

KENT COUNTY PURCHASING POLICY AND PROCEDURES

2023

*“Where Diversity, Equity &
Inclusion Matter”*



Fiscal Policy - Centralized Purchasing

I. POLICY

- 1. Policy:** Kent County Government is committed to centralized purchasing. The centralized purchasing process shall use open market procedures that foster fair competition with the objective of obtaining the lowest overall cost for the residents of Kent County. Open market procedures shall be implemented without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability unrelated to an individual's ability to provide required goods or services.

II. PRINCIPLES

- 1. Statutory References:** The Kent County Board of Commissioners may establish rules and regulations to manage the interest and business of the County under Public Act 156 of 1851 [MCL 46.11(M)]. The County Administrator/Controller, pursuant to Public Act 257 of 1927 [MCL 46.13b], is responsible for the purchase of all books, stationery, materials, and supplies required by the County, or its officers and agents, except where the Board of Commissioners directly enters into a contract of purchase and provides for payment in a resolution authorizing such contract of purchase.
- 2. County Legislative or Historical Records:** Centralized Purchasing was established by resolution of the Board of Commissioners on April 15, 1975.
- 3. Policy Conflicts and Approval Authority:**
 - 3.a.** This Policy and the procedures promulgated under it supersede all other County policies or regulations concerning Purchasing which were authorized by the Board as part of the County's annual budget and for which no additional appropriation is required.
 - 3.b.** For purchases made by the Kent County Building Authority, Kent County Board of Public Works, or Kent County Fire Commission, the Building Authority, Board of Public Works, or the Fire Commission Board shall be the body responsible for the approval of said purchases. Purchases shall otherwise comply with this policy, Standards and Procedures established under this policy including bidding requirements.
- 4. Operational Guidelines – General:** The Purchasing Division of Fiscal Services shall be responsible for the procurement of all goods and services for all departments, agencies and the Judiciary of Kent County. The Purchasing Manager will be the administrative head of the Purchasing Division. The Board Chair, the County Administrator/Controller, and the Purchasing Manager shall be the only persons authorized to sign contracts for the purchase or acquisition of goods or services for the County absent official delegation of such authority to another person by one of the foregoing persons or the Board. Regarding contracts entered into under the Michigan Public Health Code section MCL 333.2435(c), the Kent County Public Health Administrative Officer may execute said contracts.

4.a. Delegation of Authority: The Purchasing Manager may delegate any purchasing authority granted to him/her by the Board. The Purchasing Manager must make the delegation, alteration, and revocation of authority in writing.

4.b. Granting of Authority: Authority may be granted in the following circumstances:

4.b.1.a. A project requires direct management.

4.b.1.b. A project requires technical expertise that is not available from the staff of the Purchasing Division.

4.b.1.c. A project is time sensitive and the Purchasing Division is not able to deploy the resources needed to meet the project's deadlines.

4.b.1.d. When a department is required by a funding source to procure goods and services in a manner that is constrained or restricted by the funding source.

4.b.1.e. Any other procurement activity that is deemed to be in the County's best interests by the Purchasing Manager.

5. Operational Guidelines - Additional:

5.a. Compliance with Laws and Grant Regulations: All purchasing activities and open market procedures shall comply with all federal, state, and local laws as well as any applicable funding regulations.

5.b. Failure to Follow Policy: The County shall not be 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 for goods or services negotiated outside of this Policy will be considered invalid and non-binding.

5.c. Ethics: The Board will hold the staff of the Purchasing Division to the highest level of moral and ethical standards. The Purchasing Division shall adhere to the ethical standards promulgated by the National Institute of Governmental Purchasing and the Michigan Public Purchasing Officers Association.

5.d. Environment: The Kent County Board of Commissioners is committed to the preservation of the environment and encourages the purchase of products that contain recycled content and encourages the use of approved programs (e.g. green cleaning, LEED/LEED-EB). In addition, all County departments and agencies will, with the assistance of the Purchasing Division, recycle paper and other products within guidelines established by Standards and Procedures.

5.e. Commitment to Technology: The Board is committed to the acceptance and implementation of cost-effective technology. The Purchasing Division shall evaluate and, where cost-effective, implement changes in technology. The areas of technology to be explored include, but are not limited to, electronic data interchange, procurement cards, imaging, e-commerce, Internet, and computer hardware and software.

