

	WASHTENAW COUNTY POLICY	GENERAL OPERATIONS - VOLUME I		
TITLE: PROCUREMENT	RESOLUTION NUMBER 07-0222	SUPERCEDE: 86-0252 94-0109 03-0209	EFFECTIVE DATE: 11/14/07	PAGE OF 1 13

APPLICATION:

This policy shall govern all purchases/leases of goods and services, payment process, ~~procurement~~ credit cards, contracts and leases, and environmentally preferable purchases.

VENDOR SELECTION PROCESS

I. GENERAL POLICIES:

- A. The County’s Purchasing Division of the Finance Department shall be responsible for bidding out the purchase of goods and services to qualified vendors. The competitive bid process shall be used.
- B. Effective internal controls shall be in place to safeguard against impropriety, favoritism, or conflict of interest on the part of any County official or employee.
- C. As designated by the County Administrator, the ~~purchasing manager~~ Finance Director or his/her designee shall bid and purchase all goods or services and new construction or renovation work for capital facilities or improvement projects needed by all County departments and agencies, with the exception of items defined in the procurement procedures. Any bid for new construction or renovation work for capital facilities or improvement projects shall contain a requirement that the winning bidder agree to sign a Construction Unity Board (“CUB”) Memorandum of Understanding as a condition of receiving the contract. Accordingly, any RFP for this type of contract shall include the requirement that the winning bidder sign a CUB agreement ~~Departments and agencies may negotiate contracts for professional services only~~ (if applicable).
- D. The procurement process is to be a collaborative effort between Purchasing and County departments. For each type of procurement, Purchasing shall be responsible for ensuring compliance with the procurement policy and procedures on the part of County departments and Purchasing personnel. Purchasing shall be responsible for all the administrative aspects of each procurement.
 - 1. For purchases of goods or services on a countywide basis, Purchasing shall select the vendor to supply the goods or services. To the extent possible, input should be obtained from County departments as an aid in deciding on what should be purchased.
 - 2. For purchases of goods or services of a technical nature, where a County department has appropriate technical expertise, Purchasing and the county department shall work together to evaluate the bids and choose the best vendor. Purchasing shall evaluate the bids received based on its general procurement knowledge and any specific knowledge it may have in this area. The department

shall evaluate the bids and make its vendor recommendation based on its ability to evaluate the technical qualifications of the vendor to provide the goods or services to the County.

3. For other purchases of goods or services for a specific department, Purchasing and the department shall work together to evaluate and choose the vendor.
4. Choosing a vendor for professional services shall be done according to Section II.A.4.f. below.
5. After receiving and evaluating the vendors' bids, Purchasing and the appropriate county department(s) shall jointly prepare a bid analysis and recommendation on their choice of vendor. If there is disagreement on the choice of vendor, Purchasing and the county department(s) shall submit a request to the County Administrator to make the final determination

E. A procurement users group ~~shall be~~ **has been** established ~~to review policy and procedures and provide input into any changes that should be considered.~~ This ~~users~~ group **includes** ~~shall have~~ representatives from ~~the major~~ **all** user departments ~~and divisions~~ of the County. **This group will assist in communicating all policy and procedure updates to their department.**

F. All work done for the County pursuant to a service or professional service contract shall be completed in the United States. No work under a County services or professional services contract shall be partially or fully completed by either an offshore subcontractor or offshore business interest either owned by or affiliated with the vendor, provided, however that this Policy shall not apply to the purchase of goods or to current County contracts at the time this policy is approved by the Board of Commissioners. For purposes of this Policy, "offshore" refers to any area outside the contiguous United States, Alaska, or Hawaii.

