

# **ANTRIM COUNTY PURCHASING AND BID POLICY**

## **PURPOSE**

The purpose of these Purchasing Policies and Procedures is to establish levels of authorization to purchase goods and services within the budget approved by the Board of Commissioners. The Purchasing Policies and Procedures seek to assure that all purchases of the County are conducted in a systematic and proper manner, to establish a process that engenders confidence from the Taxpayers of the County that products and services are purchased at competitive prices, and to establish a clear process for those that are managing the many budgets of the County, which will ultimately result in the efficient operation of County departments and offices.

## **SCOPE**

The Purchasing Policies and Procedures are to be followed by all departments, offices and agencies under the direct budgetary control of the Board of Commissioners. This shall include all County appointed departments, elected offices, Antrim County Probate Court pursuant to Administrative Order #98-5, and Boards and Commissions which receive appropriations from the County Board of Commissioners. This policy does not affect the Antrim County Road Commission, and the Meadow Brook Medical Care Facility.

When the procurement involves the expenditure of Federal or State assistance or contract 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 public agency from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with law. In addition to Federal, State laws and regulation, the Housing Program purchases must also comply with the *Antrim County Housing Department Policies and Procedures*, adopted November 8, 2012.

There will be various purchases that are affected by other policies. Each Budget Administrator should review and familiarize themselves with the list of policies that appear on page 11 of this document.

The bidding portion of this Policy shall not apply to:

1. Maintenance agreement billings, utility billings, contracted services, insurance payments, dues and membership in trade or professional organizations, conferences/trainings and related travel and lodging expenses (see the *Travel Policy*), subscriptions for periodicals, real property, books, maps, pamphlets, works of art for public display, advertising, medical, dental, psychological, pharmaceutical, registered nurses, and other medically related professional services; real estate brokering and appraising; abstracts of titles for real property; title insurance for real property and other like services. *The appropriate account number and signature of a*

*Budget Administrator or their designee is required for exempted purchases, and shall appear across the invoice.*

2. Procurement contracts between the County and non-profit organizations, other governmental agencies or other public entities.
3. Procurement under State purchasing programs such as MIDEAL, Federal, regional or other approved cooperative purchasing programs. A copy of such agreements must be on file with the Finance Director/Purchasing Agent.
4. The reauthorization of contracts, which have been previously approved by the Antrim County Board of Commissioners.
5. Purchase of buses for Antrim County Transportation (ACT) through Federal and State grant funding.
6. Purchase of services for veterans.
7. Purchase of improvements at the Antrim County Airport and ACT funded through State and Federal grants.
8. Intergovernmental contracts.
9. Aircraft fuel purchases.
10. Meals on Wheels trucks.
11. Purchase of used vehicles.
12. Routine, monthly janitorial supplies.

## **1 DEFINITIONS**

- 1.1 Budget Administrator:** An elected official, department head or other appointed official formally recognized by the Board of Commissioners as a manager of one or more budgetary departments or cost centers.
- 1.2 Capital Assets:** Term used by GASB to include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. A capital asset is an asset whose cost exceeds \$5,000 and useful life is greater than two years. Included in the cost of a capital asset are items such as labor and freight and any other costs associated in bringing the asset into full operation.
- 1.3 Capital Lease:** A lease considered to have the economic characteristics of asset ownership. A capital lease would be considered a purchased asset for accounting purposes. A lease falls into this category if any of the following requirements are met:
  1. The life of the lease is 75% or greater of the asset's useful life.
  2. The lease contains a purchase agreement for less than market value.
  3. The lessee gains ownership at the end of the lease period.
  4. The present value of lease payments is greater than 90% of the asset's market value.