- 5.f. Contracts:** All contracts --
- 5.f.1.** for goods or services with a total annual cost of \$249,999.99 or less may be approved by the Purchasing Manager;
 - 5.f.2.** for goods or services not identified in Section 7 with a total annual cost of \$250,000.00 or more must be presented to the Finance and Physical Resources Committee for its consideration and approval;
 - 5.f.3.** for goods or services identified in Section 7 with a total annual cost of \$250,000.00 or more may be approved by the Purchasing Manager after consultation with the Fiscal Services Director;
 - 5.f.4.** For Capital Improvement Projects, the Purchasing Manager may approve any contract concerning the purchase of goods or services approved as part of the Board of Commissioner's annual CIP review and approval process. If the desired use is other than the project approved through the CIP process, such new use must be approved by the Finance and Physical Resources Committee.
- 5.g. Surplus/Obsolete Asset Management:** The Purchasing Division shall be responsible for the storage, disposal, and/or redeployment of surplus and obsolete County assets.
- 5.h. Joint Bid Method:** Kent County may participate in cooperative purchasing arrangements with other units of government and cooperative purchase agreements.
- 5.i. Bidders List:** An application to be placed on the County's bidders list shall be available to all interested parties. It is the vendor's responsibility to monitor the public solicitations posted on the purchasing bid opportunities page of the County website.
- 5.i.1. Use of Bidders List:** The Purchasing Division will make every reasonable effort to solicit bids or proposals from qualified vendors who have a bid application on file with the Purchasing Division, however, the bidder's list is a resource that does not obligate, nor limit the Purchasing Division in contacting a vendor for a given quote.
 - 5.i.2. Removal from Bidders List:** A vendor may be removed from the bidder's list and existing contracts terminated within the boundaries of the contract by the Purchasing Manager if the vendor has withdrawn a bid or proposal after the opening, failed to provide goods or services satisfactorily in accordance with the specifications and/or terms of the contract, or undermines the procurement process and/or is abusive to the agency. It shall be the responsibility of the Purchasing Division and the user department to document any acts of noncompliance, unsatisfactory performance or inappropriate conduct on the part of the vendor.
- 5.j. Bid Security (bond):** Bid security may be required for all bids/proposals for construction contracts when the cost is estimated to be less than \$500,000. For bids/proposals expected to equal or exceed \$500,000, a bid security (bond) shall be required. If a bid/proposal is withdrawn, the bidder may be removed from the bidders list and not allowed to bid for County business pursuant to section 5.i.2.

- 5.k. Performance and Payment Bonds:** The Purchasing Division may require performance and payment bonds whenever it is deemed to be in the best interest of the County. However, for the construction, alteration, or repair of any public building, public work or improvement when a construction contract for which entire project is valued at or above fifty thousand dollars (\$50,000) or more is awarded, a performance bond, satisfactory to the County and executed by a company authorized to do business in the State, or otherwise secured in a manner acceptable to the County, equal to 100% of the contract price shall be required. In addition, a payment bond, satisfactory to the County and executed by a company authorized to do business in the State, or otherwise secured in a manner acceptable to the County shall be required. The bond shall be in an amount equal to 100% of the contract price.
- 5.l. Tie Bids:** Bids that are equal in all aspects shall be awarded to the vendor whose headquarters is closest to the Kent County delivery point. To determine the location of a vendor, Kent County will use the address on file with the State of Michigan as the vendor's Registered Office Address as of the day the solicitation request was first issued by Kent County. If a vendor does not have a Registered Office Address with the State of Michigan, that vendor will be deemed to be the vendor at the greatest distance from Kent County. If multiple vendors are not registered with the State of Michigan, the state or county of incorporation will be used to determine the vendor's location. The aforementioned does not apply if the incumbent vendor is one of the tied bidders and is satisfactorily providing the goods/or services. The award may be given to the incumbent vendor regardless of headquarters location.
- 5.m. Amendments Subsequent to Bid/RFP Award:** Amendment(s) to the original contract or purchase order where original award is greater than \$49,999 and the amendment results in an increase of \$20,000 or 25%, whichever is larger, shall be processed as a bid/RFP or submitted to the Finance and Physical Resources Committee with a request to be exempt from bid/RFP requirements. This provision shall not apply to those exceptions listed in Section 7. The Finance and Physical Resources Committee shall refer all amendments requiring an additional budget appropriation to the full Board of Commissioners.
- 5.n. Protest of Bid/RFP Awards:** Any vendor may protest the award of a bid/RFP by established Standards and Procedures guidelines. All protests are to be addressed to the Purchasing Manager in writing and shall clearly state the reasons for protest. The Purchasing Manager, whose decision shall be final, will evaluate the merits of the protests and respond in writing to the vendor for all bid/RFPs s/he did not originate. For bid/RFP originated by the Purchasing Manager, the Fiscal Services Director, whose decision shall be final, shall evaluate the merits of the protest and respond accordingly.
- 6. Recovered and Confiscated Property:** The Purchasing Division shall be responsible for disposal of recovered and confiscated property.
- 7. Exceptions:** The requirements set forth in this Policy will not apply to any of the following if the Purchasing Manager determines the exception is in the best interest of Kent County:

7.a.1. Banking Services

- 7.a.2. Computer Hardware/Software:** Installation, implementation, licensing, annual support, and/or administration of computer hardware and/or computer software applications.
- 7.a.3. Conference Expenses**
- 7.a.4. Dental Services:** Provided for agency clients.
- 7.a.5. Donations:** Provided to Kent County.
- 7.a.6. Emergency or Extraordinary Circumstances:** Whenever there exists emergency or extraordinary circumstance that hinders, delays, or prevents the regular application of the Centralized Purchasing Policy Operational Guidelines and such hinderance, delay or prevention negatively affects County operations, the Purchasing Manager may award a contract without bids or after regular business hours.
- In case of emergency after normal business hours, a Kent County department may act to resolve the issue and shall report the circumstances surrounding the emergency/urgent purchase to the Purchasing Division the next business day and prepare a purchase requisition for the goods and services procured.
- The emergency or extraordinary circumstance may include, an act of nature, fire, flood, accident, riot, war, crime, terrorism, government intervention or regulation, labor dispute or shortage, disruption or interference in communications, power, or other utilities, a disruption or delay in supplies, material shortages, or any other cause beyond the reasonable control of the County.
- The Purchasing Manager must consult with the Fiscal Services Director before issuing a contract if possible and, if not possible due to the emergency circumstances, within 24 hours. As soon as practicable after the award, the Purchasing Manager shall report the purchase to the Finance and Physical Resources Committee of the Board of Commissioners and concurrently publish the report to the Kent County website for public transparency.
- 7.a.7. Finance and Physical Resources Committee:** Goods and services that the Finance and Physical Resources Committee of the Board of Commissioners may specifically exempt from time to time.
- 7.a.8. Governmental Units and Non-profit Corporations:** Transactions between governmental units and non-profit corporations that are not restricted by funding source.
- 7.a.9. Kent County Health Department:** All procurement activity as specifically allowed by Michigan Public Health Code, MCL333.2435(c).
- 7.a.10. Insurance**

