods, services or construction in which a well-defined scope is conveyed by public notice. Proposal submissions must be made in conformance with a prescribed format.
2. **Requisitions:** The County will maintain a procurement system utilizing requisitions for purchase authorization for all purchases except for micro purchases made by purchasing card or other immediate form of compensation.
3. **Purchase Orders:** The County will issue a purchase order (“PO”) in a form approved by Corporation Counsel to a vendor prior to the order of all goods, services or construction excluding micro purchases made by purchasing card or other immediate form of compensation. Any alteration in specifications, delivery, price, quantity, or other terms will be added to the original purchase order as a change order. A change order cannot materially alter the original scope of the procurement.
4. **Market Analysis:** While performing market analysis and research for the development of a future solicitation, the County may obtain feedback from potential vendors by public notice, as follows:



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- a. **Request for Qualifications (“RFQ”)**: The pre-screening of potential vendors in which such factors as pricing, capability, reputation and management are considered to develop a list of qualified vendors for a solicitation.
 - b. **Request for Information (“RFI”)**: A written request to obtain input from interested parties for an upcoming solicitation, including best practices, industry standards, technology issues, product specifications or other relevant information.
5. **Scope of Work / Specifications**: Specifications for all County purchases will be written to promote overall economy for the purposes intended, to encourage competition in satisfying the County’s needs and to provide a fair opportunity to all qualified vendors. This applies to any specifications prepared by County staff or prepared by others on the County’s behalf.
 6. **Purchasing Card (P-Card)**: The County will administer a purchasing card program allowing individuals who are issued a p-card to make electronic payments for discretionary micro purchases on behalf of the County. The Purchasing Manager will supervise all processes related to the p-card program.
 7. **Centralized Invoice Payment**: Invoices will be processed centrally through the Accounts Payable Division of the Fiscal Services Department upon approval by the constituent agency, department or court and in compliance with the County’s Authorization of Funds and Timing of Disbursement Policy.
 8. **Vendor Insurance**: All purchase orders or contracts issued by the County will specify vendor insurance requirements.
 9. **Contract Clauses**: All County contracts will include provisions necessary to define the responsibilities and rights of the parties to the contracts.
 10. **Emergency Procurements**: Whenever there exists an apparent threat to the public health, welfare or safety of the County, its facilities, or its residents, the Purchasing Manager may make or authorize others to make emergency procurements of supplies, services, or construction items, as directed by the County Administrator and Fiscal Services Director. In the event of an emergency activation under the Ottawa County Emergency Services Resolution, under statute P.A. 390 of 1976, Emergency purchases shall be documented in writing and are to be made with such competition as is practicable under the circumstances.



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11. **Leasing:** When there has been a determination by the Purchasing Division that leasing may be a viable financing option, or it is proposed by a requesting department or agency, a cost/benefit analysis will be conducted to determine the appropriate contracting method.
12. **Bid Security:** Bid security will be required for all competitive sealed bids/proposals for construction contracts when the cost is estimated to equal or exceed five hundred thousand dollars (\$500,000). Bid security shall be in an amount equal to at least 5% of the bid amount.
13. **Performance Bonds:** When a construction contract for fifty thousand dollars (\$50,000) or more is awarded, the proposed contractor shall furnish, at his or her own expense, a performance bond, or the equivalent in cash, in an amount equal to 100% of the contract price and a payment bond in an amount equal to not less than 25% of the contract price.
14. **Surplus Auctions and Equipment Disposition:** The Purchasing Division in coordination with Corporation Counsel will assist departments, agencies and courts with equipment disposition and the organization of surplus auctions for the purpose of providing an efficient process for the County to dispose of obsolete equipment and furnishings.

D. PROCUREMENT METHODS (SOURCING)

The Purchasing Manager, in collaboration with the Funded Units, is responsible to determine the appropriate procurement method to be used, including the following:

1. **Purchasing Card or “P-Card”:** A single purchase below the micro-purchase threshold performed at the discretion of the constituent agency, department or court to ensure best value. Individuals issued a p-card are authorized to make discretionary micro purchases on behalf of the County.
2. **Request for Quote or “RFQ”:** An informal solicitation in which a well-defined scope is conveyed by phone, email, or online system and does not require a formal sealed bid, public opening or other formalities. The RFQ solicits pricing information from several sources with award to the lowest price meeting specifications.
3. **Request for Proposal or “RFP (Informal)”:** An informal request made to potential vendors by phone, email or online system requiring a written proposal in response. Price is not the only evaluation factor. The RFP allows for the negotiation of proposed terms throughout the evaluation process prior to contract award.



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4. **Request for Proposal or “RFP (Formal)”**: A formal solicitation document distributed by public notice requiring a written proposal in conformance with a prescribed format in response. Price is not the only evaluation factor. The RFP allows for the negotiation of proposed terms throughout the evaluation process prior to contract award.
5. **Invitation to Bid or “ITB”**: The formal solicitation of a competitive, sealed bid which must be submitted in conformance with a prescribed format to be opened in public at a specific date/time. The award is made to the lowest price quoted meeting specifications as set forth.
6. **Cooperative Purchase**: The action taken when two or more departments, agencies, courts or other governmental entities combine their requirements to obtain advantages of volume purchases. Cooperative purchases may result in contracts that others may “piggyback.”
7. **Sole Source**: A situation in which only one vendor or supplier possesses a patent for the unique ability or capability to meet specific requirements of a solicitation thereby creating an inability to obtain competition.
8. **Single Source**: A procurement decision whereby a purchase is directed to one source because of standardization, warranty, compatibility or other factors, even though other competitive sources may be available. Guest speakers, honoraria, subscriptions, dues, memberships and other similar items will be treated as single source.
9. **Other Purchase**: Under very limited circumstances the Purchasing Manager may initiate a procurement when it is determined that an unusual or unique situation exists that makes the application of all other procurement methods contrary to the public interest.