- 1.4 Capital Outlay:** See Capital Assets
- 1.5 Competitive Sealed Bids:** Prices received from vendors on items or services over \$10,000. Competitive bids are received as sealed bids only and are opened at advertised public bid openings. A Sealed Bid is a response from a vendor to a formal request from a department to purchase services, or capital outlay/fixed asset based on the specifications prepared by a Budget Administrator and approved by the County Administrator.
- 1.6 Encumbrance:** The estimated amount of purchase orders, contracts, or salary commitments chargeable to an appropriation.
- 1.7 Expendable/Recurrent Supplies:** Routine supplies needed to carry on the County's daily business, including but not limited to; food products for the jail or Commission on Aging, medical supplies, tax forms, janitorial supplies, and animal control supplies. Expendable/recurrent supplies are generally acquired using preferred vendors.
- 1.8 Equipment:** Tangible items with a value of \$5,000 or less.
- 1.9 Final Approver:** Person(s) designated with the authority to award a contract or purchase to a vendor and request a purchase order from the County Finance Director.
- 1.10 Formal Bidding:** Formal bidding procedure should be used for purchases over \$5,000 to \$10,000. It includes solicitation of written bids through the mail, e-mail, and facsimile.
- 1.11 Informal Bidding:** Purchases of over \$500 to \$5,000 are subject to informal bidding. Informal bids (quotes) includes solicitation of written bids and may be solicited by telephone, personal contact, or in writing.
- 1.12 Operating Lease:** A rental-type lease in which the risks and benefits of ownership are substantively retained by the lessor and that does not meet the criteria in applicable accounting and reporting standards of a capital lease. Since the lessee does not assume the risk of ownership, the lease expense is treated as an operating expense.
- 1.13 Professional Services:** Professional Services are provided by an outside vendor who has the expertise in a specific discipline by virtue of their education, experience, or both. Such expertise typically requires licensing or certification by a State or Professional organization. Such services would include: Architects, Engineers, Surveyors, Accounting/Auditors, Planning Consultants, Financial Advisors, and Attorneys.
- 1.14 Professional Service Contract:** A Contract for unique, technical, and/or infrequent functions performed by an independent contractor qualified by education,

experience, and/or technical ability to provide services. In most cases, these services are of a specific project nature, and are not a continuing, ongoing responsibility of the institution.

- 1.15 Proposal:** A Proposal is a response from a vendor to a request for proposals (RFP) in lieu of a requirement for a written quote or sealed bid. A proposal is used when it is difficult, too costly, or impractical to develop a detailed set of specifications. A proposal also allows the vendor to propose solutions to problems rather than be confined by the limits of the specifications.
- 1.16 Public Bid Opening:** A place, date and time established to open competitive bids received on items and/or services being procured. Adequate public notice of the invitation for bids shall be given not less than 7 calendar days prior to the date set forth therein for the opening of bids. Such notice will be displayed on the Antrim County website and may include publication in a newspaper of general circulation within the County for a reasonable time prior to the bid opening.
- 1.17 Purchase Order:** The Purchase Order serves as the authorization to purchase and approval of payment for a expendable/recurrent supply, service contract (utilities not included), or capital outlay/fixed asset. A purchase order over \$500 can only be signed by the Finance Director/Purchasing Agent or, if unavailable, the County Administrator. For technology related purchases, the IT Director may sign purchase orders (see Software and Hardware Purchasing Policy). Purchase orders between \$250-\$500 be approved by Department Head, or if unavailable, Finance Director, or Administrator.
- 1.18 Purchasing Agent:** Designated employee who assists in selection and purchase of goods and services by gathering and screening information about products, prices, and suppliers. The Purchasing Agent decides the methods to use to recognize expenditures for governmental funds when inventory is acquired.
- 1.19 Quote:** A quote is a response from a vendor that is received by telephone or personal communication. Also see written quote.
- 1.20 Request for Proposal (RFP):** A document issued by the County Administrator, which contains specifications and County bidding procedures for procurement of items and/or services. An RFP is sent out to vendors as a mechanism to solicit for competitive proposals in which cost is only one of the deciding factors when choosing the appropriate vendor.
- 1.21 Request for Quotation (RFQ):** A document (less formal than an RFP) issued by a Budget Administrator, which contains specifications for the procurement of items and/or services. An RFQ is sent out to vendors as a mechanism to solicit for competitive quotes.

- 1.22 Routine Purchase:** Items valued from \$0 and up to \$500 are considered routine purchases. Bidding and quote procedures are not required. Generally, a purchase order is not required unless the item is part of a larger capital purchase. A purchase order is required for purchases over \$250.
- 1.23 Service Contract:** An agreement whereby a contractor supplies time, effort and/or expertise instead of a good (tangible product).
- 1.24 Written Quote:** A Written Quote is a written response from a vendor to either a verbal or written specification prepared by the department requesting the written quote. Also see quote.