- 7.a.11. **Investment Banking**
- 7.a.12. **Juror or Witness Fees and Related Expenses**
- 7.a.13. **Kent County Drain Commissioner:** All procurement activity funded by a special assessment for the construction, cleaning, deepening, and widening of drains within the County as prescribed by the Drain Code of 1956.
- 7.a.14. **Laboratory Services:** Provided for agency clients.
- 7.a.15. **Legal Services**
- 7.a.16. **Medical Services:** Provided for agency clients.
- 7.a.17. **Membership Fees/Dues**
- 7.a.18. **Procurement Cards**
- 7.a.19. **Pharmacy Services:** Provided for agency clients.
- 7.a.20. **Postage:** Through the United States Postal Service.
- 7.a.21. **Professional Services:** Professional services including, but not limited to, legal, architectural, engineering, financial advisory, auditing, or accounting services.
- 7.a.22. **Purchases Subject to Other Requirements:** Whenever a department is required to procure goods or services in a manner different from the County's due to the parameters established by the funding source, then the department involved in the purchase may be exempted from this Policy for those purchases.
- 7.a.23. **Real Estate**
- 7.a.24. **Reimbursements to Agencies and Employees**
- 7.a.25. **Reverse Auction Electronic Bidding:** All goods or services purchased through a virtual reverse auction electronic bidding process.
- 7.a.26. **Services that are Court Ordered**
- 7.a.27. **Sole Source:** Only one known source exists for the good or service requested.
- 7.a.28. **Subscriptions**
- 7.a.29. **Temporary Employment Services**
- 7.a.30. **Training**
- 7.a.31. **Travel**

7.a.32. Utilities

- 8. Implementation Authority:** Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation and to delegate the implementation of the said Standards and Procedures to County Purchasing staff.
- 9. Distribution:** Upon adoption, this Policy will be distributed by the County Administrator/Controller's Office to all County departments, agencies, and the Judiciary.
- 10. Periodic Review:** The County Administrator/Controller will review this Policy at least every two (2) years and make any recommendations for changes to the Finance and Physical Resources Committee.

Procedure and Standards for: Centralized Purchasing and *Open Market Procedures for Goods and Services*
Policy Reference: *Fiscal Policy – Centralized Purchasing*
Implementing Entity: *Fiscal Services Department - Purchasing Division*
Staff Contact: *Calvin Brinks, 632-7720*

County of Kent

Procedures and Standards – Centralized Purchasing and Open Market Procedures for Goods and Services

- I. **PURPOSE:** These procedures and standards have been developed by the County Administrator/Controller to implement the Fiscal Policy on Centralized Purchasing as adopted by the Kent County Board of Commissioners.

- II. **DEFINITIONS:**
 - A. **Bidders List:** The bidders list is a list of names, email and addresses of vendors from which the County may solicit quotations, bids, information or qualifications for goods or services. The bidders list is a resource which does not obligate nor limit the Purchasing Division in contacting a vendor for a given quote.

 - B. **Bid Security (bond):** A bond provided by a Guarantor, satisfactory to the County with a (Best rating of A- or better) and authorized to do business in the State, or the equivalent in cash, or otherwise supplied in a form acceptable to the County to ensure that a vendor shall not withdraw its quotation, bid, or proposal.

 - C. **Blanket/Master Agreement Purchase Orders:** Annual non-binding master agreement purchase order in which a vendor agrees to provide specified goods or services to the County on an as-needed basis. Although no quantities are given, the terms, conditions, and period are covered. Vendor shipments are to be made upon request of authorized County personnel.

 - D. **Capital Improvement Program Projects:** Projects estimated to exceed twenty thousand dollars (\$20,000), which have been approved for the budget year. The types of projects include purchase of replacement or additional equipment, construction or improvement (remodeling) of new and/or existing facilities as established by the Fiscal Policy and Procedures and Standards for the Capital Improvement Program.

 - E. **Competitive Sealed Bids/RFPs:** Responses to an advertised bid/RFP that are submitted in a sealed envelope (or container) or electronic sealed format and clearly identified with the bid number, date, and time, and opened in a public forum.

 - F. **Competitive Quotes:** A quotation for goods and services that is conveyed by letter, telephone, or other means and does not require a sealed envelope, public notice, public opening, or public reading of the responses.

 - G. **Cooperative Purchasing Agreement:** State and local intergovernmental agreements or inter-entity agreements for procurement or use of common or shared goods and services. The program must comply with Fiscal Policy – Centralized Purchasing and applicable Federal, State and local procurement rules and policies. Each public agency awards, independently issues, and administers its own purchase order or contract.