G. Any request to waive the offshore contract language from a service or professional service contract must be made in writing to County Administration. Such a request shall fully explain why the vendor is seeking the waiver. Upon receiving a waiver request, Administration shall give the individual members of the Board of Commissioners seven (7) business days written notice that a vendor is seeking a waiver of the offshore contract language. The written notice shall also give the reasons stated by the vendor for the waiver and the basis for the Administrator's recommendation that this vendor should be chosen in view of a requested waiver of policy. If there are no objections presented to Administration during the seven (7) business day period, the Administrator may sign the waiver. If, however, any Commissioner objects to the waiver, it shall be formally presented to the Board of Commissioners at the next regularly scheduled meeting for approval.

II. SPECIFIC POLICIES:

A. Bidding guidelines: The following guidelines shall be used in determining which of the procurement procedures are to be followed in obtaining bids on behalf of the County. Any exceptions to and/or waiver of these guidelines shall be reviewed by the County Administrator and if waived shall be approved by the County Administrator in writing.

1. The formal procedures set forth in Section II of the procurement procedures shall be followed whenever the total estimated cost exceeds \$25,000.

2. The informal procedures as set forth in Section III of the procurement procedures shall be followed whenever the total estimated cost exceeds \$5,000 but does not exceed \$25,000.
3. The formal and informal bid procedures need not be followed whenever:
 - a. The proposed contract is with the United States of America or any agency thereof, or any other governmental unit or agency therein within the United States; or
 - b. The proposed contract is with a vendor wherein the unit price of the materials or equipment has been established through a bidding procedure followed by any governmental unit, or any agency, within the United States; or
 - c. The contract is for the lease/acquisition of real property
4. Types of bids: The Purchasing Division may use a variety of types of bids for goods and services.
 - a. A bid may be put out by Purchasing for a specific project of short-term duration.
 - b. A bid may also be put out to cover goods to be received by the County or services to be rendered to the County over a certain time period, such as a year (or longer, if specified in the bid). In the latter case, the County may purchase all of the goods or services during the established time period from the vendor winning the bid and awarded the contract. Each purchase during the specified time period need not be considered for bid since the original bid called for the goods or services to be provided to the County for a specified time period and at a specified price. However, the County may at its discretion bid specific items during the time period if deemed in the best interest of the County.
 - c. Under no circumstances shall any procurement requirement be artificially divided so as to circumvent the intent of the policies and procedures established herein.
 - d. In accordance with MCLA 750.490A, the purchasing division nor any county department shall not procure goods or services on behalf of an individual for his/her personal use.
 - e. The County shall contract out traditional building trades works for all capital facilities or improvement projects whenever:
 1. The engineer's estimate for electrical or carpentry work is in excess of \$20,000;
 2. The engineer's estimate for all other trades work is in excess of \$10,000;

All traditional building trades work for capital facilities or improvement projects below such stated amounts may be performed by County personnel or may be bid out, depending on the availability of County personnel, at the discretion of the County Administrator and/or the

~~Support Services-Infrastructure-Director~~ Infrastructure Management Director.

- f. Professional services: Whenever possible, County departments should use the request for proposal (RFP) or request the qualifications (RFQ) process through the Purchasing Division to obtain the information necessary to make an informed decision for awarding a professional services contract. If a department determines that it would not be in the County's best interest to use the request for proposal or request for qualifications process the following documentation policy shall be followed:
 - 1. For a proposed professional services contract estimated to cost \$25,000 or less on an annual basis, the Department shall negotiate the contract with the vendor it chooses. The department shall also prepare a written statement explaining the basis or criteria used to select the vendor and why the RFP/RFQ process was not used. This written statement shall be made a part of the contract file and shall be included in the statement to the County Administrator when requesting approval of the contract.
 - 2. For a proposed professional services contract estimated to cost more than \$25,000 on an annual basis, the department shall make written request to the County Administrator for a waiver of the RFP/RFQ process. The request shall include an explanation as to why the department believes that the RFP/RFQ process should not be followed and the method the department will use to select a quality vendor for the professional services. If the waiver is approved by the County Administrator, the written request for waiver and the approved waiver shall be made a part of the professional services contract file. If the waiver is disapproved, the department shall follow the RFP/RFQ process for selecting the vendor to perform the professional services.
- g. Penalties: Any person who violates the County's procurement policy or procedures, or any federal, state or local statute, ordinance or regulation may, at the County's discretion, have its existing contracts with the County voided and/or be barred from obtaining future contracts with the County for a period not to exceed five years.
- h. Exceptions: The following County agencies have separate statutory authority for procurement and the execution of contracts.