## **2 GENERAL REQUIREMENTS**

The Antrim County Board of Commissioners or authorized agent reserve the right to accept or reject any or all bids, quotes, or proposals, or parts of bids, quotes or proposals with or without cause. The County reserves the right to waive or not waive informalities or irregularities in bids or bidding procedures, to rebid the project/purchase, and to accept any bid determined by the County to be in the best interest of the County, regardless of price. If no acceptable bids or proposals are received, the County may buy in the open market, if appropriate, until a satisfactory bid is received. Bids, Quotes, and Proposals will be evaluated based on the following criteria:

- 2.1** Comparison of unit price and total price.
- 2.2** Delivery date promised and adherence to delivery schedule.
- 2.3** Reputation regarding quality of product or service.
- 2.4** Evaluation of whether minimum requirements have been met.
- 2.5** Past performance of a vendor.
- 2.6** Availability, dependability and experience.
- 2.7** Compatibility with existing equipment or software.
- 2.8** Proposals may include the vendor's/contractor's recommended application of a solution to the stated problem or issue.

## **3 PROCEDURES**

All purchases by contract, or otherwise, as herein authorized, must be included in the departmental budget approved by the Board of Commissioners. Separating the work of vendors into smaller invoices to avoid a more stringent bidding/quote process is a violation of the dollar threshold rules.

It shall be unethical for any County employee or elected official to participate directly or indirectly in a procurement contract when (the County employee/elected official knows that) the County employee/elected official or any member of the County employee's/elected official's immediate family has a financial interest pertaining to the procurement contract.

**3.1 Routine Purchase:** Items valued under \$500 are considered routine purchases. There are not any bidding requirements for the purchases, but the use of purchase order is required for purchases over \$250. The requesting budget administrator is responsible for reasonable scrutiny of these purchases, and is the primary approver of these purchases if purchase order is used.

**3.2 Informal Bidding:** Purchases of over \$500 to \$5,000 are subject to informal bidding. A Budget Administrator shall solicit informal bids (written quotes) as outlined below:

1. Bid Information: To insure fairness, each vendor solicited shall be given the same information in writing. This information should include:
  - a. Description of items to be purchased
  - b. Special terms and/or specifications
  - c. Desired delivery date
2. Record of Bids: All bids solicitations and responses shall be in writing and are to be submitted to the Finance Director as Purchasing Agent. Each record should contain:
  - a. Bid Information
  - b. Record of all bids (at least three or the reason why it wasn't feasible)
  - c. Budget Administrator's explanation if lowest priced vendor not selected

**3.3 Formal Bidding:** Purchases of over \$5,000 to \$10,000 are subject to the formal bidding procedure and require a written quote from the bidder. However, if determined to be beneficial in a given circumstance, the County Administrator has the discretion to use the sealed bid process. The Budget Administrator must approve the quote, with the County Administrator or designee acting as the final approver. It includes solicitation of written quotations/bids through direct contact, public advertisement or any combination of the same.

1. Solicitation/advertisement must include the following:
  - a. Identification of item(s) to be bid upon
  - b. Product specifications
  - c. Method for which quotes are to be submitted
  - d. Date and time of quote deadline for submission
  - e. Contact for further information
  - f. Statement of County's rights to accept or reject bids/quotes
2. Record of Bids: All bids, solicitations, and responses shall be in writing and are to be submitted to the Finance Director/Purchasing Agent. Each record should contain:
  - a. Bid Information

- b. Record of all bids (at least three or the reason why it wasn't feasible)
- c. Budget Administrator's explanation if lowest priced vendor not selected

**3.4 Competitive Sealed Bid:** A competitive sealed bidding process is required for purchases with an anticipated obligation of over \$10,000. A minimum of three (3) bids must be sought.