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- H. Disadvantaged Business Enterprise (DBE):** A for-profit small business concern that is at least fifty-one percent (51%) owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which fifty-one percent (51%) of the stock is owned by one or more such individuals; and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it. 49 CFR 26.5.
- I. Emergency Purchase:** A purchase that does not follow normal competitive purchasing procedures due to an apparent threat to the public health, welfare, or safety of the County, its facilities, or its residents.
- J. Ethics:** The principles of conduct governing the behavior of an individual or members of a profession promulgated by the National Institute of Governmental Purchasing and the Michigan Public Purchasing Officers Association.
- K. Financing (lease-purchase) Lease:** A tax-exempt contract that maintains the title of the equipment in the lessee's name and upon final payment the lessee owns the equipment.
- L. Industry Standard:** A set of generally accepted quantitative and qualitative specifications or characteristics that are recognized in a particular industry or market as the norm.
- M. Operating Lease:** A contract giving one party (the lessee) the right to use real estate or other asset owned by another party (the lessor) for a specified time, in return for compensation (rent). Title does not pass from the lessor to the lessee.
- N. Life Cycle Costing:** The total cost of ownership, less any salvage value, which includes the cost of acquiring, operating, maintaining, supporting, and, if applicable, disposing of an item.
- O. Micro Business:** A micro business is a small business that employs fewer than ten (10) people according to the Small Business Association.
- P. Minority:** The minority groups as designated by the Federal Executive Order 11246 include:
- All persons having origins in any of the Black African racial groups and not of Hispanic origin.
 - All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin.
 - All persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian sub-continent, or the Pacific Islands.

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All persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

- Q. Non-Responsive Bidder:** A bid/RFP response that does not conform to the mandatory or essential requirements of the request for competitive sealed bid/RFP.
- R. Payment Bond:** A bond provided by a Guarantor, satisfactory to the County with a Best rating of A- or better and authorized to do business in the State, or the equivalent in cash, or otherwise supplied in a form acceptable to the County, which assures payments, as required by law, to all persons supplying labor or material for the completion of work under the contract.
- S. Performance Bond:** A bond provided by a Guarantor, satisfactory to the County with a Best rating of A- or better, and authorized to do business in the State, purchased by the successful bidder to protect the County from loss if the bidder is unable to complete the contract as agreed; it secures the fulfillment of all contract requirements.
- T. Responsible Bidder:** A vendor who has the capability in all respects to perform the contract requirements fully.
- U. Responsive Bidder:** A vendor who has submitted a bid, which conforms in all material respects to the requirements stated in the invitation for competitive sealed bid/RFP.
- V. Reverse Auction:** A reverse auction non-sealed bid (also called a procurement auction, e-auction) is a real-time auction where sellers compete to sell goods or services for progressively lower prices.
- W. Sole Source Procurement:** The only known vendor possessing the unique and singularly available capability to meet the requirements of the solicitation. Examples include, but are not limited to, technical qualifications, ability to deliver at a particular time, or services from a public utility.
- X. State:** State of Michigan
- Y. Surplus/Obsolete Assets:** Assets not currently in use or needed for future use by the custodial agency that has declared them available for disposal or redeployment.
- Z. Tie Bid:** Bids that are equal in all aspects (price, quality, specifications, etc.).

III. STANDARDS:

- A. Technology:** The Purchasing Division is committed to the implementation of cost-effective technology to enhance the purchasing function. To achieve the most efficient use of County resources in the purchasing area, the technological innovations which will be explored include, but are not limited to electronic data interchange, procurement cards, credit cards, imaging, e-commerce, internet, and computer hardware and software.

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- B. Gasoline Credit Cards:** The Purchasing Division will issue a gasoline credit card for each County-owned vehicle. With the approval of the department director, employees who operate County-owned vehicles will be issued personal identification numbers (PINs) to fuel the County vehicle when needed for offsite fueling when driving County-owned vehicles.
- B.1. Standards for PIN Card Approval:** Use of a gasoline credit card must be approved by the Purchasing Manager. The use of the card will be approved based on the following standards:
- B.1.a.** The assigned vehicle is neither stored nor used within a ten-mile radius of the County's Fleet Services facility.
 - B.1.b.** The employee assigned to operate the vehicle does not come within a ten-mile radius of the County's Fleet Services facility while operating the vehicle for County use.
 - B.1.c.** The employee using a gasoline credit card must comply with all County vehicle use policies.
 - B.1.d.** The employee will use the gasoline credit card only for the purchase of gasoline or emergency service for County vehicles when the gasoline or service cannot be obtained at the County's Fleet Services facility.
 - B.1.e.** The employee protects the card from misuse and loss.
 - B.1.f.** The employee notifies the Purchasing Manager of all stolen or lost credit cards immediately.
 - B.1.g.** The employees pin will be canceled immediately by the Purchasing Manager upon request, termination, or failure to meet the requirements for issuance.
- C. Delegation of Authority:** The Purchasing Manager may delegate any purchasing authority granted to him/her by the Board in accordance to Fiscal Policy – Centralized Purchasing. The Purchasing Manager may revoke delegated authority when an employee acts outside the scope of authority granted, fails to follow the purchasing policies and procedures, or for any other reason deemed to be in the County's best interests.
- D. Buy Recycled:** The Purchasing Division will buy recycled products (material and byproducts that have been recovered or diverted from solid waste for reprocessing into a new product or use) when the product fulfills all the following criteria:
- D.1.** The product(s) offered meets industry standards.
 - D.2.** The product(s) offered can be reliably supplied and meets the County's performance standards.