Drainage District and Lake Level Control Operations
Parks & Recreation Commission
Act 185 Public Work Projects

B. Vendor Appeal Process

- 1. Unsuccessful bidders may appeal an award of contract, lease or purchase order to the County Administrator.
- 2. All appeals shall be made in writing to the County Administrator within five (5) business days of the Notice to Award.
- 3. The County Administrator shall take necessary actions to review the appeals and respond to the individual submitting an appeal within five (5)

business days. This response shall be documented in writing in the bid file.

PURCHASE AND PAYMENT PROCESS

I. GENERAL POLICIES:

A. Purchasing Division shall be responsible for issuing all ~~central purchase~~ orders for purchases of goods and services.

B. An order for purchase ~~Purchase orders are~~ is required for all purchases exceeding \$500. For purchases under \$500, departments may use the direct payment or ~~procurement credit~~ card method.

C. The Purchasing Manager shall sign all purchase orders up to \$25,000. The County Administrator shall co-sign purchase orders over \$25,000. ~~that are not covered under a written contract.~~

~~B.D.~~ Purchase orders are required for every purchase of goods or services with the exception of the specific items/situations outlined in the policy and procedure.

~~C.E.~~ Accounts Payable Division of the Finance Department shall be responsible for making payments for goods and services purchased by County departments.

~~D.F.~~ Effective internal controls shall be in place to safeguard against improper or illegal payments.

~~E.G.~~ Exceptions to the Policy: The following County agencies have separate statutory authority for procurement and the execution of contracts.

Drainage District and Lake Level Control Operations
Parks & Recreation Commission
Act 185 Public Work Projects

UTILIZATION OF CREDIT ~~PROCUREMENT CARDS~~ FOR PROCUREMENT

I. GENERAL POLICIES:

A. Use of credit cards for procurement must be in compliance with the County credit card policy and procedure as well as County procurement policy and procedures.

~~A. It is the policy of Washtenaw County to use procurement cards issued to authorized personnel for the purchase of goods and services while on official business for the County only. The card may only be used for authorized expenditures approved by the department head or authorized representative. Failure to obtain proper authorization will result in the cancellation of the individual's procurement card.~~

~~B. The procurement card may be used for purchases of individual items up to \$5,000 in value. The total monthly dollar value of the transactions on each procurement card may be set up to \$10,000 by the Purchasing Manager. Any increase in the procurement card dollar value over \$10,000 in a given month must be pre-approved by the employee's department head. Additionally, the type of transaction on each procurement card can be limited to only certain types of vendors (i.e. hardware stores, automotive suppliers, etc.)~~

~~C. It is the responsibility of the Purchasing Manager (or his/her designee) to approve the issuance, accounting, monitoring, and retrieval of procurement cards issued in the County's name.~~

CONTRACTS AND LEASES: GENERAL

I. GENERAL POLICIES:

A. A formal **written** contract shall be prepared **regardless of cost** whenever either of the following conditions exist:

1. A purchase of the services of an individual or a company is being requested.
2. The purchase of goods includes other services of the company such as installation or monitoring of equipment or some other ongoing relationship with the County.

B. The following signatures are required on contracts for purchase of goods and services and on leases for real property.