The requirement for competitive sealed bids shall not apply to:

1. If the County Administrator, along with the Board Chair or Vice Chair in the absence of the Chair, determines that the use of competitive sealed bidding is either not practicable or not advantageous to Antrim County, a contract may be entered into either by competitive sealed proposals or through sole source negotiations.
2. A contract may be awarded for goods or services without competitive bids when the Budget Administrator, with concurrence by the County Administrator, determines in writing that there is only one source for the required item. The Budget Administrator shall take all reasonable steps to insure that the specifications for an item to be procured are developed to permit competition among businesses whenever practicable.
3. In the procurement of architectural, engineering, landscape architectural, or land surveying services.
4. In the procurement of services of an independent certified public Finance Director selected to audit the County's operation.
5. In the procurement of consultant, advisory, or study activities by professionals other than those identified above.
6. Purchase of computers and computer related equipment are subject to the informal bidding process and the *Software and Hardware Purchasing Policy*.
7. Emergency repairs.

The inability to obtain no more than one (1) bid, upon due diligence, shall not prevent the County from awarding the bid. A copy of all draft bid document materials must be provided to the Administration Department. The Budget Administrator shall work with the County Administration Office to finalize the bid documents prior to the bid release date.

1. If a bid document must be prepared (over \$10,000), it shall include:
  - a. Bid Reference Number as assigned by the Administration Department
  - b. Bid advertisement
  - c. Bid preparation instructions

- d. Contract compliance terms
  - e. General conditions
  - f. Special conditions
  - g. General specifications
  - h. Detailed specifications
  - i. State or Federal guidelines (if necessary)
  - j. Statement of County's rights to accept or reject bids
  - k. Bid deadline for submission
  - l. Location, date and time for public bid opening
2. All bids shall be opened at the time, date and place specified, and the opening and inspection of all bids shall be made by the County Administrator. A complete summary of the bids, including the bidding firm's name, cost, qualifying data, and any other relevant information, shall be kept on file. Final approval, acceptance and selection of bids that are low bid and meet specifications shall be recommended by the County Administrator to the Board of Commissioners
  3. A Budget Administrator may request the Board of Commissioners to waive the Sealed Bid Process. Such request must be in writing, submitted to the County Administrator, stating the reasons that it is to the advantage of the County to waive the Sealed Bid Process or that it is impractical to have a competitive bid process. The request will be submitted to the Board of Commissioners.

**3.5 Expendable/Recurrent Supplies:** For each expendable/recurrent category of purchases, the Budget Administrator will compile and maintain a list of preferred suppliers. Such lists will be provided to the County Administrator and the County Finance Director. The lists will be reviewed and updated periodically. Typically one to three vendors will be listed to provide comparison pricing and selection options. However, all budget administrators should continually seek competitive pricing. Questions regarding whether or not an item is an expendable/recurrent supply will be decided by the County Finance Director. If further questions arise, County Finance Director will seek clarification from the County Administrator or his/her designate.

**3.6 Emergency Purchases:** For emergency purchases up to \$10,000; Budget Administrators, with concurrence of the County Administrator may declare the existence of an emergency procurement condition provided there is adequate funding in the departmental budget.

For emergency purchases of over \$10,000, or a lower amount for which there is not adequate funding in the departmental budget, a Budget Administrator with concurrence of the County Administrator, and the Chair or Vice Chair of the Board of Commissioners may declare the existence of an emergency procurement condition.



For emergency purchases for which there are not adequate funds, a Budget Administrator with concurrence of the County Administrator, and the Chair or Vice Chair of the Board of Commissioners may declare the existence of an emergency procurement condition. In the case of insufficient funds in the departmental budget, the budget amendment must be approved by the Board of Commissioners retroactively.

In any of the above cases, the provisions of this Policy shall be suspended and an emergency procurement will be considered authorized; provided that such emergency procurement shall be made with such competition as is practicable under the circumstance. When an emergency procurement is authorized, the factual basis for the emergency and the selection of the particular contractor shall be documented in a file maintained by the Finance Director/Purchasing Agent.

