

2.0 Operating Policies

2.1 Policies / Objectives

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

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

This policy applies to contracts for the procurement of supplies, services and construction entered into by the County of Alpena after the effective date of this policy. This includes all forms of procurement activities including written, telephone and online procurements. When the procurement involves the expenditure of federal or state assistance or contracted funds, the procurement shall be conducted in accordance with any mandatory applicable federal or state laws and regulations. Nothing in this policy shall prevent any department or agency from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with law.

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

2.2 Purchasing Authority

1. Solicitations for budgeted expenditures for materials, supplies and/or services that cost \$3,499.99 and less are authorized by departmental authority.
2. Solicitations for budgeted expenditures for materials, supplies and/or services that cost \$3,500.00 to \$14,999.99 are authorized by the departmental authority and will require two (2) written quotations. Quotations are completed at the department level. Upon receipt of the quotations, a purchase requisition will be entered for the department's internal required approvals, which may include the County Administrator, elected official or court administrator approval. All supporting documentation, including the written quotes, must be attached to the purchase request.

3. Solicitations for budgeted expenditures for materials, supplies and/or services that cost \$14,999.99 to \$49,999 are authorized by the departmental authority and will require two (2) written quotations. Quotations are completed at the department level. Upon receipt of the quotations, all supporting documentation, including the written quotes, must be attached to the purchase request submitted with a recommendation to the appropriate County Board or Commission for approval.

4. All Solicitations and/or Contracts for services of \$50,000 or more required a competitive formal solicitation received in a sealed bid to be opened in a posted meeting to be held in the Commissioners' Conference Room with the Finance Chairman present. Department Head recommendation will be given to the Finance Committee with a recommendation to the full Board of Commissioners. This does not apply to intergovernmental contracts, contracts for professional services, or for emergency repairs. Alpena County will attempt to solicit bids whenever possible for professional services.
 - a. The County of Alpena may grant an award to a qualified local bidder/vendor as defined below, if the said local bid/quotation is within 5% of the lowest bid/quotation meeting specifications submitted. The award may then be granted to the lowest local bidder for an amount equal to the lowest bid submitted by a local bidder meeting specifications.
 - b. The County of Alpena may grant an award to a qualified regional bidder/vendor as defined below, if the said regional bid/quotation is within 3% of the lowest bid/quotation meeting specifications submitted. The award may then be granted to the lowest regional bidder for an amount equal to the lowest bid submitted by a regional bidder meeting specifications.

5. It is the responsibility of the department head, elected official or court administrator to set internal approvals.

Exceptions: This does not apply to emergency repairs. The Maintenance Superintendent shall obtain two phone quotes and get approval from the County Administrator prior to proceeding with the emergency repair.

Alpena County reserves the right to accept or reject any or all bids/quotes and to award bids in the best interest of Alpena County.

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

Amount of Procurement	Line Item Budgeted	Initial Authorization	Type of Solicitation	Award Authorization
Petty Cash (\$100 and less)	Yes	Department Head	N/A	Department Head
\$3,499.99 and less	Yes	Department Head	N/A, Unless Required by Grant	Department Head

\$3,500 - \$14,999.99	Yes	Department Head	Department Collected Quotes	County Administrator/ Elected Official/Court Administrator
\$15,000 - \$49,999	Yes	Department Head	Department Collected Quotes	Ways & Means Committee/ Appropriate Board
\$50,000 and more	Yes	Appropriate Board	Formal Solicitations	Ways & Means Committee/ Appropriate Board

6. Emergency Procurement Policy.

Definition of an Emergency: for the purposes of the County of Alpena, an Emergency is defined as: an unforeseen situation involving:

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

7. Emergency Procurement Procedure.

The County Administrator may waive established solicitation procedures for procurements of **\$25,000** and less in accordance with the County of Alpena emergency definition provided in section 6.

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

8. Sole Source & Non-Competitive Negotiation Procurement Policy.

Sole source procurements are defined as those in which only one vendor possesses the unique and singularly available capability to meet the requirements set. Examples include technical qualifications, ability to deliver at a particular time, services from a public utility or in a situation where a particular supplier or person is identified as the only qualified source available. Documentation may be needed from the using department/agency.

9. Sole Source & Non-Competitive Negotiation Procurement Limitations.

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

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

A contract may be awarded without competition and approved by the County Administrator/elected official or court administrator when the following conditions exist:

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

2.2 Procedure for Quotes and Bids

1. Quotes.

Department Heads will be responsible for obtaining quotes from two businesses/individuals that have comparable products/service. The Department Head will review the quotes and provide a recommendation with all pertinent information attached for the appropriate person/board to review.

2. Sealed Bids.

Department Heads will be responsible for preparing a bid package and advertising for the item/service to be purchased. Sealed bids will be opened in a posted meeting to be held in the Commissioners' Conference Room with the Finance Chairman or designee present. The original bids will immediately be given to the County Clerk. Department Head will retain a copy of the bids. Bids that are opened prior to this meeting will not be considered. The Department Head will review the bids and provide a recommendation with all pertinent information attached for the appropriate County Board or Committee to review and make an award.

3. Local Bidders Preference.

To be considered for local bidder preference, a local bidder/vendor shall have met the following qualifications for at least one year prior to the date bid proposals are due:

- a. Shall have a legal and permanent business address with the County of Alpena.
- b. Shall be a current personal property and real property taxpayer in the County of Alpena.
- c. Shall be in compliance with all local codes and ordinances.
- d. Shall not be indebted or in default to the County of Alpena or any other governmental entity.