1. Goods, Services, new Construction and Renovation Contracts under \$25,000 shall be signed by the Purchasing Manager. Contracts over \$25,000 shall be signed by the County Administrator or his/her designee, provided, however, that for any proposed contract for goods, services, new construction or renovation that exceeds one hundred thousand (\$100,000) dollars, the County Administrator shall give the individual members of the Board of Commissioners seven (7) business days written notice of the proposed contract. If no objections are presented to Administration during this seven (7) business day period, the County Administrator may sign the contract. If any Commissioner objects to the contract, it shall be formally presented to the Board of Commissioners at the next Ways & Means Committee meeting for approval.
2. All new lease/purchase agreements for real property shall be signed by the Chair of the Board of Commissioners upon approval of the Board. Renewals and/or extensions of leases which have substantially the same terms as the original lease or leases and which have an increase which does not exceed 10% shall be signed by the County Administrator or his/her designee.

C. Construction and Insurance Provision Policies are to be referred to when applicable. These policies can be obtained from Risk Management.

D. Professional Services – A formal **written** contract must be submitted for signatures to support a purchase order for professional services over \$5,000. The requirement for a formal contract for professional services \$5,000 or less, and which do not require an insurance certificate may be waived by the County Administrator, or his/her designee.

1. The County Administrator or his/her designee shall sign Professional Service contracts, provided however, that if the proposed Professional Service contract exceeds twenty-five thousand (\$25,000) dollars, the County Administrator shall give the individual members of the Board of Commissioners seven (7) business days written notice of the proposed contract. If no objections are presented to Administration during this seven (7) business day period, the County Administrator may sign the contract. If any Commissioner objects to

the contract, it shall be formally presented to the Board of Commissioners at the next Ways & Means Committee meeting for approval.

E. Corporation Counsel Involvement

1. All County departments and agencies shall inform the Office of Corporation Counsel when they intend to be involved in negotiations of leases, contracts, or other legal matters, in order that the Office of the Corporation Counsel may determine to what extent it should be involved in negotiations.
2. All leases and contracts for goods and services, including professional services, shall be reviewed and approved as to form by Corporation Counsel or his/her designee prior to the execution of the contract/lease. Such approval shall be indicated by signature on all contracts.

Individual contracts which use pre-approved contract formats may indicate Corporation Counsel approval by typing "APPROVED AS TO FORM BY CORPORATION COUNSEL" on the signature page. Any variations to these pre-approved formats must be reviewed and approved by Corporation Counsel.

F. All contracts must be reviewed and approved by the Risk Manager and Corporation Counsel for adherence to County insurance, affirmative action and other applicable Board approved policies.

G. Contracts may be extended with a formal written amendment by departments if amended prior to expiration. A contract requisition and purchase order shall not be sufficient to amend and/or extend a contract or lease.

H. Filing of contracts.

1. Signatures on all County contracts and leases shall be attested to by the County Clerk/Register. A copy with original signatures shall be filed with the County Clerk/Register.
2. An electronic copy of all contracts and leases entered into on behalf of the County shall be filed in a shared computer file to support purchase orders issued. All original purchase orders shall be filed with the Purchasing Division.

I. Exceptions to the Policy: The following County agencies have separate statutory authority for procurement and the execution of contracts:

Drainage Districts and Lake Level Control Operations
Parks & Recreation Commission
Act 185 Public Works Projects

ENVIRONMENTALLY PREFERABLE PURCHASING

I. GENERAL POLICY:

This policy is to support the purchase of products that can minimize adverse environmental impacts of our work. Washtenaw County recognizes that the purchasing decisions of our employees can make a difference in favor of environmental quality. We prefer the purchase of environmentally preferable

products whenever they perform satisfactorily and are available at a reasonable price

II. DEFINITIONS:

A. "Environmentally Preferable Products" means products that have a lesser adverse impact on human health and the environment when compared with competing products. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product.

Positive Attributes may include (as defined by US EPA)

- Recycled content
- Recyclability
- Product disassembly potential
- Durability
- Reusability
- Reconditioned or remanufactured
- Take-back
- Bio-based
- Energy efficiency
- Water efficiency
- Other attributes with positive environmental effects

B. "Recycled Products" are products manufactured with materials that have been recovered or diverted from solid waste.

C. Recycled material may be derived from post-consumer waste (material that has served its intended end-use and been discarded by a final consumer), industrial scrap, manufacturing waste, or other materials that would otherwise have been wasted.