- 3.7 Emergency Spending Due to a Disaster or Emergency:** The County Emergency Services Coordinator, and/or the Dam Operator – if dam related, is authorized to commit the expenditure of funds in the event of a natural or man-made disaster or emergency that she/he determines is an immediate threat to the health and safety of Antrim County persons and/or property. The Emergency Services Coordinator or Dam Operator will contact the County Administrator and Board Chair, or Vice Chair in the absence of the Chair, as soon as possible after the disaster or emergency to advise them of the committed expenditure and the details of the incident. In the case of insufficient funds in the Disaster Contingency Fund #258, a budget amendment must be approved by the Board of Commissioners retroactively.
- 3.8 Capital Leases:** The process for bidding capital leases shall be similar to other purchases. Depending on the item to be leased the County Administrator will work with the Budget Administrator to use either the bid/quote process or the RFP process.
- 3.9 Purchase of Used Vehicles and Related Equipment:** For the purchase of used vehicles and related equipment; Budget Administrators, with concurrence of the County Administrator and the Chair or Vice Chair of the Board of Commissioners can purchase a used vehicle with a positive recommendation by the Antrim County Transportation mechanic.
- 3.10 Bid Specification Changes:** All changes in bid specifications shall be reported to all known potential bidders. Such notification shall provide appropriate time for all such potential bidders to have adequate time to make adjustments to their bids.
- 3.11 Demo Models:** Bidding requirements shall be waived if the County is able to secure favorable prices on purchases by purchasing a demonstration model.
- 3.12 Rebidding:** Should it become necessary to rebid a project/purchase, the County Administrator may waive the newspaper posting requirement for competitive sealed bids, with notification being given to the Board of Commissioners.

**3.13 Purchases on Behalf of Other Agencies:** For purchases made by Antrim County while acting as a grant fiduciary on behalf of other agencies, Antrim County will allow preferred vendors at the written request of an authorized representative from the requesting agency.

**3.14 Nepotism:** The Budget Administrator may not hire a person related to him/her to do contractual work until approved by the County Board of Commissioners for compliance with the spirit of the County's Purchasing Policy. For the purposes of this policy, "related" shall cover the following relationships:

1. Parent (natural, step, or in-law)
2. Child (natural or step)
3. Brother/sister (natural, step, or in-law)
4. Spouse
5. Grandparent
6. Legal Guardian

**3.15 Payment Procedure:** The respective Budget Administrator will be responsible for inspection of all orders upon receipt of the order and prior to the acceptance of the delivery. Upon acceptance of items, verification that the packing slip matches the purchase order must accompany the invoice in order to obtain payment. Whenever a department rejects any orders, the County Finance Director shall be notified immediately and given the reason for the rejection. If for any reason the purchase order must be cancelled, contact the Finance Director/Purchasing Agent.

The County of Antrim will accept delivery of and authorize payment of only those services, supplies, merchandise or articles authorized for purchase, and acceptable under terms of the purchase agreement, in accordance with the procedures stated herein.

Payment for any services, supplies, merchandise or articles not authorized in accordance with the policies and procedures stated herein becomes the responsibility of the person or persons requesting such service, supplies, merchandise or article and the County may deny payment of the claim.

Any service being performed for the County that has not been authorized in accordance with the policies and procedures stated herein, shall be immediately discontinued and the original conditions restored at the expense of the person or persons requesting such service.

Payment in full for any service, supplies, merchandise or articles not acceptable for delivery or the use required, as put forth in the bid specifications or purchase agreement for such service, supplies, merchandise or articles, will be held in abeyance until such time as a replacement or replacements meeting the

specifications put forth in the purchase agreement and acceptable for the use required are received.

**3.16 Insufficient Appropriations.** In the event that a cost center or departmental balance is insufficient, the Finance Director/Purchasing Agent will reject the purchase request. To request an increase in funds, the Budget Administrator should proceed as follows:

1. Contact the Administrator to get on the agenda for the Board of Commissioner meeting.
2. All requests for additional funds must be in writing and must include a justification of need.
3. If the Budget Administrator has a suggestion for where the additional funds can be transferred from, include it in the request.
4. If there are any questions regarding the funding, check with the County Finance Director.
5. Once the County Administrator determines the request is complete and the Finance Director confirms the funding source the request will be submitted for final approval by the Board of Commissioners.
6. Once the funds are approved the Budget Administrator must follow this policy to initiate the purchase.