- e. Shall provide all appropriate proofs of insurance relevant to the aforementioned bid.
- f. All pending litigation has been disclosed.

4. Regional Bidders Preference.

To be considered for regional bidder preference, a regional bidder/vendor shall have met the following qualifications for at least one year prior to the date bid proposals are due:

- a. Shall have a legal and permanent business address with the County of Alpena.
- b. Shall be a current personal property and real property taxpayer in the County of Alpena.
- c. Shall have a legal and permanent business address within 50 miles of the County of Alpena.
- d. Shall be in compliance with all local codes and ordinances.
- e. Shall not be indebted or in default to the County of Alpena or any other governmental agencies in Alpena County.
- f. Shall provide all appropriate proofs of insurance relevant to the aforementioned bid.
- g. All pending litigation has been disclosed.

5. Bid Waiver Policy.

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

Certain procurements may be acquired through a bid waiver from the appropriate County Board or the County Administrator. This bid waiver must be obtained in a written form.

6. Bid Waiver Limitations.

The appropriate County Board (i.e. Board of Commissioners, Parks & Recreation, Youth and Recreation, etc.) may authorize a bid waiver for procurements of \$25,000 or more.

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

- a. An emergency exists which would result in a direct loss to the County or imminent damage to public safety or health by requiring competitive bids due to the time loss inherent in the bidding procedures. See section 7. for Emergency Procurements.
- b. There is only a single source for a procurement. See section 9. for Sole-Source/Non-Competitive Negotiation Procurements.
- c. Used items are available that would result in a substantial savings over procurement of new items.
- d. It is something that may be procured through the State of Michigan Extended Purchasing Program.

2.3 *Contract/Lease/Agreements/Grants*

All contracts/leases/agreements/grants must be approved by the Board of Commissioners/Appropriate County Board. For procurement purposes, a contract is a formal written agreement between the Board and a selected vendor, consultant or contractor for a particular purpose. All contracts committing the County, such as those with consultants, contractors, attorneys, physicians, first time lease, etc., must be reviewed by Counsel and approved by the appropriate County Board.

A Grant Review process to review all grant paperwork to ensure completeness and accuracy of the information is set forth below.

CONTRACT PROCEDURE:

1. All contracts/leases/agreements/grants must first be submitted to the Commissioners' Office to be placed on the agenda of the appropriate committee/Board.
2. The Committee will then review and recommend to the full board approval of the contract/lease/agreement/grant.
3. Legal Council must review language in contract/lease/agreement/grant.
4. All signed originals with proper paperwork including insurance if required must be on file in the Commissioners' Office.
5. If the contract/lease/agreement/grant commits dollars from future budgets, (including ongoing maintenance, and/or yearly fees) that information shall be given to the Clerk, Treasurer, and Commissioners' Office. This information will be retained for budget preparation purposes.
6. A Board Action with a completed signed contract –if applicable- must be attached and before any funds are disbursed.

Department Heads are responsible for the entire grant process which includes procedures set forth below.

GRANT REVIEW PROCESS

1. The Department Head will follow the procedures listed below before submitting to the Finance Committee or appropriate county board:
 - a. If the grant application is for a new grant, the Department Head will schedule a meeting with the County Administrator/elected official or court administrator to review it.
 - b. If the grant is a renewal of a former grant, the Department Head will make contact with the County Administrator/elected official or court administrator and obtain signatures before it is to be submitted to the appropriate Committee/Board.
2. The Department Head will then submit a completed grant application and grant review approval form to the Commissioners' Office.

3. Information will be submitted to the Ways & Means Committee/other appropriate count board for their approval.
4. If a grant is approved/awarded; the Department Head will have the following responsibilities:
 - a. Ensure with the County Clerk that all payroll and benefit information is complete and accurate.
 - b. Meet/review with County Treasurer to make sure all financial information is correct for the budget year in which the expected revenue and expenditures will occur and all GL line items are properly established, as needed.
 - c. Meet with County Administrator to make sure all grant compliance process are in place.
 - d. Legal Council will review if determined necessary by the County Administrator or Finance Chair.

GRANT ADMINISTRATION PROCESS:

1. Department Heads will be responsible to provide completed originals of the grant document for signatures by the County Administrator/Chair of the Board and the County Clerk, as required by the grant. Both offices are to receive signed copies. Department Heads will then be responsible for the mailing of the grant document and all associated paperwork (i.e. insurance requirements, budget line items, etc.)
2. Before any funds are disbursed, refer to contract/lease/agreement/grant policy for checkoff sheet.
3. Department Heads will be responsible for overseeing the grant project and submitting paperwork as required by the grant. Each Department Head will be required to keep copies of pertinent information which will be needed to complete the grant process.
4. When the grant process is completed, a complete file must be given to the County Clerk along with a retention schedule if available.
5. Any change in the amount of the grant and or conditions of the grant award shall be reported to the County Administrator to determine if additional Board approval will be required.
6. Failure to comply with the policy will impact grant matches and approvals by the County Board for any future grants.

*****See Appendix for Contract / Leases / Agreements / Grants Form***

Alpena County Conflict of Interest & Evaluation Team Member Guidelines / Agreement

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

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

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

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

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

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

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

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

Signature:

Date:

Printed Name:

Project Title:

Single/ Sole Source Justification

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

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

Vendor Name: _____ Requisition #: _____

Complete the Following Checklist

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

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

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

Comments:

Signature _____ Date _____

Emergency Purchase:

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

For Emergency Purchases:

Administrator Signature _____ Date _____