D. "Practicable" means sufficient in performance and available at a reasonable cost.

III. SPECIFIC POLICIES:

A. All Washtenaw County personnel will purchase recycled and other environmentally preferable products whenever practicable.

B. All letterhead paper; envelopes and business cards used by Washtenaw County departments shall be recycled paper and shall bear an imprint or recycle symbol, identifying the paper as recycled whenever practicable.

C. Washtenaw County departments shall ensure that the title page of each report printed or copied on recycled paper bears an imprint or recycle symbol, identifying the recycled content of the paper wherever practicable.

The use of this imprint or recycle symbol, on every communication will help Washtenaw County set an example that will promote the use of recycled products by its clients. There is also a significant community relations benefit in this.

D. Departments shall use both sides of paper sheets and reuse the blank side of discarded and already printed paper for printing drafts, whenever practicable.

E. Washtenaw County shall promote the use of recycled and other environmentally preferable products by publicizing its procurement policy. Materials produced for advertising, conferences, trade fairs, press releases, and other communications with customers and citizens can make reference to Washtenaw County's commitment to and leadership in the use of environmentally preferable products.

IV. SELECTED ENVIRONMENTAL PRODUCTS:

~~Products are designated by the Planning and Environment Department (Section V).~~

Washtenaw County departments shall evaluate the following environmentally preferable products and purchase them whenever the evaluation is favorable.

- A. Recycled paper and paper products;
- B. Remanufactured laser printer toner cartridges;
- C. Re-refined antifreeze;
- D. Re-refined lubricating and hydraulic oils;
- E. Recycled plastic outdoor-wood substitutes;
- F. Re-crushed cement concrete aggregate and asphalt;
- G. Cement and asphalt concrete containing glass cullet, recycled fiber, plastic, tire rubber, or fly ash;
- H. Compost;
- I. Cleaning products with lowered toxicity;
- J. Energy saving products;
- K. Products containing post consumer recycled materials;
- L. Water-saving products; and
- M. ~~Other products designated by the Planning and Environment Department.~~

~~V. RESPONSIBILITIES OF PLANNING AND ENVIRONMENT DEPARTMENT:~~

~~Washtenaw County assigns responsibility for coordinating policy implementation to the Planning and Environment Department.~~

~~The Planning and Environment Department shall be responsible for coordinating the implementation of this policy. This department shall:~~

- ~~A. Develop and maintain information about environmentally preferable products and recycled products containing the maximum practicable amount of recycled materials, to be purchased by departments and agencies whenever possible. Initially, these shall include the products designated in Section IV of this policy. The Planning and Environment Department may modify this list as needed;~~
- ~~B. Inform departments of their responsibilities under this policy per Section VI (below), provide departments with information about recycled product and environmental procurement opportunities, identify options for used product disposal and recycling which maximizes waste diversion from landfills; and~~
- ~~C. Assemble an annual report on the status of implementation of this policy to the Administrator of Washtenaw County.~~

VI. RESPONSIBILITIES OF ALL DEPARTMENTS:

Each Washtenaw County department shall:

- A. Purchase recycled paper products whenever practicable;
- B. At the time of purchase of any product or service, evaluate environmentally preferable options to the product or service;
- ~~C. Communicate periodically with the Planning and Environment Department to report the progress of policy implementation, including:
 - ~~1. The results of product evaluations;~~
 - ~~2. The status of efforts to maximize environmental purchasing; and~~
 - ~~3. Total purchases of environmentally preferable products.~~~~
- D. Ensure, in conjunction with Finance/Purchasing, that contracts issued by the department require environmental purchasing wherever practicable.

| VI. EXEMPTION:

Nothing in this policy shall be construed as requiring the purchase of products that do not perform adequately or are not available at a reasonable price.