**Related Policies:**

- Credit Card Policy
- Construction Project Change Order Policy
- Housing Department Policy and Procedures
- Software and Hardware Purchasing Policy
- Training Meal Expenses (Sheriff Dept.) Policy
- Travel Policy
- County-Owned Vehicle Policy
- Fixed Asset Policy

**Policies Rescinded Upon Adoption of this Policy:**

- Purchasing Policy – Phase One
- Antrim County Bid Policy

Adopted: August 13, 2015

Amended: June 9, 2016

Amended: February 7, 2019

Amended: February 21, 2019

Amended: February 18, 2021

**PURCHASING SUMMARY – For Budgeted Items**

Type of Purchase	Amount of Purchase/ Dollar Threshold	Type of Quote/Bid Needed	Award Authorization Required By: (Final Approver)	Purchase Order Requirement
<b>Routine Purchase</b>	\$500 and Under	N/A	Budget Administrator	NO – under \$250 YES – \$250 and over
<b>Informal Bidding</b>	Over \$500 to \$5,000	Three Written Quotes Required	Budget Administrator	YES
<b>Formal Bidding</b>	Over \$5,000 to \$10,000	Three Written Quotes Required	County Administrator	YES
<b>Competitive Sealed Bid</b>	Over \$10,000	Sealed Bids, RFP, RFQ Formal Solicitation	Oversight Committee/Board of Commissioners	YES

Receiving: Department Heads are responsible for determining the proper quantity and quality of goods received before forwarding the invoice for payment by Antrim County. (see Section 3.15)

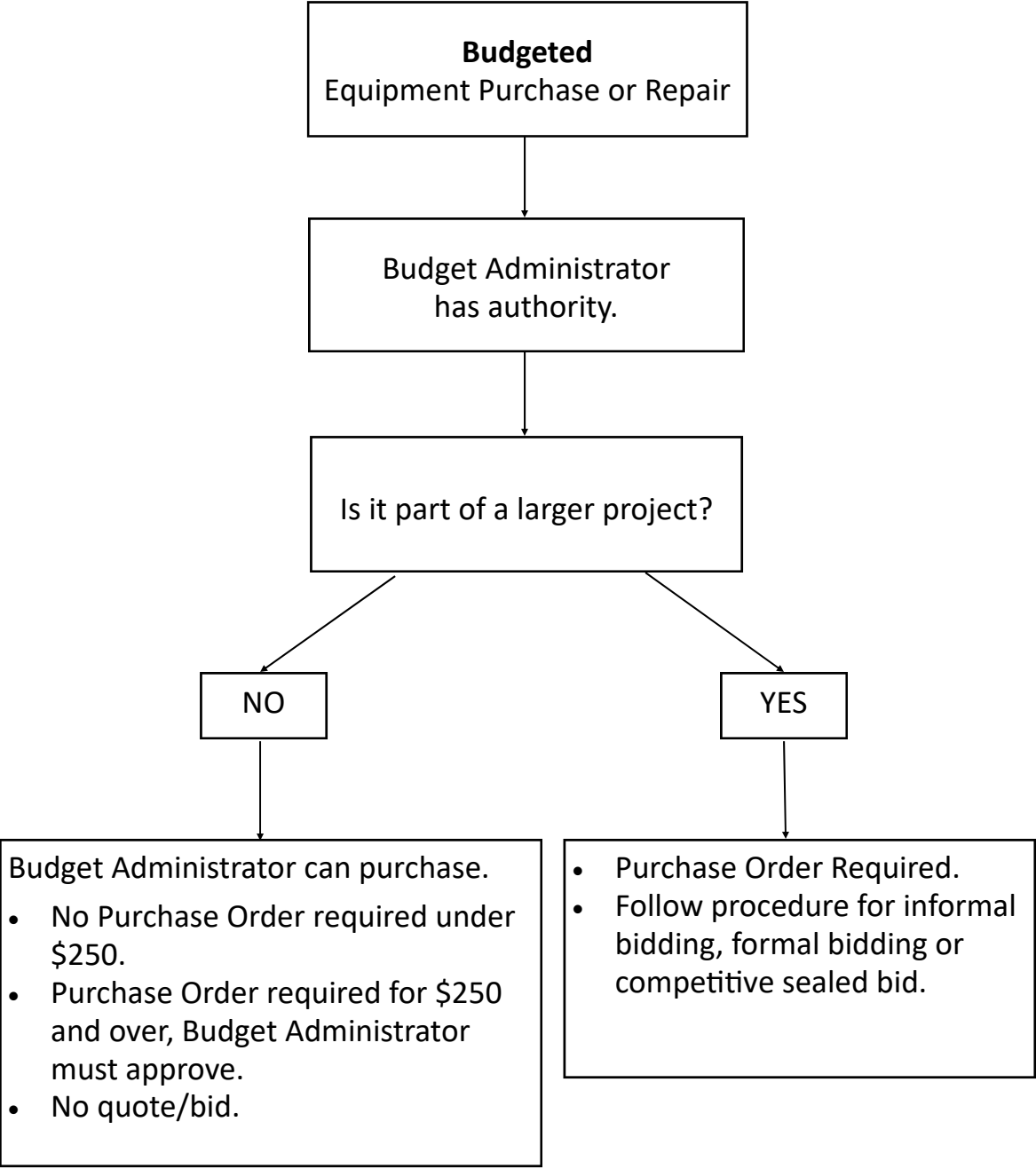
If funds are not budgeted, see Section 3.16.