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D.3. The cost of the product(s) offered does not exceed a one percent (1%) premium over the comparable virgin material (contains no post-consumer recycled materials) for every ten percent (10%) of recycled content.

D.4. The total premium does not exceed ten percent (10%) over the cost of comparable virgin material.

E. Environment: In accordance with Fiscal Policy – Centralized Purchasing.

F. Ethics: All purchasing staff are expected to follow the ethical standards promulgated by the National Institute of Governmental Purchasing (NIGP) and the Michigan Public Purchasing Officers Association (MPPOA). Each employee will be provided a copy of these documents.

G. Bid Security: Bid security is 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). The bid security will be a bond, executed by guarantor, satisfactory to the County with a Best rating of A- or better, and authorized to do business in the State, or the equivalent in cash, or otherwise supplied in a form acceptable to the County. The bid security will be equal to five percent (5%) of the bid amount. The failure to provide a required bid security shall result in the bid being declared non-responsive. The Purchasing Manager may require a surety bond for projects under five hundred thousand dollars (\$500,000) when it is determined by the Purchasing Manager to be in the County's best interest to do so.

H. Performance and Payment Bonds: When a construction contract for fifty thousand dollars (\$50,000) or more is awarded, a performance bond, or the equivalent in cash or otherwise supplied in a form acceptable to the County, equal to one hundred percent (100%) of the contract price is required. In addition, a payment bond, or the equivalent in cash or otherwise supplied in a form acceptable to the County for the protection of all persons supplying labor and materials to the contractors for their subcontractors for the completion of the construction contract is required. The bond shall be in an amount equal to one hundred percent (100%) of the contract price.

I. Leasing: When the Purchasing Division has determined that leasing may be a viable financing option, or it is proposed by the requesting department, the Purchasing Manager will evaluate the terms of the lease versus a cash purchase and decide if it would be in the County's best interest to enter into said lease.

J. Joint Bid Method: Kent County may participate in cooperative purchasing arrangements with other units of governments and cooperative purchase agreements.

K. Bidders List: In accordance with Fiscal Policy – Centralized Purchasing.

K.1. Use of Bidders List: In accordance with Fiscal Policy – Centralized Purchasing.

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- K.2. Removal from Bidders List:** In accordance with Fiscal Policy – Centralized Purchasing.
- L. Sole Source:** In accordance with Fiscal Policy – Centralized Purchasing Operational Guidelines.
- M. Advertisement of Competitive Sealed Bids/RFPs:** The Purchasing Division will, at a minimum, advertise all competitive sealed bids and RFPs on the County’s website (www.accesskent.com).
- N. Award of Solicitations:** All solicitations, regardless of recommended amount, will be awarded in accordance to Fiscal Policy – Centralized Purchasing.
- O. Amendments Subsequent to Award:** In accordance with Fiscal Policy – Centralized Purchasing.
- P. Protest of Awards:** In accordance with Fiscal Policy – Centralized Purchasing. All protests must be filed with the Purchasing Manager in writing within five (5) business days of the posted award date on the Purchasing Solicitation Status page of the County website (www.accesskent.com).
- Q. Failure to Follow Policy:** The County shall not be 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 the Fiscal Services – Centralized Purchasing Policy and corresponding procedures will be considered invalid and non-binding, and the employee who authorized the contract may be held personally liable.

IV. PROCEDURES:

- A. General Procurement Process:** Departments which need to purchase goods or services will contact the Purchasing Division to initiate the procurement process. The department will provide detail and other relevant information sufficient for the Purchasing Division to procure the acquisition in accordance with Fiscal Policy – Centralized Purchasing. If there is a conflict between purchasing policy and procedures, policy shall prevail.
- B. Requisitions Process:**
 - B.1.** The requesting department must initiate all requests for goods and services and submit them to the Purchasing Division in writing or electronically. The requesting department may suggest a vendor but responsibility for final vendor and product selection lies with the Purchasing Division.
 - B.2.** The purchasing procurement systems will electronically route purchase requisitions to the buyer assigned to the commodity code.

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- B.3.** Purchase requests will be processed based on, but not necessarily limited to, need, appropriateness, and conformance to established County standards, urgency, and availability of funds.
- B.4.** Confirming purchase orders will be issued when the requirements for an urgent purchase have been met or the Purchasing Division has authorized the transaction.
- B.5.** Goods and services covered by a contract or annual master agreement purchase orders do not require additional quotes or to be requested electronically in the purchasing procurement system.

C. Solicitation Acquisition Levels:

- C.1. Acquisition of Goods and Services Costing \$500 or less:** Purchases of five hundred dollars (\$500) or less do not require a purchase order. Departments may use an authorized procurement card for these purchases unless there is an open master agreement purchase order with the preferred vendor.
- C.2. Acquisition of Goods and Services \$501 to \$1,000:**
 - C.2.a.** The buyer may request price quotes for goods and services either verbally, in writing, or by reverse auction.
 - C.2.b.** The vendor's price quote may be verbal, written, or electronic.
 - C.2.c.** The assigned buyer will issue a purchase order or procurement card purchase to the selected vendor after all appropriate administrative approvals are obtained.
- C.3. Acquisition of Goods and Services \$1,001 to \$10,000:**
 - C.3.a.** The buyer may request price quotes for goods and services either verbally, in writing, or by reverse auction.
 - C.3.b.** The vendor's price quote may be given verbally but must be confirmed in writing or electronically.
 - C.3.c.** The assigned buyer will issue a purchase order or procurement card purchase to the selected vendor after all appropriate administrative approvals are obtained.
- C.4. Acquisition of Goods and Services \$10,001 to \$49,999:**
 - C.4.a.** The buyer must solicit competitive quotes whenever practical.
 - C.4.b.** The buyer must solicit requests for goods and services in writing or by reverse auction unless otherwise authorized by the Purchasing Manager.