If the proposed purchase falls in the category of an emergency purchase, see Section 3.6.

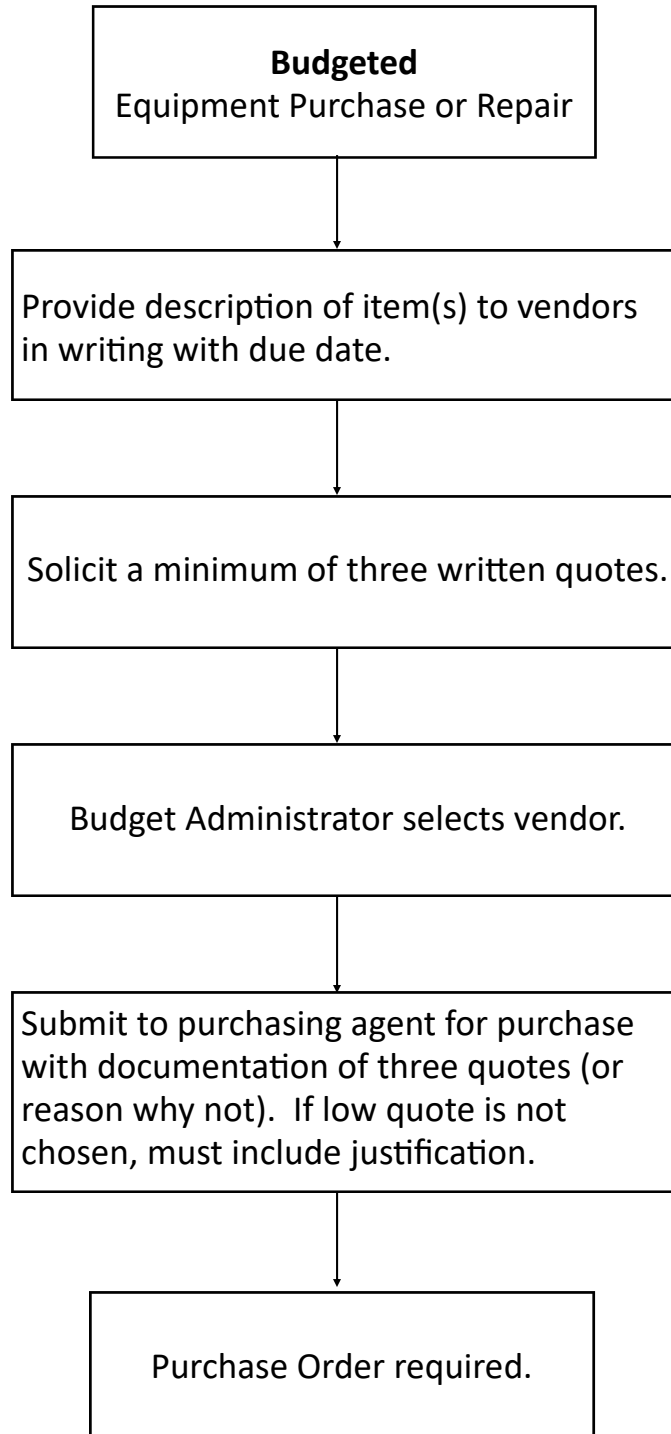
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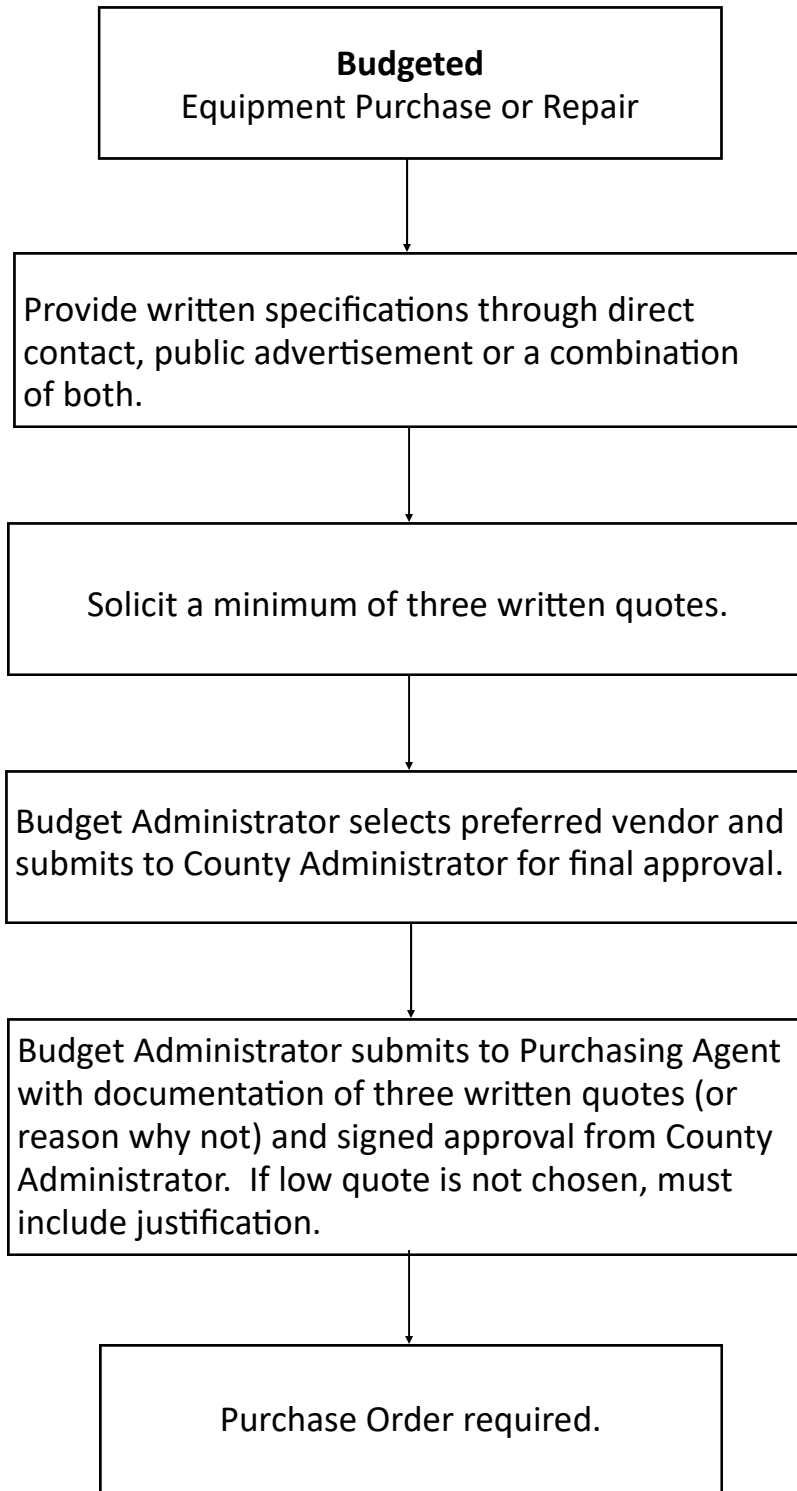
# Routine Purchase Under \$500



# Informal Bidding over \$500 to \$5,000



# Formal Bidding over \$5,000 to \$10,000



# Competitive Sealed Bid over \$10,000