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C.4.c. The vendor's price quote must be submitted either in writing or electronically by the requested response date and time.

C.4.d. The assigned buyer will issue a purchase order to the selected vendor after all appropriate administrative approvals are obtained.

C.5. Acquisition of Goods and Services over \$50,000:

C.5.a. The buyer must solicit competitive sealed bid or RFP requests for goods and services in writing.

C.5.b. The vendor's price quote must be submitted sealed, either in writing or electronically, by the requested response date and time.

C.5.c. Bid submissions are to be publicly opened.

C.5.d. The assigned buyer will issue a purchase order to the selected vendor after all appropriate administrative approvals are obtained.

C.6. Exceptions: In accordance with Fiscal Policy – Centralized Purchasing.

D. Solicitation Process:

D.1. Preparation and Publication: The buyer assigned the commodity shall prepare specifications for requested goods or services based upon the needs of the requesting department.

D.1.a. Buyers shall use appropriate resources to develop fair and comprehensive solicitation specifications for goods and services. These resources include, but are not limited to, users in the departments, vendors, trade associations, periodicals, industry reference materials, and other purchasing professionals.

D.1.b. Purchasing staff will make every effort to distribute the solicitations to the vendors selected from the bidders list and other relevant sources and shall place an advertisement on the Purchasing Division Bid Opportunities page on the County's website (www.accesskent.com).

D.1.c. In addition, solicitation specifications are available on the Purchasing Division Bid Opportunities page on the County website.

D.2. Addendum: If an addendum to a solicitation is necessary, the written addendum shall be published on the Purchasing Division Bid Opportunities page on the County's website prior to the solicitation opening date and time.

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- D.2.a.** The addendum shall include material changes to the solicitation specification or submission form. The addendum may or may not extend the bid opening date and time.
- D.2.b.** It is the vendor's responsibility to monitor the Bid Opportunities page for Addendums.
- D.2.c.** If a new solicitation form is attached to the addendum, responses submitted with the old form may be considered non-responsive and be rejected.
- D.2.d.** Published responses to inquiries or Kent County published comments on the Bid Opportunities page are incorporated into the solicitation specifications in lieu of an addendum.
- D.3. Submissions:** All competitive sealed bids and RFPs must be submitted to the Purchasing Division in writing and in a sealed envelope, package, or pre-approved electronic format. All competitive sealed bids and RFPs shall remain confidential until the opening. Vendors who submit pricing on their own form may be considered non-responsive by the Purchasing Manager at her/his sole discretion.
- D.4. Public Openings:** All bid openings are open to the public. The opening date and time shall be clearly stated in the solicitation specifications and shall be advertised on the County's website.
- D.5. Late Submissions:** No late solicitations shall be accepted by the Purchasing Division and shall be considered non-responsive and not be opened if delivered to the Purchasing Division by other methods. Responses or electronic submissions delivered late by the vendor will be rejected. Late solicitations delivered by carrier will be logged in and time-stamped by the Purchasing Division and returned to the vendor unopened.
- D.6. Sole Response Submissions:** A sole response to a solicitation shall be opened by the Purchasing Division. The Purchasing Manager shall make the recommendation whether to award or reject the bid.
- D.7. Tie Submissions:** In accordance with Fiscal Policy – Centralized Purchasing.
- D.8. Mistakes in Solicitation Submission:** If a vendor discovers a mistake in its response or an error in the preparation of a response, which results in an incorrect price or other condition and which might affect eligibility for the award of a contract before the solicitation established date and time for the opening, the vendor may withdraw the submission.

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- D.8.a.** The vendor may submit a new response provided it complies with the original solicitation opening date and time. If the vendor submits multiple responses excluding proposals, only the latest response will be evaluated.
- D.8.b.** Mistakes in a bid/RFP response discovered after opening and before award that involve obvious errors in math will be corrected. All other errors may render the response non-responsive by the Purchasing Manager.
- D.8.c.** Mistakes in a response discovered after the award are binding on the vendor except when the Purchasing Manager, in his or her sole judgment, decides it will be unconscionable not to allow the vendor to rectify the mistake.
- D.9. Evaluation of Submission:** Depending on the nature or complexity of the goods or services being solicited, the requesting department may be included in the evaluation process. Members of the review team shall determine the responsive bids and responsible bidders and evaluate all responses based on the requirements and criteria set forth in the solicitation under the direction of the Purchasing Division. Where price is a consideration, life cycle costing will be utilized in evaluating overall cost.
- D.10. Award of Submission:** Purchasing Manager shall award in accordance to Fiscal Policy – Centralized Purchasing.
- D.11. Notification of Award:** Solicitation notification of awards are published on the purchasing Solicitation Status page of the County website (www.accesskent.com).
- D.12. Protest of Award:** In accordance with Fiscal Policy – Centralized Purchasing.
- D.13. Failure to Perform Satisfactory:** The Purchasing Manager will evaluate the reasons for the vendor failing to perform satisfactory per Fiscal Policy, Centralized Purchasing 5.i.2. Absent of a penalty ramification, the Purchasing Manager at his or her discretion may;

 - D.13.a.** Waive a penalty due to circumstances.
 - D.13.b.** Apply a progressive penalty.

 - D.13.b.1** First offense: Warning; vendor not allowed to participate if the solicitation is re-issued and imminent removal from the bidder list for failure to perform satisfactorily.
 - D.13.b.2** Second offense within a one-year period: Vendor removal from the bidder’s list and prevented from participating in new and/or existing business opportunities for three months.

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D.13.b.3 Third offense within a one-year period: Vendor removal from the bidder's list and prevented from participating in new and/or existing business opportunities for six to twelve months.

D.14. Remove vendor from the bidder's list immediately and prevented from doing new business for a malicious, flagrant, irresponsible activity and/or placing a bid for the purpose of sabotaging the bid process.

D.14.a. The vendor will be notified by the Purchasing Division in writing and the Purchasing Manager's decision is final. It is the responsibility of the Vendor to request reactivation to the bidder's list following the penalty period.

D.15. Freedom of Information Act: All solicitations and vendor responses are subject to the Freedom of Information Act (FOIA), MCL 15.231 et seq, and shall be made available to the public for review no later than fifteen (15) business days (utilizing the statutory extension) after the opening date, or if no public opening occurs, after expiration of the submission deadline upon written requests.

E. Purchase Orders, Procurement Cards, and Contracts:

E.1. Purchase Orders, Procurement Card Acquisitions, and Contracts (if required): Purchase orders, credit card acquisitions, and contracts are issued by the Purchasing Division in accordance to the Fiscal Policy – Centralized Purchasing.

E.2. Blanket/ Master Agreement Purchase Orders:

E.3. Non-Binding: Annual master agreement purchase order in which a vendor agrees to provide specified goods or services to the County on an as-needed basis shall be non-binding.

E.4. Periodic Review: A review of blanket/annual master agreement purchase orders shall be conducted upon completion of five (5) consecutive years with the same. The Purchasing Division will utilize the appropriate open market procedures based on the estimated dollar value of the proposed contract. In addition, reviews may be conducted whenever the Purchasing Manager deems it would be in the County's best interest to do so.

E.5. Prepaid Cards, Gift Cards, Cash Cards, Debit Cards: Public funds may only be used for a public purpose. Prepaid cards, including but not limited to gift cards, cash cards and debit cards, are only eligible if authorized and funded by a grantor/grant agreement. The requesting department is responsible for all grant compliance.

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- F. Alleged Breach of Ethics:** Allegation of any breach of ethics by any employee of the Purchasing Division not involving the Purchasing Manager should be brought to the attention of the Purchasing Manager. Upon notification of an alleged breach of ethics, the Purchasing Manager shall take the following actions:
- F.1.** The Purchasing Manager will request a written statement of facts from the person making the allegation.
 - F.2.** Upon receipt, the Purchasing Manager shall notify his/her supervisor, the County Administrator/Controller, Human Resources Department, and Corporate Counsel of the allegation.
 - F.3.** The Purchasing Manager will notify the named employee and conduct an investigation to determine the validity of the allegation.
 - F.4.** The investigation shall be completed within thirty (30) calendar days unless the Purchasing Manager requests, and the County Administrator/Controller grants, an extension.
 - F.5.** Upon completion of the investigation, the Purchasing Manager shall file a report with the County Administrator/Controller outlining the results of the investigation and the recommended course of action.
 - F.6.** Upon completion of review by the County Administrator/Controller, the employee(s) involved will be formally notified of the findings of the investigation and any disciplinary action.
 - F.7.** All allegations of misconduct involving the Purchasing Manager shall follow the same process except the Director of Fiscal Services shall conduct the investigation.
- G. Surplus/Obsolete Asset Management:** The Purchasing Division is responsible for the storage and disposal of surplus and obsolete County assets. Non-General Fund departments and agencies that have assets sold through the auction shall receive a credit for the net proceeds.
- G.1. Declared Surplus:** The County department, agency, or the Judiciary that has custody of the asset will be responsible for declaring the asset surplus and providing written notification to the Purchasing Division.
 - G.2. Use of Surplus/Obsolete Assets:** The Purchasing Manager will be responsible for determining whether to redeploy or dispose of assets declared surplus.
 - G.3. Disposal of Assets:** The Purchasing Division will consider the following options for disposal:
 - G.3.a.** Trade in on new equipment.

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G.3.b. Public auction.

G.3.c. Direct negotiated sale with a governmental unit, educational institution, or nonprofit agency.

G.3.d. Recycle

G.3.e. Board of Commissioners' resolution authorizing contribution for public use.

G.4. Disposal of non-County Assets: Disposal of County owned materials without asset tags is at the Purchasing Manager's discretion.

G.5. Recovered and Confiscated Property: The Purchasing Division is responsible for the disposal of property that is recovered or confiscated by the Kent County Sheriff's Department.

G.5.a. Disposal of recovered stolen or abandoned property will be accomplished pursuant to MCL 434.181 et seq.

G.5.b. Disposal of confiscated property will be accomplished pursuant to MCL600.4708.

G.5.c. Disposal of abandoned or removed vehicle under the Michigan Vehicle Code will be accomplished pursuant to MCL 257.252g.

G.5.d. Proceeds from the sale of recovered and confiscated property will be deposited into the County's receiving account and distributed to the appropriate account and fund number by the Kent County Fiscal Services Accounting Division.

H. Distribution: Upon adoption, these procedures and standards will be distributed by the County Administrator/Controller's Office to all County departments, agencies, and the Judiciary.

I. Periodic Review: The Purchasing Division of Fiscal Services will review these procedures and standards at least every two (2) years and make recommendations to the County Administrator/Controller on any needed changes.

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 a public sector procurement or materials management organization:

- 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.
- Believes in the dignity and worth of the service rendered by the organization, and the societal responsibilities assumed as a trusted public servant.
- 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.
- Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- 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.
- Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.
- Resists encroachment on control of personnel in order to preserve integrity as a professional manager.
- 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.
- Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.
- Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.

GUIDELINES TO THE NIGP CODE OF ETHICS

RESPONSIBILITY TO YOUR EMPLOYER

- Follow the lawful instructions or laws of the employer
- Understand the authority granted by the employer
- Avoid activities which would compromise or give the perception of compromising the best interest of the employer
- Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition
- Obtain the maximum benefit for funds spent as agents for the employer

CONFLICT OF INTEREST

- Avoid any private or professional activity that would create a conflict between your personal interest and the interests of your employer
- Avoid engaging in personal business with any company that is a supplier to your employer
- Avoid lending money to or borrowing money from any supplier

PERCEPTION

- Avoid the appearance of unethical or compromising practices in relationships, actions and communications
- Avoid business relationships with personal friends. Request a reassignment if the situation arises
- Avoid noticeable displays of affection, which may give an impression of impropriety
- Avoid holding business meetings with suppliers outside the office. When such meetings do occur, the meeting location should be carefully chosen so as not to be perceived as inappropriate by other persons in the business community or your peers.

GRATUITIES

- Never solicit or accept money, loans, credits or prejudicial discounts, gifts, entertainment, favors or services from your present or potential suppliers which might influence or appear to influence purchasing decisions
- Never solicit gratuities in any form for yourself or your employer. Items of nominal value offered by suppliers for public relations purposes are acceptable when the value of such items has been established by your employer and would not be perceived by the offeror, receiver or others as posing an ethical breach.
- Gifts offered exceeding nominal value should be returned with an explanation or if perishable either returned or donated to a charity in the name of the supplier. In the case of any gift, care should be taken to evaluate the intent and perception of acceptance to ensure that it is legal, that it will not influence your buying decisions, and that it will not be perceived by your peers and others as unethical.

BUSINESS MEALS

- There are times when during the course of business it may be appropriate to conduct business during meals. In such instances, the meal should be for a specific business purpose
- Avoid frequent meals with the same supplier. The purchasing professional should be able to pay for meals as frequently as the supplier
- Budgeted funds should be available for such purposes.

CONFIDENTIAL INFORMATION

- Keep bidders proprietary information confidential
- Develop a formal policy on the handling of confidential information.

RELATIONSHIP WITH THE SUPPLIER

- Maintain and practice, to the highest degree possible, business ethics, professional courtesy and competence in all transactions
- Association with suppliers at lunches, dinners or business organization meetings is an acceptable professional practice enabling the buyer to establish better business relations provided that the buyer keeps free of obligation. Accordingly, it is strongly recommended that if a seller pays for an activity that the buyer reciprocate.
- Purchase without prejudice, striving to obtain the maximum value for each dollar of expenditure
- Preclude from showing favoritism or be influenced by suppliers through the acceptance of gifts, gratuities, loans or favors. Gifts of a nominal value that display the name of a firm which is intended for advertisement may or may not be accepted in accordance with the recipients own conscience or jurisdictional rules
- Adhere to and protect the suppliers business and legal rights to confidentiality for trade secrets, and other proprietary information
- Refrain from publicly endorsing products

RELATIONSHIP WITH THE EMPLOYER

- Remain free of any and all interests and activities, which are or could be detrimental or in conflict with the best interests of the employer. Refrain from engaging in activities where the buyer has a significant personal or indirect financial interest
- Exercise discretionary authority on behalf of the employer. Avoid acquiring interest or incurring obligations that could conflict with the interests of the employer

RELATIONSHIPS WITH OTHER AGENCIES AND ORGANIZATIONS

- A buyer shall not use his position to exert leverage on individuals or firms for the purpose of creating a benefit for agencies or organizations that he may represent
- All involvement and transactions shall be handled in a professional manner with the interest of the buyers employer taking precedent

RELATIONSHIP WITH PROFESSIONAL PURCHASING ORGANIZATIONS AND ASSOCIATIONS

- It is the obligation and the responsibility of the buyer, through affiliation with professional organization, to represent that organization in a professional and ethical manner
- A buyer shall not use his position to persuade an individual or firm to provide a benefit to an organization

POLICY

- It is the policy of NIGP that any member of the Institute who personally, or on behalf of his local chapter, is involved in the process of acquiring advertisers and/or exhibitors on behalf of the Institute, shall act only in the capacity of providing referrals of potential or interested parties to the Institute. As a result of such referral, should the Institute form a contractual obligation, appropriate credit shall be given to the individual or chapter



MICHIGAN PUBLIC PURCHASING OFFICERS ASSOCIATION

A CODE OF PROFESSIONAL ETHICS AND STANDARDS OF CONDUCT

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 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.

Recommended by the MPPOA Board of Directors April 2001

Adopted by the MPPOA Membership April 26, 2001

